

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

EMERGENT CAPITAL, INC.

Form: 10-K

Date Filed: 2017-03-21

Corporate Issuer CIK: 1494448

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 001-35064

EMERGENT CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

30-0663473
(I.R.S. Employer
Identification No.)

5355 Town Center Road—Suite 701
Boca Raton, Florida 33486
(Address of principal executive offices, including zip code)
(561) 995-4200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	OTCQB

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant on June 30, 2016 was \$76,286,223.

The number of shares of the registrant's common stock outstanding as of March 16, 2017 was 28,413,844.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive proxy statement for the 2017 annual meeting are incorporated by reference in this Annual Report on Form 10-K in response to Part III— Items 10, 11, 12, 13 and 14.

EMERGENT CAPITAL, INC.
2016 Form 10-K Annual Report
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Annual Report on Form 10-K are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about the Company and the Company’s industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond the Company’s control. Accordingly, readers are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, results may prove to be materially different. Unless otherwise required by law, the Company disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made in this report.

Factors that could cause our actual results to differ materially from those indicated in our forward-looking statements include, but are not limited to, the following:

- our ability to continue as a going concern and avoid a bankruptcy or other reorganization proceeding;
 - risks associated with the proposed transactions relating to PJC or its designee’s investment in the Company, including but not limited to risks related to the failure to close the proposed transactions, including due to the failure to receive the requisite shareholder approval;
 - our ability to maintain our rights in the policies that serve as the primary assets of the Company and are the collateral under various debt instruments to which we are a party;
 - our ability to obtain future financings on favorable terms, or at all;
 - our ability to manage the process of exploring strategic alternatives;
 - our ability to complete any strategic alternatives that our special committee may recommend;
 - our ability to receive distributions from policy proceeds from life insurance policies pledged as collateral under our revolving credit facility;
 - our ability to meet our debt service obligations;
 - delays in the receipt of death benefits from our portfolio of life insurance policies;
 - costs related to obtaining death benefits from our portfolio of life insurance policies;
 - our ability to continue to comply with the covenants and other obligations, including the conditions precedent for additional fundings under our revolving credit facility;
 - increases in premiums on, or the cost of insurance of, life insurance policies that we own;
 - changes to actuarial life expectancy tables;
 - changes in general economic conditions, including inflation, changes in interest or tax rates;
 - our results of operations;
 - our ability to continue to make premium payments on the life insurance policies that we own;
 - adverse developments, including financial ones, associated with other litigation and judicial actions;
 - inaccurate estimates regarding the likelihood and magnitude of death benefits related to life insurance policies that we own;
 - lack of mortalities of insureds of the life insurance policies that we own;
 - increases to the discount rates used to value the life insurance policies that we own;
 - changes in mortality rates and inaccurate assumptions about life expectancies;
 - changes in life expectancy calculation methodologies by third party medical underwriters;
-

- the effect on our financial condition as a result of any lapse of life insurance policies;
- our ability to sell the life insurance policies we own at favorable prices, if at all;
- adverse developments in capital markets;
- deterioration of the market for life insurance policies and life settlements;
- increased carrier challenges to the validity of our life insurance policies;
- adverse court decisions regarding insurable interest and the obligation of a life insurance carrier to pay death benefits or return premiums upon a successful rescission or contest;
- challenges to the ownership of the policies in our portfolio;
- changes in laws and regulations;
- deterioration in the credit worthiness of the life insurance companies that issue the policies included in our portfolio;
- regulation of life settlement transactions as securities;
- liabilities associated with our legacy structured settlement business;
- our failure to maintain the security of personally identifiable information pertaining to insureds and counterparties;
- disruption of our information technology systems;
- our ability to avoid defaulting under the various credit documents to which we are a party;
- our ability to maintain a listing or quotation on a national securities exchange or automated quotation system;
- cyber security risks and the threat of data breaches;
- loss of the services of any of our executive officers; and
- the effects of United States involvement in hostilities with other countries and large-scale acts of terrorism, or the threat of hostilities or terrorist acts.

See Item 1A, "Risk Factors" for more information. All written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this Annual Report on Form 10-K in the context of these risks and uncertainties. The Company cautions you that the important factors referenced above may not contain all of the factors that are important to you.

All statements in this Annual Report on Form 10-K to "Emergent Capital," "Company," "we," "us," or "our" refer to Emergent Capital, Inc. and its consolidated subsidiaries unless the context suggests otherwise.

Item 1. Business

Overview

Founded in December 2006 as a Florida limited liability company, Imperial Holdings, LLC, converted into Imperial Holdings, Inc. on February 3, 2011, in connection with the Company's initial public offering. Effective September 1, 2015, the Company changed its name to Emergent Capital, Inc. (with its subsidiary companies, the "Company" or "Emergent Capital").

Incorporated in Florida, Emergent Capital, through its subsidiary companies, owns a portfolio of 621 life insurance policies, also referred to as life settlements, with a fair value of \$498.4 million and an aggregate death benefit of approximately \$2.9 billion at December 31, 2016. The Company primarily earns income on these policies from changes in their fair value and through death benefits.

Life Settlements Portfolio & Portfolio Management

The life insurance policies in Emergent Capital's portfolio were acquired through a combination of direct policy purchases from the original policy owners (the secondary market), purchases of policies owned by other institutional investors (the tertiary market) and from policy surrenders or foreclosures in satisfaction of loans issued under the Company's legacy premium finance business. Emergent Capital uses a probabilistic method of valuing life insurance policies, meaning the individual insured's probability of survival and probability of death are applied to the required premiums and net death benefit of the policy to extrapolate the likely cash flows over the life expectancy of the insured. These likely cash flows are then discounted using a net present value formula. Management believes this to be the preferred valuation method in the industry at the present time.

Until a policy matures, the Company must pay ongoing premiums to keep that policy in force and to prevent it from lapsing. Upon a policy lapse, the Company would suffer a complete loss on its investment in that policy. Accordingly, the Company must proactively manage its cash in order to effectively run its business, maintain liquidity and continue to pay premiums in order to maintain the policies in its portfolio. 619 of these policies, with an aggregate death benefit of approximately \$2.9 billion and a fair value of approximately \$497.7 million at December 31, 2016 are pledged under a \$370.0 million, revolving credit agreement (the "White Eagle Revolving Credit Facility") entered into by the Company's indirect subsidiary, White Eagle Asset Portfolio, LP ("White Eagle"). At December 31, 2016, 2 policies owned by the Company, with an aggregate death benefit of approximately \$12.0 million and a fair value of \$680,000 were not pledged as collateral under the White Eagle Revolving Credit Facility.

Regulation

The sale and solicitation of life insurance policies in the secondary market is highly regulated by the laws and regulations of individual states and other applicable jurisdictions. The purchase of a policy directly from a policy owner is referred to as a life settlement and is regulated on a state-by-state basis.

At December 31, 2016, the Company, through its subsidiary Imperial Life Settlements, LLC, maintained licenses to transact life settlements as a provider in 29 of the states that currently require a license and could conduct business in 37 states, and the District of Columbia.

The primary regulator for Imperial Life Settlements, LLC when purchasing life settlements in the secondary market is the Florida Office of Insurance Regulation. A majority of the state laws and regulations concerning life settlements relate to: (i) provider and broker licensing requirements; (ii) reporting requirements; (iii) required contract provisions and disclosures; (iv) privacy requirements; (v) fraud prevention measures; (vi) criminal and civil remedies; (vii) marketing requirements; (viii) the time period in which policies cannot be sold in life settlement transactions; and (ix) other rules governing the relationship between policy owners, insured persons, insurer, and others.

Competition

Competition is primarily through two channels: life settlement providers and institutional investors. In order to be a life settlement provider and transact with the original holder of a life insurance policy, in most instances, a license on a state-by-state basis is required. The life settlement business is highly fragmented and, therefore, competition is diverse. Often, life settlement providers are originating life settlements on behalf of institutional investors who do not maintain the necessary

licenses to transact in the secondary market for life insurance. These investors may have significantly more resources than the Company and can generally also transact directly in the tertiary market.

Employees

At December 31, 2016, we employed 24 full-time employees and no part-time employees. None of our employees are subject to any collective bargaining agreements. We believe that our employee relations are good.

Company Website Access and SEC Filings

Our website may be accessed at www.emergentcapital.com. All of our filings with the SEC can be accessed free of charge through our website promptly after filing; however, in the event that the website is inaccessible, we will provide paper copies of our most recent annual report on Form 10-K, the most recent quarterly report on Form 10-Q, current reports filed or furnished on Form 8-K, and all related amendments, excluding exhibits, free of charge upon request. These filings are also accessible on the SEC's website at www.sec.gov. Information on our website is not incorporated by reference into this Annual Report on Form 10-K.

General Information

Our registrar and stock transfer agent is American Stock Transfer & Trust Company, LLC. Our transfer agent is responsible for maintaining all records of shareholders, canceling or issuing stock certificates and resolving problems related to lost, destroyed or stolen certificates. For more information, please contact: American Stock Transfer & Trust Company at 6201 15th Avenue, Brooklyn, NY 11219 Phone: 800-937-5449.

Item 1A. Risk Factors

Risks Related to Our Indebtedness & Organizational Structure

At present, we do not have sufficient funds to pay our debt and other obligations as they come due or to finance our operations for more than a limited period of time.

Our cash, cash equivalents, short-term investments and operating cash flows may be inadequate to meet our obligations under our outstanding indebtedness and our other obligations. At December 31, 2016, 619 of the policies we owned were pledged as collateral under our White Eagle Revolving Credit Facility. When those policies mature, distributions will be made pursuant to a "waterfall" payment structure and any amounts available to us will vary based on the respective then current loan to value ratio under the facility. The White Eagle Revolving Credit Facility contemplates that proceeds will be directed to pay fees to service providers and premiums, with any remaining proceeds directed to pay outstanding interest. To the extent there is not sufficient remaining proceeds in the waterfall to satisfy the amount of required interest, White Eagle will be obligated to pay any such shortfall amount.

Under the White Eagle Revolving Credit Facility, proceeds from the maturity of the policies pledged as collateral are distributed pursuant to a waterfall. After distributions for payments of premiums, fees to service providers, and interest, a percentage of the collections from policy proceeds are to be paid to the lenders, which will vary depending on the then loan-to-value ratio ("LTV") as illustrated below where the valuation is determined by the lenders:

LTV	Premiums, Interest & Other Fees	Principal	Distribution to White Eagle - 55%	Lender Participation - 45%
N/A	100%	—%	—%	—%
>65%	N/A	100%	—%	—%
50-65%	N/A	70%	16.5%	13.5%
35-50%	N/A	55%	24.8%	20.3%
0-35%	N/A	45%	30.3%	24.8%

Provided that (i) if (a) the Company failed to maintain a cash interest coverage ratio of at least 2.0:1 at any time during the immediately preceding calendar quarter or (b) the Company fails to take steps to improve its solvency in a manner acceptable to the required lenders (as determined in their sole and absolute discretion), then the cash flow sweep percentage to

the lenders shall equal one-hundred percent (100%) and (ii) if such distribution date occurs on or after December 29, 2025, then the cash flow sweep percentage shall equal one-hundred percent (100%). See Note 8, "White Eagle Revolving Credit Facility" to our accompanying consolidated financial statements.

Accordingly, there can be no assurance as to when proceeds or the amounts from maturities of the policies pledged as collateral under the White Eagle Revolving Credit Facility will be distributed to us. In addition, we are not able to borrow money under our White Eagle Revolving Credit Facility to pay interest or principal under the facility or any other indebtedness. If we are unable to generate sufficient cash flow or otherwise obtain funds necessary to make required payments on any of our indebtedness, we will be in default, which could cause defaults under any other of our indebtedness then outstanding. Any such default would have a material adverse effect on our business, prospects, financial condition and operating results. Additionally, upon an event of default of the White Eagle Revolving Credit Facility, absent a waiver, in addition to principal and interest, the lenders' rights to proceeds from collections under the White Eagle Revolving Credit Facility will become due. If these obligations cannot be satisfied, the lenders, or their agent, may dispose of, release, or foreclose on (including by means of strict foreclosure on all or any of the policies or on our interests in White Eagle, which might be exercised in a manner intended to impair our rights to excess proceeds of any liquidation of foreclosed assets), or take other actions with respect to the policies pledged as collateral under the White Eagle Revolving Credit Facility that we or our shareholders may disagree with or that may be contrary to the interests of our shareholders.

Our substantial leverage and significant debt service obligations adversely affect our ability to fulfill our obligations and make it unlikely for us to fund our operations through the second quarter.

As of December 31, 2016, we had \$362.1 million in outstanding long-term debt (without giving effect to the fair value of such indebtedness) consisting of borrowings under the White Eagle Revolving Credit Facility, our 8.50% senior unsecured convertible notes (the "Convertible Notes") and the 15% senior secured notes (the "15% Senior Secured Notes"). Our substantial level of indebtedness could have important negative consequences to you and us, including:

- we may have difficulty satisfying our debt obligations, including payment of current interest obligations;
- we may have difficulty refinancing our existing indebtedness or obtaining financing in the future for working capital, premium payments, portfolio lending, acquisitions or other purposes;
- we will need to use a substantial portion of our available cash flow to pay interest and principal on our debt, which will reduce the amount of money available to finance our operations and other business activities;
- our debt level increases our vulnerability to general economic downturns and adverse industry conditions;
- our debt level could limit our flexibility in planning for, or reacting to, changes in our business and in our industry in general; and
- our leverage could place us at a competitive disadvantage compared to our competitors that have less debt.

While the terms of the financing arrangements governing our debt contain restrictions on our ability to incur additional indebtedness, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. Accordingly, we could incur significant additional indebtedness in the future; the more we become leveraged, the more we become exposed to the risks described above.

We require additional capital and there can be no assurance that we will be able to raise additional capital in a timely manner, at the level sought, or on favorable terms or at all.

Subject to borrowing base limitations and other conditions to funding, White Eagle may borrow proceeds to pay premiums on all of the life insurance policies pledged as collateral under the White Eagle Revolving Credit Facility at December 31, 2016. However, we estimate that, in addition to general overhead expenses, we will need to pay approximately \$117,000 in premiums to keep our remaining 2 life insurance policies that have not been pledged as collateral under the White Eagle Revolving Credit Facility in force through December 31, 2017. As of December 31, 2016, we had approximately \$11.3 million of cash and cash equivalents and certificates of deposit of \$6.0 million; of this amount, approximately \$8.3 million is available to pay premiums on the 2 unencumbered policies and other overhead expenses, with approximately \$9.1 million being restricted by the White Eagle Revolving Credit Facility. Accordingly, we must proactively manage our cash and may need to raise additional capital in order to effectively run our businesses, maintain the policies that have not been pledged under the White Eagle Revolving Credit Facility, pay interest expense on our debt and opportunistically grow our assets. There can be no assurance, however, that we will, if needed, be able to raise additional or sufficient capital on favorable terms or at all.

As part of our cash management and business strategy, we may, subject to the covenants in our debt arrangements, determine to sell all or a portion of our portfolio, but there can be no assurance that we can consummate any sales or that, if consummated, sales of policies will be at or above their carrying values. We may also, subject to the covenants in our debt arrangements and lender approval, determine to lapse certain of these policies that have a low return profile or as our portfolio management needs dictate. The lapsing of policies, if any, could result in an event of default under our debt arrangements and would create losses as the policies would be written down to zero.

We may not be successful in consummating a voluntary change to our organizational or finance structure and we may be required to undergo such change involuntarily.

We are currently in the process of exploring strategic alternatives that would change our organizational or capital structure, which includes equity recapitalization and debt refinancing. See Note 20 "Subsequent Events" of our accompanying consolidated financial statements for additional information.

There is no assurance that we will be able to successfully consummate such a transaction on a timely basis, or at all. If the process takes longer than anticipated, the Company may seek to raise capital, including, but not limited to a rights offering and the at-the-market offering program. If we are unable to secure additional capital or successfully complete a transaction on a timely basis and on terms that are acceptable to our shareholders, or if our expenses exceed our current plans and expectations, we may be required to participate in a reorganizational transaction that likely will not be favorable to holders of our equity.

We may have exposure to greater than anticipated tax liabilities.

Our income tax obligations are based in part on our corporate operating structure and intercompany arrangements, including the manner that we own our life settlements and the valuations of our intercompany transactions. The tax laws applicable to our business, including the laws of the United States, Ireland and other jurisdictions, are subject to interpretation and certain jurisdictions are aggressively interpreting their laws in new ways in an effort to raise additional tax proceeds from companies. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for intercompany arrangements and ownership of life settlements, which could increase our effective tax rate and harm our financial position and results of operations. We are subject to regular review and audit by U.S. federal and state authorities and from 2014 on, foreign tax authorities. Tax authorities may disagree with certain positions we have taken and any adverse outcome of such a review or audit could have a material negative effect on our financial position and results of operations. In addition, the determination of our provision for income taxes and other tax liabilities requires significant judgment by management, and there are many transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made. In addition, our future income taxes could be adversely affected by changes in tax laws, regulations, or accounting principles.

Changes in tax laws or tax rulings could materially affect our financial position and results of operations.

The U.S., Ireland and many countries in the European Union, are actively considering changes to existing tax laws. Certain proposals, including proposals with retroactive effects, could include recommendations that would significantly increase our tax obligations where we do business or where our subsidiaries own life insurance policies. Any changes in the taxation of either international business activities or ownership of life settlements may increase our effective tax rate and harm our financial position and results of operations and, under certain circumstances, may constitute an event of default under the White Eagle Revolving Credit Facility.

We may not be able to refinance the White Eagle Revolving Credit Facility.

The White Eagle Revolving Credit Facility contains covenants that may significantly limit our ability to refinance. In addition, the lender under the White Eagle Revolving Credit Facility has a substantial interest in and priority rights to distributions of certain proceeds from policies pledged by White Eagle. Such covenants and such interests in and rights to distributions may significantly reduce our ability to attract replacement financing were we to seek to refinance the credit facility as a means of limiting adverse actions by the lenders in the exercise of their remedies in relation to any event of default.

We may be unable to deduct interest payments on debt that is attributed to policies that we own, which would reduce any future income and cash flows.

Generally, under the Internal Revenue Code of 1986, as amended (the "Code"), interest paid or accrued on debt obligations is deductible in computing a taxpayer's federal income tax liability. However, when the proceeds of indebtedness

are used to pay premiums on life insurance policies that are owned by the entity incurring the debt or otherwise used to support the purchase or ownership of life insurance policies, the interest in respect of such proceeds may not be deductible. Accordingly, so long as we use a portion of debt financing to pay the premiums on policies owned by us or to support the continued ownership of life insurance policies by us, the interest paid or accrued on that portion of the debt may not be currently deductible by us for federal income tax purposes. We have net operating losses that we may be able to use to reduce a portion of our future taxable income, but the inability to currently deduct interest accrued on debt could have a material adverse effect on our future earnings and cash flows available for the payment of interest.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, a corporation that undergoes an "ownership change" (generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period) is subject to limitation on its ability to utilize its pre-change net operating loss carry-forwards, or net operating losses, to offset future taxable income. Future changes in our stock ownership, which may be outside of our control, may trigger an ownership change, as may future equity offerings or acquisitions that have equity as a component of the purchase price. If an ownership change has occurred or does occur in the future, our ability to utilize our net operating losses to offset income if we attain profitability may be limited.

We may adopt a tax benefit preservation plan in the form of a Section 382 Rights Agreement, designed to preserve the value of certain income tax assets, primarily net operating loss carryforwards, which may discourage acquisition and sale of large blocks of our stock and may result in significant dilution for certain stockholders, may deter institutional investors from investing in our stock, and may deter potential acquirers from making premium offers to acquire the Company, factors which may depress the market price of our stock.

We may not have the cash necessary to repurchase the Convertible Notes and the 15% Senior Secured Notes as well as may not have the funds available to pay required interest.

We have issued \$70.7 million in aggregate principal amount of Convertible Notes and \$30.0 million in 15% Senior Secured Notes. Holders of the Convertible Notes will have the right to require us to repurchase the Convertible Notes upon the occurrence of a fundamental change at 100% of their principal amount plus accrued and unpaid interest, if any. A fundamental change under the Convertible Notes is deemed to occur whenever any of the following occurs: (a) our common stock ceases to be listed or quoted on a national securities exchange in the United States, (b) our shareholders approve any plans for liquidation or dissolution, or (c) we experience a change in control represented by: (i) a majority of the members of our board of directors no longer being considered continuing directors, (ii) a transaction whereby our shareholders own less than 50% of the surviving company after the transaction, or (iii) a person or group obtaining more than 50% of the voting power of the common stock.

However, we may not have enough available cash to make a required repurchase of the Convertible Notes at the applicable time, and may not be able to obtain the necessary financing on favorable terms. In addition, our ability to repurchase the Convertible Notes may be limited by law or by the agreements governing our other indebtedness that exist at the time of the repurchase, as the case may be. Our failure to repurchase the Convertible Notes when required by their indenture would constitute a default, which could also lead to a default under the agreements governing our other indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and to repurchase the Convertible Notes. Any such default would have a material adverse effect on our business, prospects, financial condition and operating results.

Interest on the Convertible Notes and on the 15% Senior Secured Notes is due semi-annually and quarterly, respectively. On February 14, 2017, the Company entered into a solicitation to consent (the "Consent Solicitation") to issue additional Convertible Notes (the "Additional Convertible Notes") in lieu of a cash payment of interest due on February 15, 2017 (the "2017 Interest Payment Date") to holders of the Convertible Notes. The Company's obligation to issue the Additional Convertible Notes was subject to the satisfaction of (1) not less than 95% of the aggregate principal amount of Convertible Notes agreeing to accept Additional Convertible Notes in lieu of a cash payment of interest on the 2017 Interest Payment Date and (2) the amendment of the Indenture dated as of March 11, 2016 with Wilmington Trust, National Association, as indenture trustee for the 15% Senior Secured Notes due 2018 (the "Senior Secured Indenture") to permit the issuance of the Additional Convertible Notes. This consent is only effective for the cash payment of interest due on February 15, 2017 and not for subsequent interest payments.

On March 14, 2017, the Company issued an additional \$3.5 million in Additional Convertible Notes following the Company's receipt of requisite consents of the holders of the Convertible Notes of approximately 98% of the aggregate principal amount of Convertible Notes (the "Consenting Holders"), pursuant to the Consent Solicitation, whereby each Consenting Holder agreed to accept Additional Convertible Notes in lieu of a cash payment of interest on the Convertible Notes due on the 2017 Interest Payment Date. All Additional Convertible Notes issued by the Company to Consenting Holders were issued under the Indenture dated February 21, 2014 between the Company and U.S. Bank National Association (the

"Convertible Indenture") and such Additional Convertible Notes have identical terms to existing Convertible Notes. Interest on the Additional Convertible Notes will accrue from February 15, 2017.

The Company did not make an interest payment of \$1.1 million, due March 15, 2017, on the 15.0% Senior Secured Notes, of which \$30.0 million principal amount was outstanding on that date. If the interest payment is not made within five business days of its due date, such failure would result in an event of default under the Senior Secured Indenture governing the 15.0% Senior Secured Notes, and the trustee or holders of at least 25% in principal amount of the outstanding 15.0% Senior Secured Notes may declare the principal, premium, if any, and accrued but unpaid interest immediately due and payable. Any such default would have a material adverse effect on our business, prospects, financial condition and operating results. The Company released the cash interest payment of \$1.1 million to the holders of the 15% Senior Secured Notes on March 20, 2017.

On March 15, 2017 the Company entered into a series of separate agreements (the "Agreements") with a third party and certain holders of the convertible notes regarding a series of integrated transactions with the intent to effect a recapitalization of the Company (the "Transaction"). The agreements include, among other transactions, a Convertible Note Exchange Offer, New Convertible Notes, a Senior Note Exchange Offer, and New Senior Notes (each as defined in the Agreements and, together with the Agreements and the other transactions contemplated by the Agreements, the "Transaction Documents").

As part of the Transaction, the Company will offer to exchange, in each case with existing holders, its outstanding Convertible Notes for 5.0% Senior Unsecured Convertible Notes due 2023 (the "New Convertible Notes"), and its outstanding 15.0% Senior Secured Notes for 8.5% Senior Notes due 2021 (the "New Senior Notes"). At least 98% of the holders of each class of notes must tender in the relevant exchange offer as a condition to closing the Transaction.

The Transaction is subject to certain conditions, including that the Company shall have obtained the requisite approval by the Company's shareholders to amend the Company's Articles of Incorporation to increase the number of authorized shares of the Company's common stock, \$0.01 par value (the "Common Stock"), and that the requisite number of holders of the Company's 15% Senior Secured Notes and Convertible Notes shall have tendered their notes in connection with the applicable exchange offer as described herein, and certain customary closing conditions, including that each of the Transaction Documents shall have been executed and delivered to the other parties thereto. The Transaction is expected to close in the second quarter of 2017, although the consummation of the Transaction is subject to multiple conditions and there can be no assurance that the Transaction will close on a timely basis or at all. Failure to close the Transaction would have a material adverse effect on our business, prospects, financial condition and operating results.

We may fail to comply with certain other financial covenants, which could lead to default and the need to seek protection under applicable bankruptcy laws.

We currently anticipate that we will not comply with our financial covenant under the White Eagle Revolving Credit Facility to maintain a cash interest coverage ratio of at least 2.0:1. Absent waivers or cures, non-compliance with such covenant would result in the cash flow sweep percentage being equal to one-hundred percent (100%), and even if the required LTV ratio may have been satisfied, the Company would not participate in any cash flow sweep. As of December 31, 2016, the cash interest coverage ratio was 1.65:1 and the LTV ratio was 55%, which was calculated using the lender's valuation. It is possible we could obtain waivers from our debt holder; however, the aforementioned projections and certain liquidity risks raise substantial doubt about whether we will meet our obligations as they become due within one year after the date of issuance of this report.

There can be no assurance that management's plan to improve our operating performance and financial position will be successful or that we will be able to obtain additional financing on commercially reasonable terms or at all. As a result, our liquidity and ability to timely pay our obligations when due could be severely limited. Furthermore, our debt holders and creditors may resist renegotiation or lengthening of payment and other terms through legal action or otherwise. If we are not able to timely, successfully or efficiently implement the strategies that we are pursuing to improve our operating performance and financial position, obtain alternative sources of capital or otherwise meet our liquidity needs, we may need to voluntarily seek protection under applicable bankruptcy laws.

Risks Related to Our Business

We have been experiencing net losses and expect that net losses could continue for an uncertain period. If we continue to operate at a loss, our business will not be financially viable.

For the year ended December 31, 2016, our net loss from continuing operations was \$49.4 million. We have now reported 3 consecutive loss years with an accumulated deficit of \$132.5 million. As of December 31, 2016, our cash balance was \$11.3

million and certificates of deposit were \$6.0 million. We had net working capital of \$16.4 million, outstanding debt of \$362.1 million and we had life settlement assets of \$498.4 million. If we do not succeed in our business plan's objectives to achieve profitability, our business might continue to experience losses and may not be sustainable in the future.

At our current estimated burn rate, we only have sufficient capital to continue through the second quarter. Accordingly, we must raise capital to continue as a going concern. There is no assurance that we can raise additional funding to continue as a going concern or to operate profitably. Any inability to obtain additional financing when needed could require us to significantly curtail or cease operations. Even if funding is available to us, we cannot assure investors that additional financing will be available on terms that are favorable to us or to our existing shareholders. If we fail to raise sufficient funds, investors may lose their entire investment.

Our success in operating our life finance business is dependent on making accurate assumptions about life expectancies and maintaining adequate cash balances to pay premiums.

We are responsible for paying all premiums necessary to keep the policies in our portfolio in force and prevent them from lapsing. We estimate that we will need to pay \$117,000 in premiums to keep our current portfolio of life insurance policies that are not pledged as collateral under the White Eagle Revolving Credit Facility in force through 2017. As of December 31, 2016, we had approximately \$11.3 million of cash and cash equivalents and certificates of deposit of \$6.0 million; of this amount, approximately \$8.3 million is available to pay premiums on the 2 unencumbered policies and general expenses, with approximately \$9.1 million being restricted by the White Eagle Revolving Credit Facility. By using cash reserves to pay premiums for retained life insurance policies, we will have less cash available for other business purposes. Therefore, our cash flows and the required amount of our cash reserves to pay premiums is dependent on our assumptions about life expectancies being accurate.

Life expectancies are estimates of the expected longevity or mortality of an insured and are inherently uncertain. A life expectancy obtained on an insured for a life insurance policy may not be predictive of the future longevity or mortality of the insured. Inaccurate forecasting of an insured's life expectancy could result from, among other things: (i) advances in medical treatment (e.g., new cancer treatments) resulting in deaths occurring later than forecasted; (ii) inaccurate diagnosis or prognosis; (iii) changes to life style habits or the individual's ability to fight disease, resulting in improved health; (iv) reliance on outdated or incomplete age or health information about the insured, or on information that is inaccurate (whether or not due to fraud or misrepresentation by the insured); or (v) improper or flawed methodology or assumptions in terms of modeling or crediting of medical conditions.

In forecasting estimated life expectancies, we utilize third party medical underwriters to evaluate the medical condition and life expectancy of each insured. The firms that provide health assessments and life expectancy information may depend on, among other things, actuarial tables and model inputs for insureds and third-party information from independent physicians who, in turn, may not have personally performed a physical examination of any of the insureds and may have relied solely on reports provided to them by attending physicians or other health care providers with whom they were authorized to communicate. The accuracy of this information has not been and will not be independently verified by us or our service providers.

If life expectancy valuations underestimate the longevity of the insureds, the actual maturity date of the life insurance policies may be farther in the future than projected. Consequently, we may not have sufficient cash for payment of insurance premiums or to service our indebtedness. The extension of time to receive a return on our policies could have a material adverse effect on our business, financial condition and results of operations.

During 2015, the U.S. Society of Actuaries (the "SOA") released new versions of the Valuation Basic Tables, the ("2015 VBT"). The 2015 VBT has a significant increase in exposure and number of claims compared to the 2008 VBT is believed to be a better fit for the life settlement industry, and is becoming more widely accepted. During the year ended December 31, 2016, the Company changed its valuation technique and decided to adopt the 2015 VBT, smoker and gender distinct tables, to determine the value of the policies. The table shows lower mortality rates in the earlier select periods at most ages, so while the Company continues to fit the life expectancies from independent life expectancy providers (each, an "LE provider") to the 2015 VBT, the change in the mortality curve changes the timing of the Company's expected cash flow streams. Adopting the 2015 VBT resulted in a decrease in the estimated fair value of our policies, and had a material adverse effect on our business, financial condition and results of operations.

Recent and future increases to the premiums due on life insurance policies that we own will adversely affect the fair value and our returns on such life insurance policies.

To keep the life insurance policies that we own in force, insurance premiums must be timely paid. Projected premium payments are a critical component of our fair value estimates, and any increase in expected premiums will likely decrease the fair value of a given life insurance policy and adversely affect the return on that policy. Commencing in the third quarter of 2015, 24 of our policies became subject to a cost of insurance increase. During the year ended December 31, 2016, the cost of insurance increase for these additional policies caused the fair value of our life settlements to decrease by approximately \$3.2 million and approximately \$7.6 million since the third quarter of 2015. Further cost of insurance increases may cause our projected premium payments to significantly increase, adversely affect the loan to value ratios under the White Eagle Revolving Credit Facility and otherwise could have an adverse, material effect on our business, results of operations and the value of any affected policies.

The premiums necessary to maintain our life finance assets are expected to increase if we were to acquire additional policies.

The premiums necessary to keep our policies in force may increase. Assuming no maturities in 2017, we would need to pay \$118,000 in premiums in 2017 to maintain the policies owned as of December 31, 2016 that are not pledged under the White Eagle Revolving Credit Facility. For the 619 policies pledged as collateral under the White Eagle Revolving Credit Facility, White Eagle is eligible to borrow under the White Eagle Revolving Credit Facility to pay the estimated \$86.1 million in premiums for 2017 (assuming no maturities), so long as the applicable borrower maintains compliance with the borrowing base formula determined by the lender. If White Eagle is unable to draw under the White Eagle Revolving Credit Facility, it may not be able to sustain the policies it owns, which could lead to lapses or an event of default under the White Eagle Revolving Credit Facility. See "Liquidity and Capital Resources" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Contractions in the market for life insurance policies could make it more difficult for us to opportunistically sell policies that we own and may make it more difficult to borrow under the White Eagle Revolving Credit Facility.

A potential sale of a life insurance policy owned by us depends significantly on the market for life insurance, which may contract or disappear depending on the impact of potential government regulation, future economic conditions and/or other market variables. For example, the secondary and tertiary markets for life insurance policies incurred a significant slowdown in 2008, which lasted several years. Historically, many investors who invest in life insurance policies are foreign investors who are attracted by potential investment returns from life insurance policies issued by United States life insurers with high ratings and financial strength, as well as by the view that such investments are non-correlated assets—meaning changes in the equity or debt markets should not affect returns on such investments. Changes in the value of the United States dollar and corresponding exchange rates, as well as changes to the ratings of United States life insurers can cause foreign investors to suffer a reduction in the value of their United States dollar denominated investments and reduce their demand for such products, which could make it more difficult for us to opportunistically sell our life insurance policies.

The ability of White Eagle to continue to draw borrowings under the White Eagle Revolving Credit Facility is controlled by a borrowing base formula. To the extent the above noted and other factors result in market contractions, they will likely also negatively impact the value of the policies owned by White Eagle, which could decrease the borrowing base under the facility. If White Eagle is unable to draw under the White Eagle Revolving Credit Facility, it may not be able to sustain the policies it owns, which could lead to lapses or an event of default under the White Eagle Revolving Credit Facility.

Our fair value assumptions are inherently subjective and, if the fair value of our life insurance policies decreases, we will report losses with respect to these policies.

When we obtain ownership of a life insurance policy, we record the policy as an investment in life settlements at the transaction price as of the date of acquisition. At the end of each reporting period, we re-value the life insurance policies we own. To the extent that the calculation results in an adjustment to the fair value of the policy, we record this as a change in fair value of our life insurance policies. This evaluation of the fair value of life insurance policies is inherently subjective as it requires estimates and assumptions that are susceptible to significant revision as more information becomes available. Using our valuation model, we determine the fair value of life insurance policies on a discounted cash flow basis. The most significant assumptions that we estimate are the life expectancy of the insured, expected premium payments and the discount rate. The discount rate is based upon current information about market interest rates, the credit exposure to the insurance company that issued the life insurance policy and our estimate of the risk margin an investor in the policy would require. Third party life expectancy providers review and analyze the medical records of an insured and provide us with a life expectancy estimate based on the insured's health. We then calculate a mortality impairment factor for the insured as that factor which, when applied to our mortality table, reproduces the same life expectancy provided for that insured. We use the resulting mortality impairment factor to generate a series of probabilistic future cash flows for the policy, which we then discount and aggregate to

arrive at the fair value of the policy. If we are unable to accurately estimate any of these factors, we may have to write down the fair value of our life settlements, which could materially and adversely affect our results of operations and our financial condition. Adopting the 2015 VBT resulted in a decrease in the estimated fair value of our policies. See, "Our success in operating our life finance business is dependent on making accurate assumptions about life expectancies and maintaining adequate cash balances to pay premiums," under Item 1A, "Risk Factors."

Insurable interest concerns regarding a life insurance policy can also adversely impact its fair value. A claim or the perceived potential for a claim for rescission or a challenge to insurable interest by an insurance company or by persons with an insurable interest in the insured of a portion of or all of the policy death benefit can negatively impact the fair value of a life insurance policy.

If the calculation of fair value results in a decrease in value, we record this reduction as a loss. If we determine that it is appropriate to increase the discount rate or adjust other inputs to our fair value model, if we are otherwise unable to accurately estimate the assumptions in our valuation model, or if other factors cause the fair value of our life insurance policies to decrease, the carrying value of our assets may be materially adversely affected and may materially and adversely affect our business, financial condition and results of operations.

The life insurance policies that we own may be subject to contest, rescission and/or non-cooperation by the issuing life insurance company, which may have a material adverse effect on our business, financial condition and results of operations.

All states require that the initial purchaser of a new life insurance policy insuring the life of an individual have an "insurable interest," meaning a stake in the insured's health and wellbeing, rather than the insured's death, in such individual's life at the time of original issuance of the policy. Whether an insurable interest exists in the context of the purchase of a life insurance policy is critical because, in the absence of a valid insurable interest, life insurance policies are unenforceable under most states' laws. Where a life insurance policy has been issued to a policyholder without an insurable interest in the life of the individual who is insured, the life insurance company may be able to void or rescind the policy. Even if the insurance company cannot void or rescind the policy, the insurable interest laws of a number of states provide that persons with an insurable interest on the life of the insured may have the right to recover a portion or all of the death benefit payable under a policy from a person who has no insurable interest on the life of the insured. These claims can generally only be brought if the policy was originally issued to a person without an insurable interest in the life of the insured.

Many states have enacted statutes prohibiting stranger-originated life insurance, or STOLI, in which an individual purchases a life insurance policy with the intention of selling it to a third-party investor, who lacks an insurable interest in the insured's life. Some insurance carriers have contested policies as STOLI arrangements, specifically citing the existence of certain nonrecourse premium financing arrangements as a basis to challenge the validity of the policies used to collateralize the financing. Additionally, if an insurance carrier alleges that there were misrepresentations or fraud in the application process for an insurance policy, they may sue us or others to contest or rescind that policy. Decisions in Florida have increased the risk that challenges to premium financed policies may be decided in favor of the issuing insurance company. Moreover, because life insurance policies we own were originated in the same or a similar manner and in a limited number of states, there is a heightened risk that an adverse court decision or other challenge or determination by a regulatory or other interested party with respect to a policy could have a material adverse effect on a significant number of other policies. If a policy that we own is subject to a successful contest or rescission, the fair value of the policy could be reduced to zero, negatively impacting the discount rates used to value our portfolio generally and our ability to sell policies. Generally, life insurance policies may only be rescinded by the issuing life insurance company within the contestability period, which, in most states is two years. Lack of insurable interest can in some instances form the basis of loss of right to payment under a life insurance policy for many years beyond the contestability period and insurance carriers have been known to challenge claims for death benefits for more than five years from issuance of the policy.

From time to time, insurance carriers have challenged the validity of policies owned by us or that once served as the underlying collateral for a premium finance loan made by us. See "Litigation" under Note 15, "Commitments and Contingencies" to our consolidated financial statements. We believe the USAO Investigation and the SEC Investigation have caused us to experience more challenges to policies by insurers attempting to use such investigations and the Non-Prosecution Agreement as grounds for rescinding or contesting a policy. Any such future challenges may result in a cloud over title and collectability, increased costs, delays in payment of life insurance proceeds or even the voiding of a policy, and could have a material adverse effect on the ability to comply with the covenants in the agreements governing our indebtedness, our business, financial condition and results of operations.

Additionally, if an insurance company successfully rescinds or contests a policy, the insurance company may not be required to refund all or, in some cases, any of the insurance premiums paid for the policy. While defending an action to contest or rescind a policy, premium payments may have to continue to be made to the life insurance company. Hence, in the case of a contest or rescission, premiums paid to the carrier (including those paid during the pendency of a contest or rescission action) may not be refunded. If they are not, we may suffer a complete loss with respect to a policy, which may adversely affect our business, financial condition and results of operations.

Premium financed life insurance policies are susceptible to a higher risk of fraud and misrepresentation on life insurance applications, which increases the risk of contest, rescission or non-cooperation by issuing life insurance carriers.

While fraud and misrepresentation by applicants and potential insureds in completing life insurance applications exist generally in the life insurance industry (especially with respect to the health and medical history and condition of the potential insured as well as the applicant's net worth), such risk of fraud and misrepresentation may be heightened in connection with life insurance policies for which the premiums are financed through premium finance loans. In particular, there is a risk that applicants and potential insureds may not have truthfully or completely answered questions related to whether the life insurance policy premiums would be financed through a premium finance loan or otherwise, the applicants' purpose for purchasing the policy or the applicants' intention regarding the future sale or transfer of life insurance policies. Such risk may be further increased to the extent life insurance agents communicated to applicants and potential insureds regarding potential premium finance arrangements or transfers of life insurance policies through payment defaults under premium finance loans. In the ordinary course of our legacy premium finance business, our sales team received inquiries from life insurance agents and brokers regarding the availability of premium finance loans for their clients. However, any communication between the life insurance agent and the potential policyholder or insured is beyond our control and we may not know whether a life insurance agent discussed with the potential policyholder or the insured the possibility of a premium finance loan by us or the subsequent transfer of the life insurance policy. Consequently, notwithstanding the representations and certifications obtained from the policyholders, insureds and the life insurance agents, there is a risk that insurance carriers, the estates or heirs of insureds, or others could contest policies we acquired through foreclosures of premium finance loans based on fraud or misrepresentation as to any information provided to the life insurance company, including the life insurance application. See "Litigation" under Note 15, "Commitments and Contingencies" to the accompanying consolidated financial statements.

Misrepresentations, fraud, omissions or lack of insurable interest can also, in some instances, form the basis of loss of right to payment under a life insurance policy. Based on statements made in the Non-Prosecution Agreement, there is a risk that policies that we own may increasingly be challenged by insurance carriers and the estates or heirs of insureds. Any such challenges to the policies may result in increased costs, delays in payment of life insurance proceeds or even the voiding of a policy, a reduction in the fair value of a policy and could have a material adverse effect on our business, financial condition and results of operations.

As of December 31, 2016, of the 621 policies in our life settlement portfolio, 539 policies were previously premium financed.

Delays in payment and non-payment of life insurance policy proceeds can occur for many reasons and any such delays may have a material adverse effect on our business, financial condition and results of operations.

A number of arguments may be made by former beneficiaries (including but not limited to spouses, ex-spouses and descendants of the insured) under a life insurance policy, by the beneficiaries of the trust that once held the policy, by the estate or legal heirs of the insured or by the insurance company issuing such policy, to deny or delay payment of proceeds following the death of an insured, including arguments related to lack of mental capacity of the insured, usury, contestability or suicide provisions in a policy. The statements in the Non-Prosecution Agreement may make such delays more likely and may increase challenges by carriers to paying out death claims or challenges by families of insureds to policy proceeds. Furthermore, if the death of an insured cannot be verified and no death certificate can be produced, the related insurance company may not pay the proceeds of the life insurance policy until the passage of a statutory period (usually five to seven years) for the presumption of death without proof. Such delays in payment or non-payment of policy proceeds may have a material adverse effect on our business, financial condition and results of operations.

We compete with a number of other finance companies and investors and may encounter additional competition.

There are a number of finance companies and investors that compete with us in the life finance industry. Many are significantly larger and possess considerably greater financial, marketing, management and other resources than we do. The life finance business could also prove attractive to new entrants. As a consequence, competition in this sector may increase. Increased competition could result in increased acquisition costs, changes to discount rates, margin compression and/or less

favorable financing terms, each of which could materially adversely affect our income, which would have a material adverse effect on our business, financial condition and results of operations.

If a regulator or court decides that trusts that were formed to own the life insurance policies that once served as collateral for our premium finance loans do not have an insurable interest in the life of the insured, such determination could have a material adverse effect on our business, financial condition and results of operations.

Generally, there are two forms of insurable interests in the life of an individual, familial and financial. Additionally, an individual is deemed to have an insurable interest in his or her own life. It is also a common practice for an individual, as a grantor or settlor, to form an irrevocable trust to purchase and own a life insurance policy insuring the life of the grantor or settlor, where the beneficiaries of the trust are persons who themselves, by virtue of certain familial relationships with the grantor or settlor, also have an insurable interest in the life of the insured. In the event of a payment default on our premium finance loan, we generally acquired life insurance policies owned by trusts (or the beneficial interests in the trust itself) that we believe had an insurable interest in the life of the related insureds. However, a state insurance regulatory authority or a court may determine that the trust or policy owner did not have an insurable interest in the life of the insured or that we, as lender, only have a limited insurable interest. Any such determination could result in our being unable to receive the proceeds of the life insurance policy, which could lead to a total loss on our investment in life settlements. Any such loss or losses could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on the creditworthiness of the life insurance companies that issued the policies in comprising our portfolio. If a life insurance company defaults on its obligation to pay death benefits on a policy we own, we would experience a loss of our investment, which could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on the creditworthiness of the life insurance companies that issued the policies that we own. We assume the credit risk associated with life insurance policies issued by various life insurance companies. The failure or bankruptcy of any such life insurance or annuity company could have a material adverse impact on our financial condition and results of operation. A life insurance company's business tends to track general economic and market conditions that are beyond its control, including extended economic recessions or interest rate changes. Changes in investor perceptions regarding the strength of insurers generally and the policies or annuities they offer can adversely affect our ability to sell or finance our assets. Adverse economic factors and volatility in the financial markets may have a material adverse effect on a life insurance company's business and credit rating, financial condition and operating results, and an issuing life insurance company may default on its obligation to pay death benefits on the life insurance policies that we own. In such event, we would experience a loss of our investment in such life insurance policies, which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the trading price of our common stock may be negatively affected.

We are subject to Section 404 of the Sarbanes-Oxley Act (SOX), which requires us to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. We have consumed and will continue to consume management resources and incur expenses for SOX compliance on an ongoing basis. In addition, as we have reduced the number of our employees and moved certain of our operations to foreign subsidiaries, we have increased our reliance on third parties for various aspects of our internal controls. If we identify material weaknesses in our internal control over financial reporting, or if we are unable to comply with the requirements of Section 404 in a timely manner or are unable to assert that our internal control over financial reporting is effective, investors may lose confidence in the accuracy and completeness of our financial reports and the trading price of our common stock could be negatively affected, and we could become subject to investigations by the SEC, or other regulatory authorities, which could require additional financial and management resources.

Changes to statutory, licensing and regulatory regimes governing life settlements could have a material adverse effect on our activities and income.

Changes to statutory, licensing and regulatory regimes could result in the enforcement of stricter compliance measures or adoption of additional measures on us or on the insurance companies that stand behind the insurance policies that we own, which could have a material adverse impact on our business activities and income. The SEC issued a task force report in July 2010 recommending that sales of life insurance policies in life settlement transactions be regulated as securities for purposes of the federal securities laws. To date, the SEC has not made such a recommendation to Congress. However, if the statutory definitions of "security" were amended to encompass life settlements, we could become subject to additional extensive

regulatory requirements under the federal securities laws, including the obligation to register sales and offerings of life settlements with the SEC as public offerings under the Securities Act of 1933 and, potentially, the obligation to register as an "investment company" pursuant to the Investment Company Act of 1940. Any legislation implementing such regulatory change or a change in the transactions that are characterized as life settlement transactions could lead to significantly increased compliance costs, increased liability risk and adversely affect our ability to acquire or sell life insurance policies in the future, which could have a material adverse effect on our business, financial condition and results of operations.

Under the new Presidential administration and U.S. Congress, we expect that there may be many changes to existing U.S. laws, regulations, and standards. Because of the uncertainty regarding existing law, we cannot quantify or predict with any certainty the likely impact of such change on our business model, prospects, financial condition or results of operations. We cannot assure you as to the ultimate content, timing, or effect of changes, nor is it possible at this time to estimate the impact of any such potential legislation.

Our former structured settlements business may expose us to future claims or contingent liabilities.

Pursuant to the terms of the asset purchase agreement we entered into in connection with the sale of our structured settlements business, we sold substantially all of that business' operating assets while retaining substantially all of its liabilities. In addition, we agreed to indemnify the purchaser for certain breaches of representations and warranties regarding us and various aspects of that business. Many of our indemnification obligations are subject to time and maximum liability limitations, however, in some instances our indemnification obligations are not subject to any limitations. Significant indemnification claims by the purchaser or other claims or contingent liability related to our former structured settlement business could materially and adversely affect our business, financial condition and results of operations.

Failure to maintain the security of personally identifiable and other information, non-compliance with our contractual or other legal obligations regarding such information, or a violation of our privacy and security policies with respect to such information, could adversely affect us.

In connection with our business, we collect and retain significant volumes of certain types of personally identifiable and other information pertaining to insureds and counterparties. The legal, regulatory and contractual environment surrounding information security and privacy is constantly evolving. A significant actual or potential theft, loss, fraudulent use or misuse of customer, counterparty, employee or our data by cybercrime or otherwise, non-compliance with our contractual or other legal obligations regarding such data or a violation of our privacy and security policies with respect to such data could adversely impact our reputation and could result in significant costs, fines, penalties, litigation or regulatory action.

Disasters, disruptions and other impairment of our information technologies and systems could adversely affect our business.

Our businesses depend upon the use of sophisticated information technologies and systems, including third party hosted services and data facilities that we do not control. While we have developed certain disaster recovery plans and backup systems, these plans and systems are not fully redundant. A system disruption caused by a natural disaster, cybercrime or other impairment could have a material adverse effect on our results of operations and may cause delays, loss of critical data and reputational harm, and could otherwise prevent us from servicing our portfolio of life insurance policies.

The loss of any of our key personnel could have a material adverse effect on our business, financial condition and results of operations.

Our success depends to a significant degree upon the continuing contributions of our key executive officers, including Antony Mitchell, our chief executive officer. Mr. Mitchell has significant experience operating specialty finance businesses, which are highly regulated. If we should lose Mr. Mitchell, such loss could have a material adverse effect on our business, financial condition and results of operations. Moreover, we do not maintain key man life insurance with respect to any of our executives other than Mr. Mitchell.

Risks Related to Our Common Stock

Provisions in our executive officers' employment agreements could impede an attempt to replace or remove our directors or otherwise effect a change of control, which could diminish the price of our common stock.

We have entered into employment agreements with certain of our executive officers. These agreements provide for substantial payments upon the occurrence of certain triggering events, including a material diminution of base salaries or

responsibilities. These payments may deter any transaction that would result in a change in control, which could diminish the price of our common stock.

Provisions in our articles of incorporation and bylaws could impede an attempt to replace or remove our directors or otherwise effect a change of control, which could diminish the price of our common stock.

Our articles of incorporation and bylaws contain provisions that may entrench directors and make it more difficult for shareholders to replace directors even if the shareholders consider it beneficial to do so. In particular, shareholders are required to provide us with advance notice of shareholder nominations and proposals to be brought before any annual meeting of shareholders, which could discourage or deter a third party from conducting a solicitation of proxies to elect its own slate of directors or to introduce a proposal. In addition, our articles of incorporation eliminate our shareholders' ability to act without a meeting and require the holders of not less than 50% of the voting power of our common stock to call a special meeting of shareholders.

These provisions could delay or prevent a change of control that a shareholder might consider favorable. For example, these provisions may prevent a shareholder from receiving the benefit from any premium over the market price of our common stock offered by a bidder in a potential takeover. Even in the absence of an attempt to effect a change in management or a takeover attempt, these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging changes in management and takeover attempts in the future. Furthermore, our articles of incorporation and our bylaws provide that the number of directors shall be fixed from time to time by our board of directors, provided that the board shall consist of at least three and no more than fifteen members.

The market price of our stock has been highly volatile.

The market price of our common stock has fluctuated and could fluctuate substantially in the future. This volatility may subject our stock price to material fluctuations due to the factors discussed in this Risk Factors section, and other factors including market reaction to the estimated fair value of our portfolio; our capital structure; cash position; ability to service our debt; rumors or dissemination of false information; changes in coverage or earnings estimates by analysts; our ability to meet analysts' or market expectations; and sales of common stock by existing shareholders.

The conversion rate for the Convertible Notes will be adjusted in connection with a make-whole fundamental change.

If a make-whole fundamental change occurs prior to maturity, under certain circumstances, we will increase the conversion rate by a number of additional shares of common stock for the Convertible Notes converted in connection with such make-whole fundamental change. The increase in the conversion rate will be determined based on the date on which the make-whole fundamental change occurs or becomes effective and the price paid (or deemed paid) per share of common stock in such fundamental change. A make-whole fundamental change generally means a fundamental change or redemption by us of the Convertible Notes. Such increase in the conversion rate will dilute the ownership interest of our common stock shareholders.

Certain laws of the State of Florida could impede a change of control, which could diminish the price of our common stock.

As a Florida corporation, we are subject to the Florida Business Corporation Act, which provides that a person who acquires shares in an "issuing public corporation," as defined in the statute, in excess of certain specified thresholds generally will not have any voting rights with respect to such shares, unless such voting rights are approved by the holders of a majority of the votes of each class of securities entitled to vote separately, excluding shares held or controlled by the acquiring person. The Florida Business Corporation Act also contains a statute which provides that an affiliated transaction with an interested shareholder generally must be approved by (i) the affirmative vote of the holders of two thirds of our voting shares, other than the shares beneficially owned by the interested shareholder, or (ii) a majority of the disinterested directors.

One of our subsidiaries, Imperial Life Settlements, LLC, a Delaware limited liability company, is licensed as a viatical settlement provider and is regulated by the Florida Office of Insurance Regulation. As a Florida viatical settlement provider, Imperial Life Settlements, LLC is subject to regulation as a specialty insurer under certain provisions of the Florida Insurance Code. Under applicable Florida law, no person can finally acquire, directly or indirectly, 10% or more of the voting securities of a viatical settlement provider or its controlling company without the written approval of the Florida Office of Insurance Regulation. Accordingly, any person who acquires beneficial ownership of 10% or more of our voting securities will be required by law to notify the Florida Office of Insurance Regulation no later than five days after any form of tender offer or exchange offer is proposed, or no later than five days after the acquisition of securities or ownership interest if no tender offer

or exchange offer is involved. Such person will also be required to file with the Florida Office of Insurance Regulation an application for approval of the acquisition no later than 30 days after the same date that triggers the 5-day notice requirement.

The Florida Office of Insurance Regulation may disapprove the acquisition of 10% or more of our voting securities by any person who refuses to apply for and obtain regulatory approval of such acquisition. In addition, if the Florida Office of Insurance Regulation determines that any person has acquired 10% or more of our voting securities without obtaining its regulatory approval, it may order that person to cease the acquisition and divest itself of any shares of our voting securities that may have been acquired in violation of the applicable Florida law. Due to the requirement to file an application with and obtain approval from the Florida Office of Insurance Regulation, purchasers of 10% or more of our voting securities may incur additional expenses in connection with preparing, filing and obtaining approval of the application, and the effectiveness of the acquisition will be delayed pending receipt of approval from the Florida Office of Insurance Regulation.

The Florida Office of Insurance Regulation may also take disciplinary action against Imperial Life Settlements, LLC's license if it finds that an acquisition of our voting securities is made in violation of the applicable Florida law and would render the further transaction of business hazardous to our counterparties, creditors, shareholders or the public.

Due to delisting our common stock from the New York Stock Exchange ("NYSE"), you may find it difficult to dispose of your shares and our share price may be adversely affected.

On January 23, 2017, we voluntarily delisted our common stock from the NYSE, and on February 3, 2017, the trading of our common stock became listed on the over-the-counter market, OTCQB. Such trading could reduce the market liquidity of our common stock. As a result, investors may find it more difficult to dispose of, or obtain accurate quotations for the price of, our common stock, and our ability to raise future capital through the sale of the shares of our common stock or other securities convertible into or exercisable for our common stock could be severely limited.

Trading in our common stock might also become subject to the requirements of certain rules promulgated under the Securities Exchange Act of 1934, which require additional disclosure by broker-dealers in connection with any trade involving a stock defined as a "penny stock" (generally, any equity security not listed on a national securities exchange or quoted on The NASDAQ Stock Market that has a market price of less than \$5.00 per share, subject to certain exceptions). Many brokerage firms are reluctant to recommend low-priced stocks to their clients. Moreover, various regulations and policies restrict the ability of stockholders to borrow against or "margin" low-priced stocks, and declines in the stock price below certain levels may trigger unexpected margin calls. Additionally, because brokers' commissions on low-priced stocks generally represent a higher percentage of the stock price than commissions on higher priced stocks, the current price of the common stock can result in an individual stockholder paying transaction costs that represent a higher percentage of total share value than would be the case if our share price were higher. This factor may also limit the willingness of institutions to purchase our common stock. Finally, the additional burdens imposed upon broker-dealers by these requirements could discourage broker-dealers from facilitating trades in our common stock, which could severely limit the market liquidity of the stock and the ability of investors to trade our common stock, thereby negatively impacting the share price of our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our offices are located at 5355 Town Center Road, Suite 701, Boca Raton, Florida 33486 and consist of approximately 11,000 square feet of leased office space. We consider our facilities to be adequate for our current operations.

Item 3. Legal Proceedings

For a description of legal proceedings, see "Litigation" under Note 15, "Commitments and Contingencies" to the accompanying consolidated financial statements.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

During the year ended December 31, 2016, shares of our common stock were traded on the New York Stock Exchange, or NYSE, under the symbol "EMG." Subsequent to the year end, on February 3, 2017, the common stock started trading on the OTC Market Group's OTCQB marketplace under the trading symbol "EMGC." See Note 20 "Subsequent Events" to the accompanying consolidated financial statements.

The following table shows the high and low sales prices for our common stock for the periods indicated, as reported by the NYSE:

	2016	
	High	Low
1st Quarter	\$ 4.54	\$ 3.49
2nd Quarter	\$ 4.59	\$ 3.10
3rd Quarter	\$ 4.42	\$ 2.85
4th Quarter	\$ 3.15	\$ 1.11

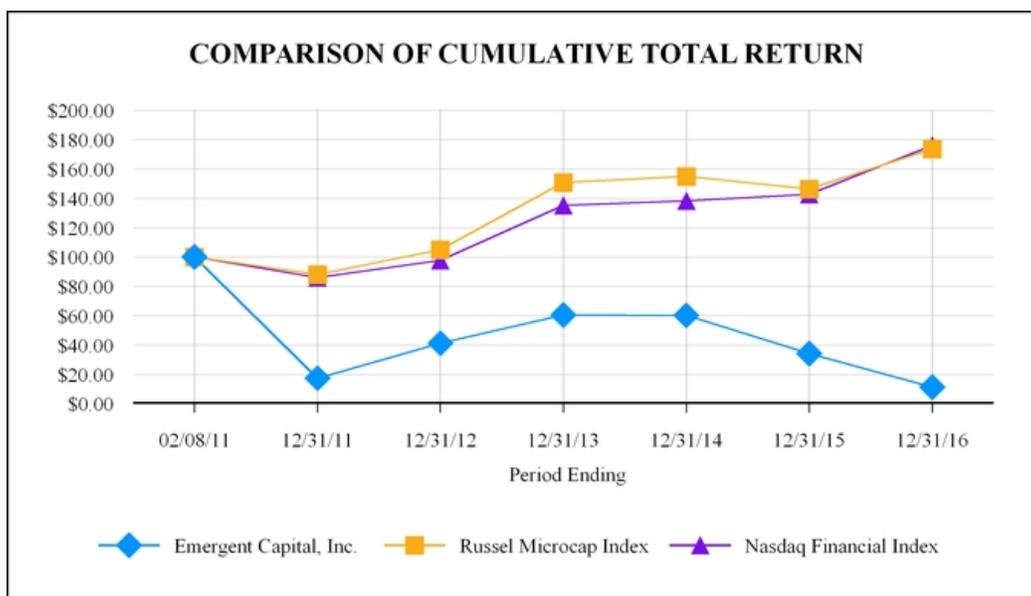
	2015	
	High	Low
1st Quarter	\$ 7.52	\$ 5.86
2nd Quarter	\$ 7.06	\$ 5.68
3rd Quarter	\$ 6.06	\$ 4.85
4th Quarter	\$ 5.44	\$ 3.65

As of March 16, 2017, we had 8 holders of record of our common stock and the stock price was \$0.30.

Stock Performance Graph

The line graph below compares the cumulative total stockholder return in our common stock between February 8, 2011 (the day shares of our common stock began trading on the NYSE) and December 31, 2016, with cumulative total return on the Russell MicroCap Index and the Nasdaq Financial Index. This graph assumes a \$100 investment in each of Emergent Capital, Inc., the Russell Microcap Index and the Nasdaq Financial Index at the close of trading on February 8, 2011. We selected these indices because they include companies with similar market capitalizations to ours. We believe these are the most appropriate comparisons since we have no comparable publicly traded industry "peer" group operating in the life settlement industry.

The comparisons shown in the graph below are based upon historical data. We caution that the stock price performance shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the potential future performance of our common stock.



Comparison of Cumulative Total Return

	02/08/11	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
Emergent Capital, Inc.	\$ 100.00	\$ 17.39	\$ 41.17	\$ 60.50	\$ 60.31	\$ 34.14	\$ 11.19
Russell Microcap Index	\$ 100.00	\$ 88.09	\$ 105.03	\$ 150.96	\$ 155.15	\$ 146.38	\$ 173.78
Nasdaq Financial Index	\$ 100.00	\$ 86.00	\$ 97.76	\$ 135.20	\$ 138.36	\$ 142.74	\$ 176.03

The performance graph above is being furnished solely to accompany this Annual Report on Form 10-K pursuant to Item 201(e) of Regulation S-K, is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any of our filings, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Dividend Policy

We have never paid any cash dividends on our common stock and do not expect to pay any cash dividends on our common stock for the foreseeable future. We currently intend to retain any future earnings to finance our operations. Any future determination to pay cash dividends on our common stock will be at the discretion of our board of directors and will be dependent on our earnings, financial condition, operating results, capital requirements, any contractual, regulatory and other restrictions on the payment of dividends by us or by our subsidiaries to us, and other factors that our board of directors deems relevant.

We are a holding company and have no direct operations. Our ability to pay dividends in the future depends on the ability of our operating subsidiaries to pay dividends to us. Certain of our debt arrangements, including the White Eagle Revolving Credit Facility, restrict the ability of certain of our special purpose subsidiaries to pay dividends. In addition, future debt arrangements may contain prohibitions or limitations on the payment of dividends.

Equity Compensation Plans

On May 28, 2015, the shareholders of the Company voted to amend and restate, and the Company amended and restated, the Company's 2010 Omnibus Incentive Plan (as amended and restated, the "Omnibus Plan"). The purpose of the Omnibus Plan is to attract, retain and motivate participating employees and to attract and retain well-qualified individuals to serve as members of the board of directors, consultants and advisors through the use of incentives based upon the value of our common

stock. Awards under the Omnibus Plan may consist of incentive awards, stock options, stock appreciation rights, performance shares, performance units, and shares of common stock, restricted stock, restricted stock units or other stock-based awards as determined by the compensation committee. The Omnibus Plan provides that an aggregate of 2,700,000 shares of common stock are reserved for issuance under the Omnibus Plan, subject to adjustment as provided in the Omnibus Plan. See Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for additional information.

Recent Sales of Unregistered Securities

There are no recent sales of unregistered securities that have not been previously included in a Quarterly Report on Form 10-Q or in a Current Report on Form 8-K.

Purchases of Equity Securities

There were no purchases during the year ended December 31, 2016.

Item 6. Selected Financial Data

The following table sets forth our selected historical consolidated financial and operating data as of such dates and for such periods indicated below. These selected historical consolidated results are not necessarily indicative of results to be expected in any future period. You should read the following financial information together with the other information contained in this Annual Report on Form 10-K, including Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes.

The selected historical statement of operations data and balance sheet data for the last five years were derived from our audited consolidated financial statements and reflect the retroactive revision to reflect the classification of our structured settlement business as discontinued operations.

	Historical				
	Years Ended December 31,				
	2016	2015	2014	2013	2012
	(in thousands, except share and per share data)				
Income					
Interest income	67	22	29	28	1,685
Interest and dividends on investment securities available for sale	—	—	—	14	391
Origination fee income	—	—	—	—	500
(Loss) gain on life settlements, net	—	(41)	(426)	(1,990)	151
Change in fair value of life settlements	864	46,717	44,128	88,686	(5,660)
Servicing fee income	—	—	—	310	1,183
Gain on maturities of life settlements with subrogation rights, net	—	—	—	—	6,090
Other income	184	193	85	2,030	748
Total income	<u>1,115</u>	<u>46,891</u>	<u>43,816</u>	<u>89,078</u>	<u>5,088</u>
Expenses					
Interest expense	29,439	27,286	16,245	13,657	1,255
Change in fair value of Revolving Credit Facilities	(1,898)	12,197	(5,472)	(9,373)	—
Extinguishment of Secured Notes	—	8,782	—	—	—
Extinguishment of Bridge Facility	—	—	—	3,991	—
Extinguishment of Red Falcon Revolving Credit Facility	554	—	—	—	—
Change in fair value of conversion derivative liability	—	—	6,759	—	—
Provision for losses on loans receivable	—	—	—	—	515
(Gain) loss on loan payoffs and settlements, net	—	—	—	(65)	125
Amortization of deferred costs	—	—	—	7	1,867
Personnel costs	6,070	6,384	8,763	8,177	9,452
Legal fees	6,427	20,739	13,620	11,701	23,974
Professional fees	7,081	7,133	5,254	5,281	5,262
Insurance	835	1,275	1,667	1,953	2,330
Other selling, general and administrative expenses	2,036	2,194	2,006	1,887	2,366
Total expenses	<u>50,544</u>	<u>85,990</u>	<u>48,842</u>	<u>37,216</u>	<u>47,146</u>
(Loss) income from continuing operations before income taxes	(49,429)	(39,099)	(5,026)	51,862	(42,058)
(Benefit) provision for income taxes	—	(8,719)	125	39	(39)
Net (loss) income from continuing operations	<u>\$ (49,429)</u>	<u>\$ (30,380)</u>	<u>\$ (5,151)</u>	<u>\$ 51,823</u>	<u>\$ (42,019)</u>
Discontinued Operations:					
(Loss) Income from discontinued operations, net of income taxes	(260)	(644)	(601)	2,198	(2,615)
Gain on disposal of discontinued operations, net of income taxes	—	—	—	11,311	—
Benefit for income taxes	—	—	232	—	—
Net (loss) income from discontinued operations	<u>(260)</u>	<u>(644)</u>	<u>(369)</u>	<u>13,509</u>	<u>(2,615)</u>
Net (loss) income	<u>\$ (49,689)</u>	<u>\$ (31,024)</u>	<u>\$ (5,520)</u>	<u>\$ 65,332</u>	<u>\$ (44,634)</u>
(Loss) earnings per share:					
Basic and diluted (loss) earnings per common share					
Continuing operations	\$ (1.79)	\$ (1.22)	\$ (0.24)	\$ 2.44	\$ (1.98)
Discontinued operations	\$ (0.01)	\$ (0.03)	\$ (0.02)	\$ 0.64	\$ (0.12)
Net (loss) income	<u>\$ (1.80)</u>	<u>\$ (1.25)</u>	<u>\$ (0.26)</u>	<u>\$ 3.08</u>	<u>\$ (2.10)</u>
Weighted average shares outstanding:					
Basic and diluted (1)	<u>27,660,711</u>	<u>24,851,178</u>	<u>21,354,567</u>	<u>21,216,487</u>	<u>21,205,747</u>

(1) As of December 31, 2016, there were 29,021,844 and 28,413,844 shares of common stock issued and outstanding, respectively, and 608,000 shares of treasury stock.

	Historical				
	December 31,				
	2016	2015	2014	2013	2012
(In thousands except share data)					
ASSETS					
Assets					
Cash and cash equivalents	\$ 2,246	\$ 12,946	\$ 51,166	\$ 14,722	\$ 7,001
Cash and cash equivalents (VIE)	9,072	7,395	3,751	7,977	—
Restricted cash	—	—	—	13,506	1,162
Certificate of deposit	6,025	2,501	—	—	—
Investment securities available for sale, at estimated fair value	—	—	—	—	12,147
Prepaid expenses and other assets	1,112	1,017	1,502	1,331	14,172
Deposits—other	1,347	1,347	1,340	1,597	2,855
Deposits on purchases of life settlements	—	—	1,630	—	—
Interest receivable, net	—	—	—	—	822
Loans receivable, net	—	—	—	—	3,044
Structured settlement receivables at estimated fair value, net	—	—	384	660	1,680
Structured settlement receivables at cost, net	—	—	597	797	1,574
Investment in life settlements, at estimated fair value	680	11,946	82,575	48,442	113,441
Investment in life settlements, at estimated fair value (VIE)	497,720	449,979	306,311	254,519	—
Receivable for maturity of life settlements (VIE)	5,000	18,223	4,000	2,100	—
Fixed assets, net	232	322	355	74	217
Investment in affiliates	2,384	2,384	2,384	2,378	2,212
Assets of segment held for sale	—	—	—	—	15
Total assets	\$ 525,818	\$ 508,060	\$ 455,995	\$ 348,103	\$ 160,342
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities					
Accounts payable and accrued expenses	2,590	\$ 3,051	6,140	2,977	6,606
Accounts payable and accrued expenses (VIE)	593	419	423	341	—
Other liabilities	359	360	1,256	21,221	20,796
Interest payable—senior unsecured convertible notes	2,272	2,272	2,272	—	—
Senior unsecured convertible notes, net of discount and deferred debt costs	60,535	56,812	51,945	—	—
Interest payable—senior secured notes	213	—	261	—	—
Senior secured notes, net of discount and deferred debt costs	29,297	—	—	—	—
Secured notes, net of discount and deferred debt costs	—	—	24,036	—	—
White Eagle Revolving Credit Facility, at estimated fair value (VIE)	257,085	169,131	145,831	123,847	—
Red Falcon Revolving Credit Facility, at estimated fair value (VIE)	—	55,658	—	—	—
Income taxes payable	—	—	—	6,295	6,295
Deferred tax liability	—	—	8,728	—	—
Total liabilities	352,944	287,703	240,892	154,681	33,697
Stockholders' Equity					
Common stock, \$0.01 par value (80,000,000 authorized; 29,021,844 issued and 28,413,844 outstanding as of December 31, 2016, 28,130,508 issued and 27,522,508 outstanding as of December 31, 2015, 21,402,990, 21,237,166, and 21,206,121 issued and outstanding as of December 31, 2014, 2013, and 2012, respectively)	290	281	214	212	212
Preferred stock, \$0.01 par value (40,000,000 authorized; 0 issued and outstanding as of December 31, 2016, 2015, 2014, 2013, and 2012)	—	—	—	—	—
Treasury stock (608,000 shares as of December 31, 2016 and 2015 and 0 shares as of December 31, 2014, 2013, and 2012)	(2,534)	(2,534)	—	—	—
Additional paid-in-capital	307,647	305,450	266,705	239,506	238,064
Accumulated other comprehensive loss	—	—	—	—	(3)
Accumulated deficit	(132,529)	(82,840)	(51,816)	(46,296)	(111,628)
Total stockholders' equity	172,874	220,357	215,103	193,422	126,645
Total liabilities and stockholders' equity	\$ 525,818	\$ 508,060	\$ 455,995	\$ 348,103	\$ 160,342

Selected Operating Data (dollars in thousands):

	For the Year Ended December 31,							
	2016		2015		2014		2013	
Period Acquisitions—Policies Owned								
Number of policies acquired	1		43		16		432	
Average age of insured at acquisition	90.3		85.0		85.2		77.7	
Average life expectancy—Calculated LE (Years)	2.3		5.4		5.9		12.7	
Average death benefit	\$	690	\$	2,811	\$	4,444	\$	4,749
Aggregate purchase price	\$	16	\$	30,695	\$	16,296	\$	58,645
End of Period—Policies Owned								
Number of policies owned	621		632		607		612	
Average age of insured	82.4		81.4		80.4		79.2	
Average death benefit per policy	\$	4,745	\$	4,714	\$	4,829	\$	4,828
Average life expectancy—Calculated LE (Years)	9.0		9.9		10.7		11.6	
Aggregate death benefit	\$	2,946,511	\$	2,979,352	\$	2,931,066	\$	2,954,890
Aggregate fair value	\$	498,400	\$	461,925	\$	388,886	\$	302,961
Monthly premium—average per policy	\$	11.0	\$	9.1	\$	7.8	\$	7.5
Period Maturities								
Number of policies matured	12		17		7		4	
Average age of insured at maturity	85.7	85.2	85.0	86.8	80.1		84.0	
Average life expectancy - Calculated LE (Years)	3.4	1.8	6.4	5.4	7.1		4.4	
Aggregate death benefit	\$	37,460	\$	67,403	\$	25,500	\$	14,100
Gains on maturity	\$	17,876	\$	47,940	\$	16,413	\$	9,223
Proceeds collected	\$	50,460	\$	53,454	\$	23,600	\$	12,039

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with the consolidated financial statements and accompanying notes and the information contained in other sections of this Annual Report on Form 10-K, particularly under the headings "Risk Factors," "Selected Financial Data" and "Business." This discussion and analysis is based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. The statements in this discussion and analysis concerning expectations regarding our future performance, liquidity and capital resources, as well as other non-historical statements in this discussion and analysis, are forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements." These forward-looking statements are subject to numerous risks and uncertainties, including those described under "Risk Factors." Our actual results could differ materially from those suggested or implied by any forward-looking statements.

Business Overview

Incorporated in Florida, Emergent Capital owns a portfolio of 621 life insurance policies, also referred to as life settlements, with a fair value of \$498.4 million and an aggregate death benefit of approximately \$2.9 billion at December 31, 2016. The Company primarily earns income on these policies from changes in their fair value and through death benefits.

Going Concern

On August 1, 2016, the Company initiated a formal process to explore strategic alternatives in response to receiving a number of unsolicited inquiries from several interested parties. The Company's Board of Directors formed a special

committee whose mandate is to review and consider strategic alternatives and to make recommendations to the full Board of Directors. Some of the possible strategic alternatives the special committee may consider are a sale of the Company, a merger or other business combination, a sale of all or substantially all of the Company's assets, a joint venture, or equity and debt refinancing. At December 31, 2016, the special committee was continuing its efforts to explore these initiatives.

At December 31, 2016, we had approximately \$11.3 million of cash and cash equivalents and certificates of deposit of \$6.0 million; of this amount, approximately \$8.3 million is available to pay premiums on the two unencumbered policies and other overhead expenses, with approximately \$9.1 million being restricted by the White Eagle Revolving Credit Facility. Approximately \$108.6 million was undrawn and \$674,800 was available to borrow under the White Eagle Revolving Credit Facility. The amount available to borrow is calculated based on and limited to the premium payments and expenses if any, that are due as of the calculation date. In essence, what is available, is what is required to pay expenses and keep the policies in force as of the calculation date. We believe these funds should be sufficient to fund our operations through three months after the date of this report.

While we expect to meet our liquidity needs for the foreseeable future primarily through a combination of the receipt of death benefits from life insurance policy maturities, delaying interest and other payments, borrowings under the White Eagle Revolving Credit Facility, strategic capital market raises, policy sales (subject to the asset sale restrictions in our debt arrangements) and cash on hand, the Company has incurred substantial losses and negative cash flows from operating activities. The Company's current operating plan indicates that we will continue to incur losses from operations. These projections and other liquidity risks raise substantial doubt about whether we will meet our obligations as they become due within three months after the date of this report. The Company believes, as a result of these factors, as well as the continued uncertainty surrounding the timing of death benefits and our ability to raise capital, there exists substantial doubt whether we will be able to continue as a going concern.

The accompanying consolidated financial statements are prepared on a going concern basis and do not include any adjustments that might result from uncertainty about our ability to continue as a going concern. The report from our independent registered public accounting firm on our consolidated financial statements for the year ended December 31, 2016 includes an emphasis of matter paragraph that summarizes the salient facts or conditions that raise substantial doubt about our ability to continue as a going concern.

Issuance of Additional Convertible Notes

Interest on the Convertible Notes and on the 15% Senior Secured Notes is due semi-annually and quarterly, respectively. On February 14, 2017, the Company entered into a solicitation to consent (the "Consent Solicitation") to issue additional Convertible Notes (the "Additional Convertible Notes") in lieu of a cash payment of interest due on February 15, 2017 (the "2017 Interest Payment Date") to holders of 8.5% Senior Unsecured Convertible Notes (the "Convertible Notes"). The Company's obligation to issue the Additional Convertible Notes was subject to the satisfaction of (1) not less than 95% of the aggregate principal amount of Convertible Notes agreeing to accept Additional Convertible Notes in lieu of a cash payment of interest on the 2017 Interest Payment Date and (2) the amendment of the Indenture dated as of March 11, 2016 with Wilmington Trust, National Association, as indenture trustee for the 15% Senior Secured Notes due 2018 (the "Senior Secured Indenture") to permit the issuance of the Additional Convertible Notes. This consent is only effective for the cash payment of interest due on the 2017 Interest Payment Date and not for subsequent interest payments.

On March 14, 2017, the Company issued an additional \$3.5 million in Additional Convertible Notes following the Company's receipt of requisite consents of the holders of the Convertible Notes of approximately 98% of the aggregate principal amount of Convertible Notes (the "Consenting Holders"), pursuant to the Consent Solicitation, whereby each Consenting Holder agreed to accept Additional Convertible Notes in lieu of a cash payment of interest on the Convertible Notes due on the 2017 Interest Payment Date. All Additional Convertible Notes issued by the Company to Consenting Holders were issued under the indenture dated February 21, 2014, between the Company and U.S. Bank National Association, as trustee (the "Convertible Note Indenture") and such Additional Convertible Notes have identical terms to existing Convertible Notes. Interest on the Additional Convertible Notes will accrue from February 15, 2017.

Event of Default - 15.0% Senior Secured Note

The Company did not make an interest payment of \$1.1 million, due March 15, 2017, on the 15.0% Senior Secured Notes, of which \$30.0 million principal amount was outstanding on that date. If the interest payment is not made within five business days of its due date, such failure would result in an event of default under the Senior Secured Indenture

governing the 15.0% Senior Secured Notes, and the trustee or holders of at least 25% in principal amount of the outstanding 15.0% Senior Secured Notes may declare the principal, premium, if any, and accrued but unpaid interest immediately due and payable. The Company released the cash interest payment of \$1.1 million to the holders of the 15% Senior Secured Notes on March 20, 2017.

Recapitalization Transaction

On March 15, 2017, the Company entered into a series of separate Master Transaction Agreements (together, the "Agreements") by and between the Company, PJC Investments, LLC, a Texas limited liability company ("PJC"), and each such Consenting Convertible Note Holder that is a party to such Agreement ("Consenting Holders") regarding a series of integrated transactions with the intent to effect a recapitalization of the Company (the "Transaction"), which includes an Amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the Company's common stock, \$0.01 par value (the "Common Stock"), a Common Stock Purchase Agreement, a Convertible Note Exchange Offer, a New Convertible Note Indenture providing for the issuance of New Convertible Notes, a Senior Note Exchange Offer, a New Senior Note Indenture providing for the issuance of New Senior Notes, a Senior Note Purchase Agreement, a Warrant and certain other agreements and documents to be delivered in connection with the Transaction (each as defined in the Agreements, and together with the Agreements, the "Transaction Documents"). The Agreements and the transactions contemplated under the Agreements were unanimously approved by the Board of Directors of the Company on March 13, 2017.

Under the Agreements, PJC and other parties agreed to certain undertakings, including: (i) PJC or its designee (the "Investor") purchasing up to 100% of the Company's New Senior Notes from the Holders (as defined herein) pursuant to the Senior Note Purchase Agreement, (ii) PJC or the Investor purchasing \$15.0 million in shares of Common Stock, pursuant to the Common Stock Purchase Agreement, and (iii) issuance to PJC or the Investor of a warrant to purchase up to 34,000,000 shares of Common Stock at an exercise price of \$0.25 per share for an aggregate purchase price of up to \$8.5 million. Upon the closing of the proposed transactions, the Company's Board of Directors will include four members representing PJC and one member representing the convertible note holders. The Transaction is subject to certain conditions described in this Annual Report on Form 10-K, including that the Company shall have obtained the requisite approval by the Company's shareholders to the Articles Amendment and that the requisite number of holders of the Company's senior secured notes and unsecured convertible notes shall have tendered their notes in connection with the applicable exchange offer as described herein, and certain customary closing conditions, including that each of the Transaction Documents shall have been executed and delivered to the other parties thereto. The Transaction is expected to close in the second quarter of 2017, although the consummation of the Transaction is subject to multiple conditions and there can be no assurance that the Transaction will close on a timely basis or at all.

At or contemporaneously with the closing of the Transaction, the Company will enter into a Common Stock Purchase Agreement (the "Purchase Agreement") with the purchasers' party to the Purchase Agreement (the "Purchasers"). The Purchase Agreement will generally provide for the Purchasers to purchase up to 92,000,000 shares of Common Stock at a price of \$0.25 per share for an aggregate price of up to \$23.0 million, of which PJC or the Investor will purchase 60,000,000 shares of Common Stock for an aggregate price of \$15.0 million. The remaining Purchasers may purchase up to 32,000,000 shares of Common Stock for an aggregate price of up to \$8.0 million. The Purchase Agreement shall contain customary representations, warranties, and covenants.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued a warrant (the "Warrant") to the Investor to purchase up to an aggregate of 34,000,000 shares of the Common Stock at an exercise price of \$0.25 per share (the "Warrant Shares") for an aggregate price of up to \$8.5 million.

As part of the Transaction, the Company will offer to exchange, in each case with existing holders, its outstanding 8.5% Senior Unsecured Convertible Notes due 2019 (the "Existing Convertible Notes") for 5.0% Senior Unsecured Convertible Notes due 2023 (the "New Convertible Notes"), and its outstanding 15.0% Senior Secured Notes due 2018 (the "Existing Senior Notes") for 8.5% Senior Notes due 2021 (the "New Senior Notes"). As a result of such exchanges. At least 98% of the holders of each class of notes must tender in the relevant exchange offer as a condition to closing the Transaction.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued the New Convertible Notes in an aggregate amount not to exceed approximately \$75.0 million pursuant to a Convertible Note Indenture (the "New Convertible Note Indenture") between the Company and a trustee to be later identified.

The New Convertible Notes will be unsecured senior obligations of the Company and will mature six years from the Closing. The New Convertible Notes will bear interest at a rate of 5.00% per annum from the issue date, payable semi-annually.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued the New Senior Notes in an aggregate amount not to exceed approximately \$40.0 million pursuant to a Senior Note Indenture (the "New Senior Note Indenture") between the Company as issuer, and the trustee to be later identified. Up to approximately \$30.0 million aggregate principal amount of New Senior Notes may be issued to holders of the Existing Senior Notes in the relevant exchange offer, and PJC or the Investor may acquire up to an additional \$10.0 million principal amount of New Senior Notes.

The New Senior Notes will be secured senior obligations of the Company and will mature four years from the date of Closing. The New Senior Notes will bear interest at a rate of 8.5% per annum, payable quarterly.

At or contemporaneously with the closing of the Transaction, PJC or the Investor and certain holders of New Senior Notes (the "Holders") will enter into a Note Purchase Agreement (the "Note Purchase Agreement"). The Note Purchase Agreement will generally provide for PJC or the Investor to purchase up to 100% of the New Senior Notes held by the Holders for an aggregate purchase price equal to the face amount of such purchased New Senior Notes.

The Transaction is expected to close in the second quarter of 2017, although the consummation of the Transaction is subject to multiple conditions and there can be no assurance that the Transaction will close on a timely basis or at all.

See Note 20 "Subsequent Events," of the accompanying consolidated financial statements for additional information.

Revolving Credit Facilities

As of our filing date, we anticipate that we will not comply with our financial covenant under the White Eagle Revolving Credit Facility to maintain a cash interest coverage ratio of at least 2.0:1. Absent waivers or cures, non-compliance with such covenant would result in the cash flow sweep percentage being equal to one-hundred percent (100%), and even if the required LTV ratio was satisfied, the Company would not participate in the cash flow sweep. As of December 31, 2016, the cash interest coverage ratio was 1.65:1 and the loan to value ("LTV") ratio was 55%, which was calculated using the lenders' valuation. It is possible we could obtain waivers from our debt holder; however, the aforementioned projections and certain liquidity risks raise substantial doubt about whether we will meet our obligations as they become due within one year after the date of issuance of this report.

On December 29, 2016, our indirect subsidiary, Red Falcon Trust, entered into a Master Termination Agreement with its lender. The policies which served as collateral under the Red Falcon Revolving Credit Facility were sold to White Eagle. Proceeds totaling \$65.1 million from this sale were utilized to repay the lender. See Note 9, "Red Falcon Revolving Credit Facility" to the accompanying consolidated financial statements.

On December 29, 2016, our indirect subsidiary, White Eagle, entered into the Second Amendment (the "White Eagle Amendment") to its Amended and Restated Loan And Security Agreement dated May 16, 2014. In connection with the White Eagle Amendment, the White Eagle Revolving Credit Facility maximum facility limit was increased from \$250.0 million to \$370.0 million and the additional proceeds under the White Eagle Revolving Credit Facility were used to purchase the policies in the Red Falcon Trust, which paid off and terminated the Red Falcon Revolving Credit Facility. Pursuant to the White Eagle Amendment, certain non-financed life insurance policies previously held by the Company and its subsidiaries were contributed to White Eagle as collateral.

In connection with the entry into the White Eagle Amendment, events of default were changed to include, among other things, a failure in cash interest coverage ratio at the Company level of 1.75:1 after June 30, 2019 for 60 consecutive days. There is no interest coverage ratio requirement that would result in an event of default prior to this date; however, any failure to maintain a cash interest coverage ratio of at least 2.0:1 does impact the cash flow sweep percentage for proceeds distributed through the waterfall. As of December 31, 2016, the cash interest coverage ratio was 1.65:1. The White Eagle Revolving Credit Facility also contains certain covenants relating to asset maintenance, performance and valuation, the satisfaction of which will be determined by the lenders with a high degree of discretion.

The waterfall for distribution of proceeds from the policies pledged as collateral under the White Eagle Revolving Credit Facility was changed to the structure set forth in the table below. Absent an event of default, after distributions for

premium payments, fees to service providers and payments of interest, a percentage of the collections from policy proceeds are to be paid to the Company, which will vary depending on the then LTV ratio as illustrated below where the valuation is determined by the lenders:

LTV	Premiums, Interest &		Distribution to White Eagle -	
	Other Fees	Principal	55%	Lender Participation - 45%
N/A	100%	—%	—%	—%
>65%	N/A	100%	—%	—%
50-65%	N/A	70%	16.5%	13.5%
35-50%	N/A	55%	24.8%	20.3%
0-35%	N/A	45%	30.3%	24.8%

Provided that (i) if (a) the Company failed to maintain a cash interest coverage ratio of at least 2.0:1 at any time during the immediately preceding calendar quarter or (b) the Company fails to take steps to improve its solvency in a manner acceptable to the required lenders (as determined in their sole and absolute discretion), then the cash flow sweep percentage to the lenders shall equal one-hundred percent (100%) and (ii) if the date of distribution occurs on or after December 29, 2025, the cash flow sweep percentage shall equal one-hundred percent (100%) of the principal balance. At December 31, 2016, the cash interest coverage was 1.65:1 and the loan to value ratio was 55%, which was calculated using the lenders' valuation. See Note 8, "White Eagle Revolving Credit Facility" to our accompanying consolidated financial statements.

White Eagle is the owner of 619 life insurance policies with an aggregate death benefit of approximately \$2.9 billion and an estimated fair value of approximately \$497.7 million at December 31, 2016. White Eagle pledged its policies as collateral to secure borrowings made under the White Eagle Revolving Credit Facility, which is used, among other things, to pay premiums on the life insurance policies owned by White Eagle. Borrowings under the White Eagle Revolving Credit Facility fund the payment of premiums on the life insurance policies that have been pledged as collateral for the respective facilities. See "Liquidity and Capital Resources" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

During the year ended December 31, 2016, 12 life insurance policies with face amounts totaling \$37.5 million matured. The net gain on these maturities was \$17.9 million. The gains related to maturities are included in income from changes in fair value of life settlement in the consolidated statement of operations for the year ended December 31, 2016. Of these maturities, four served as collateral under the previous Red Falcon Revolving Credit Facility and eight served as collateral under the White Eagle Revolving Credit Facility. Proceeds from maturities totaling \$50.5 million were received during the year ended December 31, 2016. Of this amount, approximately \$40.5 million and \$7.6 million, were utilized to repay borrowings, interest and expenses under the White Eagle Revolving Credit Facility and the Red Falcon Revolving Credit Facility, respectively, during the year ended December 31, 2016. We continue to believe that there are accretive opportunities to grow our existing portfolio of life settlements and intend, subject to our liquidity needs and available cash, to selectively deploy capital in both the secondary and tertiary life settlement markets. As we acquire more policies, our premium payments will increase. Assuming we recognize no policy maturities, our estimated premiums for 2017 would be \$86.2 million. White Eagle would be eligible to borrow approximately \$86.1 million of this amount under the White Eagle Revolving Credit Facility to pay premiums on policies secured by the White Eagle Revolving Credit Facility with approximately \$118,000 in estimated premiums required to maintain the policies not pledged as collateral under the White Eagle Revolving Credit Facility as of December 31, 2016.

Significant & Recent Events

Commencing in the third quarter of 2015, 24 of our policies became subject to a cost of insurance increase. During the year ended December 31, 2016, the cost of insurance increase for these additional policies caused the fair value of our life settlements to decrease by approximately \$3.2 million and by approximately \$7.6 million since the third quarter of 2015. Further cost of insurance increases may cause our projected premium payments to significantly increase, adversely affect the loan to value ratios under the White Eagle Revolving Credit Facility and otherwise have a material adverse, effect on our business, results of operations and the value of any affected policies.

During 2015, the U.S. Society of Actuaries released new versions of the Valuation Basic Tables, the ("2015 VBT"). The 2015 VBT has a significant increase in exposure and number of claims over the 2008 VBT and is believed to be a better fit for the life settlement industry and is becoming more widely accepted. During the year ended December 31, 2016, the Company changed its valuation technique and decided to adopt the 2015 VBT smoker and gender distinct tables, to determine the value of the policies. The tables show lower mortality rates in the earlier select periods at most ages. Therefore, while the Company continues to fit the life expectancies from the LE providers to the 2015 VBT, the change in the mortality curve changes the timing of the Company's expected cash flow streams for both the life settlement assets and the revolving credit facility. The resulting impact is a reduction of approximately \$17.6 million in the fair value of the life settlements, and a gain of approximately \$15.7 million for the change in fair value of the White Eagle and Red Falcon Revolving Credit Facilities (together, the "Revolving Credit Facilities") with a net negative impact on the consolidated statement of operations of approximately \$1.9 million for the year ended December 31, 2016.

This reduction in cash flows may reduce funds available to us from policy proceeds, including from the White Eagle Revolving Credit Facility, and may adversely affect our ability to service our indebtedness. Future changes in life expectancies or actuarial tables could have a material adverse effect on the fair value of our life settlements, which could have a material adverse effect on our business, financial condition and results of operations.

On March 11, 2016 (the "Initial Closing Date"), the Company, as issuer, entered into an indenture with Wilmington Trust Company, as indenture trustee. The indenture provides for the issuance of up to \$30.0 million in senior secured notes of which approximately \$21.2 million were issued on the Initial Closing Date with an additional \$8.8 million issued on March 24, 2016. The 15% Senior Secured Notes were purchased in private transactions exempt from the registration requirements of the Securities Act of 1933, as amended, under the note purchase agreements with certain accredited investors and/or non U.S. persons, including certain members of the Company's board of directors, management and their affiliates, who purchased approximately \$3.3 million of the 15% Senior Secured Notes issued on the Initial Closing Date. See Note 11, "15% Senior Secured Notes," of the notes to the accompanying consolidated financial statements.

The Internal Revenue Service Criminal Investigation Division notified the Company in February 2014 that it was conducting an investigation (the "IRS Investigation") related to the Company and its legacy structured settlements business. On May 3, 2016, the Company was notified that the IRS Investigation had been closed.

On February 17, 2012, the Company received an initial subpoena issued by the staff of the Securities and Exchange Commission (the "SEC") seeking documents from 2007 through the date of the subpoena, generally related to the Company's premium finance business and corresponding financial reporting. The SEC was investigating whether any violations of federal securities laws had occurred. On December 27, 2016, the Company received notification from the SEC that it has concluded its investigation as to the Company and does not intend to recommend an enforcement action against the Company. The notice was provided under the guidelines set out in the final paragraph of Securities Act Release No. 5310.

Critical Accounting Policies

Critical Accounting Estimates

The preparation of the financial statements requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. We base our judgments, estimates and assumptions on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions and conditions. We evaluate our judgments, estimates and assumptions on a regular basis and make changes accordingly. We believe that the judgments, estimates and assumptions involved in the accounting for income taxes, the valuation of life settlements, the valuation of the debt owing under the Revolving Credit Facilities and the valuation of our conversion derivative liability formerly embedded within the Convertible Notes have the greatest potential impact on our financial statements and accordingly believe these to be our critical accounting estimates.

Fair Value Measurement Guidance

We follow ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair

value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Our investments in life insurance policies and White Eagle Revolving Credit Facility debt are considered Level 3 as there is currently no active market where we are able to observe quoted prices for identical assets/liabilities and our valuation model incorporates significant inputs that are not observable. See Note 13, "Fair Value Measurements" to the accompanying consolidated financial statements for a discussion of our fair value measurement.

Fair Value Option

We have elected to account for the debt under the Revolving Credit Facilities, which includes the interest in policy proceeds to the lender, using the fair value method. The fair value of the debt is the estimated amount that would have to be paid to transfer the debt to a market participant in an orderly transaction. We calculated the fair value of the debt using a discounted cash flow model taking into account the stated interest rate of the credit facilities and probabilistic cash flows from the pledged policies. Considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, our estimates are not necessarily indicative of the amounts that we, or holders of the instruments, could realize in a current market exchange. The most significant assumptions are the estimates of life expectancy of the insured and the discount rate. The use of assumptions and/or estimation methodologies could have a material effect on the estimated fair values.

In February 2014, the Company issued and sold \$70.7 million in aggregate principal amount of 8.50% senior unsecured convertible notes due 2019 (the "Convertible Notes"). The Company determined that an embedded conversion option existed in the Convertible Notes, prior to June 5, 2014, that was required to be separately accounted for as a derivative under Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging*. On June 5, 2014, the Company obtained shareholder approval to issue shares of common stock upon conversion of the Convertible Notes in an amount that exceeded the New York Stock Exchange limits for issuances without shareholder approval. In accordance with ASC 815, the Company reclassified the conversion derivative liability to stockholders' equity along with unamortized transaction costs proportionate to the allocation of the initial debt discount and the principal amount of the Convertible Notes. In subsequent reporting periods, the Convertible Notes will continue to be recorded at accreted value up to the par value of the Convertible Notes at maturity. The debt discount will be amortized into interest expense using the interest method, in an aggregate amount equal to the amount of the conversion derivative liability reclassified into equity along with any unamortized transaction costs. See Note 10, "8.50% Senior Unsecured Convertible Notes" to the accompanying consolidated financial statements.

Income Recognition

Our primary sources of income are in the form of changes in fair value of life settlements and gains on life settlements, net. Our income recognition policies for these sources of income are as follows:

- *Changes in Fair Value of Life Settlements*—When the Company acquires certain life insurance policies we initially record these investments at the transaction price, which is the fair value of the policy for those acquired upon relinquishment or the amount paid for policies acquired for cash. The fair value of the investment in insurance policies is evaluated at the end of each reporting period. Changes in the fair value of the investment based on evaluations are recorded as changes in fair value of life settlements in our consolidated statement of operations. The fair value is determined on a discounted cash flow basis that incorporates current life expectancy assumptions. The discount rate incorporates current information about market interest rates, the credit exposure to the insurance company that issued the life insurance policy and our estimate of the risk premium an investor in the policy would require. The Company recognizes income from life settlement maturities upon receipt of death notice or verified obituary of the insured. This income is the difference between the death benefits and fair values of the policy at the time of maturity.
- *Gain/Loss on Life Settlements, Net*—The Company recognizes gains or losses from life settlement contracts that the Company owns upon the signed sale agreement and/or filing of ownership forms and funds transferred to escrow.

Deferred Debt Costs

Deferred debt costs include costs incurred in connection with acquiring and maintaining debt arrangements. These costs are amortized over the life of the related loan using the effective interest method and are classified as interest expense in the accompanying consolidated statement of operations. These deferred costs are related to the Company's notes. The Company did not recognize any deferred debt costs on its Revolving Credit Facilities given all costs were expensed due to electing the fair value option in valuing the Revolving Credit Facilities.

Income Taxes

We account for income taxes in accordance with ASC 740, Income Taxes. Under ASC 740, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the assets or liabilities from year to year. In providing for deferred taxes, we consider tax regulations of the jurisdictions in which we operate, estimates of future taxable income and available tax planning strategies. If tax regulations, operating results or the ability to implement tax-planning strategies varies, adjustments to the carrying value of the deferred tax assets and liabilities may be required. Valuation allowances are based on the "more likely than not" criteria of ASC 740.

Our provision for income taxes results in an annual effective tax rate of 0.00% in 2016 compared to 22.30% in 2015.

The accounting for uncertain tax positions guidance under ASC 740 requires that we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. We recognize interest and penalties (if any) on uncertain tax positions as a component of income tax expense.

The Company recorded a liability for the conversion derivative liability attributed to the issuance of the Convertible Notes, a deferred tax asset of \$6.5 million for the conversion derivative liability and a deferred tax liability of \$6.5 million for the corresponding debt discount. As the changes in the fair value of the conversion derivative liability were included in earnings, the Company recorded additions to the deferred tax asset. At June 5, 2014, when the Company received shareholder approval to issue shares of common stock upon conversion of the Convertible Notes, the deferred tax asset attributed to the conversion derivative liability (net of allocated unamortized transaction costs) was \$8.8 million. In accordance with ASC 815, the Company reclassified the deferred tax asset attributed to the conversion derivative liability (net of allocated unamortized transaction costs) to shareholders' equity. See Note 10, "8.50% Senior Unsecured Convertible Notes" to the accompanying consolidated financial statements.

Stock-Based Compensation

We have adopted ASC 718, *Compensation—Stock Compensation*. ASC 718 addresses accounting for share-based awards, including stock options, restricted stock, performance shares and warrants, with compensation expense measured using fair value and recorded over the requisite service or performance period of the award. The fair value of equity instruments will be determined based on a valuation using an option pricing model that takes into account various assumptions that are subjective. Key assumptions used in the valuation will include the expected term of the equity award taking into account both the contractual term of the award, the effects of expected exercise and post-vesting termination behavior, expected volatility, expected dividends and the risk-free interest rate for the expected term of the award. Compensation expense associated with performance shares is only recognized to the extent that it is probable the performance measurement will be met.

Held-for-sale and discontinued operations

The Company reports a business as held-for-sale when management has approved or received approval to sell the business and is committed to a formal plan, the business is available for immediate sale, the business is being actively marketed, the sale is anticipated to occur during the ensuing year and certain other specified criteria are met. A business classified as held-for-sale is recorded at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of the business exceeds its estimated fair value, a loss is recognized. Depreciation is not recorded on assets of a business classified as held-for-sale. Assets and liabilities related to a business classified as held-for-sale are segregated in the Consolidated Balance Sheet and major classes are separately disclosed in the notes to the Consolidated Financial Statements commencing in the period in which the business is classified as held-for-sale. The Company reports the results of operations of a business as discontinued operations if the business is classified as held-for-sale, the operations and cash flows of the business have been or will be eliminated from the ongoing operations of the Company as a result of a disposal transaction and the Company will not have any significant continuing involvement in the operations of the business after the disposal transaction. The results of discontinued operations are reported in Discontinued Operations in the Consolidated Statement of Operations for current and prior periods commencing in the period in which the business meets the criteria of a discontinued operation, and include any gain or loss recognized on closing or adjustment of the carrying amount to fair value less cost to sell. During the fourth quarter of 2013, the Company sold substantially all of its structured settlements business. As a result, the Company has classified its structured settlement operating results as discontinued operations.

Foreign Currency

The Company owns certain foreign subsidiaries formed under the laws of Ireland and Bermuda. These foreign subsidiaries utilize the U.S. dollar as their functional currency. The foreign subsidiaries' financial statements are denominated in U.S. dollars and therefore, there are no translation gains and losses resulting from converting the financial statements at exchange rates other than the functional currency. Any gains and losses resulting from foreign currency transactions (transactions denominated in a currency other than the subsidiaries' functional currency) are included in income. These gains and losses are immaterial to the Company's financial statements.

Accounting Changes

Note 2, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements discusses accounting standards adopted in 2016, as well as accounting standards recently issued but not yet required to be adopted and the expected impact of these changes in accounting standards. Any material impact of adoption is discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations and in the Notes to the Consolidated Financial Statements.

Consolidated Results of Operations**Results of Continuing Operations****2016 Compared to 2015**

Net loss from continuing operations for the year ended December 31, 2016 was \$49.4 million as compared to a loss of \$30.4 million for the year ended December 31, 2015. Our net loss for the year ended December 31, 2015 included approximately \$8.7 million in income tax benefit. There was no tax benefit for the year ended December 31, 2016. The following is our analysis of net loss for the year (in thousands).

	Year Ended December 31,				
	2016	2015	Change	% Change	
Income	\$ 1,115	\$ 46,891	\$ (45,776)	(98)%	decrease
Expenses	50,544	85,990	(35,446)	(41)%	decrease
Income tax (benefit)	—	(8,719)	8,719	(100)%	decrease
Net loss	\$ (49,429)	\$ (30,380)	\$ (19,049)	63 %	increase

Income from continuing operations for the year ended December 31, 2015 was significantly higher due to the maturity of 17 policies with a net gain of approximately \$47.9 million compared to 12 policies with a net gain of approximately \$17.9 million for the year ended December 31, 2016. Our income for the year ended December 31, 2016 was also significantly impacted by the adoption of the 2015 VBT, which resulted in a reduction in fair value of life settlements of \$17.6 million.

Our expenses from continuing operations for the year ended December 31, 2015 were significantly higher than 2016 due to legal expenses of \$20.7 million compared to \$6.4 million, change in fair value of the Revolving Credit Facilities of \$12.2 million compared to a gain of \$1.9 million and a loss on extinguishment of Secured Notes of \$8.8 million compared to a loss on extinguishment of the Red Falcon Revolving Credit Facility of \$554,000 for the years ended December 31, 2015 and December 31, 2016, respectively. Legal expenses for the year ended December 31, 2015 included approximately \$6.5 million in payments relating to the Company's indemnification obligations for the conclusion of the USAO Investigation.

Our net loss for the year ended December 31, 2015 includes an income tax benefit of approximately \$8.7 million. There was no income tax benefit recognized during the year ended December 31, 2016.

See Notes 12, "12.875% Senior Secured Notes," and 18, "Income Taxes," to the accompanying consolidated financial statements.

Change in fair value of life settlements (in thousands)

	Year Ended December 31,				
	2016	2015	Change	% Change	
Change in fair value of life settlements	\$ 864	\$ 46,717	\$ (45,853)	(98)%	decrease

During the year ended December 31, 2016, 12 life insurance policies with face amounts totaling \$37.5 million matured, compared to 17 policies with face amounts of \$67.4 million for the same period in 2015. The net gain of these maturities was \$17.9 million and \$47.9 million for 2016 and 2015, respectively, and is recorded as a change in fair value of life settlements in the consolidated statements of operations for the years ended December 31, 2016 and 2015. Of these maturities, four served as collateral under the Red Falcon Revolving Credit Facility and eight served as collateral under the White Eagle Revolving Credit Facility. Proceeds from maturities totaling \$50.5 million were received during the year ended December 31, 2016. Of this amount, approximately \$40.5 million and \$7.6 million were utilized to repay borrowings, interest and credit facility expenses under the White Eagle Revolving Credit Facility and the Red Falcon Revolving Credit facility, respectively, during the year ended December 31, 2016, and \$2.5 million was used to repay interest and credit facility expenses under the White Eagle Revolving Credit Facility during 2017. Approximately \$5.0 million in policy proceeds received at the end of 2015 were used to repay borrowings, interest, and expenses for White Eagle during 2016. The Company also recorded a \$5.0 million receivable for maturity of life settlements at December 31, 2016 relating to a policy pledged to the White Eagle Revolving Credit Facility.

During the second quarter ended June 30, 2016, the Company changed its valuation technique and decided to adopt the 2015 VBT, smoker and gender distinct tables, to determine the value of the policies. The resulting impact was a reduction in the fair value of the life settlements of approximately \$17.6 million for the year ended December 31, 2016.

Other items impacting the change in fair value include updated life expectancies procured by the Company in respect of the insured lives and maturities. The updated life expectancy reports implied that in aggregate, the insureds' health improved, therefore lengthening their life expectancies relative to the prior life expectancies, which resulted in a decrease in fair value.

The change in fair value was further impacted by a reduction in estimated risk premium which drives our discount rate. The Company re-evaluates its discount rates at the end of each reporting period in order to reflect the estimated discount rates that could reasonably be used in a market transaction involving the Company's portfolio of life settlements. In doing so, consideration is given to the various factors influencing the rates, including credit exposure of the insurance company that issued the life insurance policy, and the estimated risk premium an investor in the policy would require, among other factors. In considering these factors, at December 31, 2016, the Company determined that the weighted average discount rate calculated based on death benefit was 16.37% compared to 17.02% at December 31, 2015. This resulted in a positive impact for the change in fair value of our life settlement for the year ended December 31, 2016.

As of December 31, 2016, we owned 621 policies with an estimated fair value of \$498.4 million compared to 632 policies with a fair value of \$461.9 million at December 31, 2015, an increase of \$36.5 million or 8%. Of the 621 policies, 619 policies were pledged to the White Eagle Revolving Credit Facility. During the year ended December 31, 2016, the Company purchased \$3.1 million in additional death benefit by acquiring retained portions of policy benefits from 20 policies for approximately \$1.4 million. During the year ended December 31, 2016, the Company acquired one life insurance policy that resulted in a gain of approximately \$262,000 compared to 43 policies during the same period in 2015 for a gain of \$6.0 million. The gain related to acquisitions is included in income from changes in fair value of life settlement in the consolidated statements of operations for the year ended December 31, 2016. As of December 31, 2016, the aggregate death benefit of our life settlements was \$2.9 billion.

Of these 621 policies owned as of December 31, 2016, 539 were previously premium financed and are valued using discount rates that range from 16.00% – 21.00%. The remaining 82 policies are valued using discount rates that range from 15.00% – 18.00%. See Note 13, "Fair Value Measurements," to the accompanying consolidated financial statements.

Loss on life settlements, net (in thousands)

	Year Ended December 31,				
	2016	2015	Change	% Change	
Loss on life settlements, net	\$ —	\$ (41)	\$ 41	(100)%	decrease

There were no policy sales during the year ended December 31, 2016. The loss in 2015 related to one policy sale on net proceeds of \$2.2 million.

Expenses (in thousands)

	Year Ended December 31,				
	2016	2015	Change	% Change	
Interest expense	\$ 29,439	\$ 27,286	\$ 2,153	8 %	increase
Extinguishment of Senior Notes	—	8,782	(8,782)	(100)%	decrease
Extinguishment of Red Falcon Revolving Credit Facility	554	—	554	100 %	increase
Change in fair value of Revolving Credit Facilities	(1,898)	12,197	(14,095)	(116)%	decrease
SG&A expenses	22,449	37,725	(15,276)	(40)%	decrease
Total Expense	\$ 50,544	\$ 85,990	\$ (35,446)	(41)%	decrease

Interest expense (in thousands)

	Year Ended December 31,				
	2016	2015	Change	% Change	
White Eagle Revolving Credit Facility	\$ 11,422	\$ 9,239	\$ 2,183	24 %	increase
Red Falcon Revolving Credit Facility	4,260	4,860	(600)	(12)%	decrease
Convertible Notes	9,737	9,145	592	6 %	increase
15% Senior Secured Notes	4,008	—	4,008	100 %	increase
12.875% Senior Secured Notes	—	4,019	(4,019)	(100)%	decrease
Other	12	23	(11)	(48)%	decrease
Total Interest Expense	\$ 29,439	\$ 27,286	\$ 2,153	8 %	increase

Outstanding debt for the year ended December 31, 2016 included \$261.4 million of outstanding principal on the White Eagle Revolving Credit Facility, \$70.7 million of Convertible Notes and \$30.0 million of 15% Senior Secured Notes.

The Company's outstanding debt increased by \$64.0 million from \$298.2 million at December 31, 2015 to \$362.1 million at December 31, 2016. The increase is mainly attributable to a net increase in principal of \$89.3 million on the White Eagle Revolving Credit Facility and a \$30.0 million increase in the 15% Senior Secured Notes, offset by a \$55.4 million decrease in the principal balance of the Red Falcon Revolving Credit Facility debt which was terminated on December 29, 2016. During the year ended December 31, 2015, the Company redeemed the outstanding 12.875% Senior Secured Notes.

Of the interest expense of \$29.4 million for the year ended December 31, 2016, approximately \$11.4 million represents interest paid on the White Eagle Revolving Credit Facility and approximately \$4.3 million was attributable to the Red Falcon Revolving Credit Facility. Interest included \$388,000 and \$297,000 of debt issuance costs for the White Eagle Revolving Credit Facility and the Red Falcon Revolving Credit Facility, respectively, which were not capitalized as a result of electing the

fair value option for valuing these debt facilities, and \$11.0 million and \$4.0 million related to interest payments paid during the year ended December 31, 2016, respectively.

Interest expense on the Convertible Notes totaled \$9.7 million, including \$6.0 million, \$3.2 million and \$480,000 representing interest, amortization of debt discount and issuance costs, respectively. We recorded \$4.0 million of interest expense on the 15% Senior Secured Notes, including \$3.7 million and \$356,000 from interest and amortizing debt discounts, respectively, during the year ended December 31, 2016.

Of the interest expense of \$27.3 million for year ended December 31, 2015, approximately \$9.2 million represents interest paid on the White Eagle Revolving Credit Facility, which included \$6.7 million withheld from borrowings by the lender and \$2.5 million paid by White Eagle. Approximately \$4.9 million represents interest expense attributable to the Red Falcon Revolving Credit Facility, which includes approximately \$3.3 million attributable to debt issuance costs not capitalized as a result of electing the fair value option for valuing this debt and an additional \$1.6 million related to interest payments paid during the year ended December 31, 2015.

Interest expense on the Convertible Notes totaled \$9.1 million including \$6.0 million, \$2.7 million and \$404,000 representing interest, amortization of debt discount and issuance costs, respectively.

The Company recorded \$4.0 million of interest expense on the 12.875% Senior Secured Notes, including \$3.2 million, \$265,000, \$264,000, and \$277,000 from interest, unused fees, amortizing debt discounts and issuance costs, respectively, during the year ended December 31, 2015.

See Notes 8, "White Eagle Revolving Credit Facility," 9, "Red Falcon Revolving Credit Facility," 10, "8.5% Senior Unsecured Convertible Notes," 11, "15% Senior Secured Notes," and 12, "12.875% Senior Secured Notes," to the accompanying consolidated financial statements.

Extinguishment of debt (in thousands)

	Year Ended December 31,				
	2016	2015	Change	% Change	
Extinguishment of Secured Notes	\$ —	\$ 8,782	\$ (8,782)	(100)%	decrease
Extinguishment of Red Falcon Revolving Credit Facility	554	—	554	100 %	increase
	\$ 554	\$ 8,782	\$ (8,228)	(94)%	decrease

During the year ended December 31, 2016, the Company terminated the Red Falcon Revolving Credit Facility. The outstanding principal balance and unpaid interest due and paid upon termination of the facility on December 29, 2016 was \$65.1 million. Approximately \$554,000 was recorded as a loss on extinguishment of debt related to the early repayment of the facility. This includes the debt valuation allowance of \$239,000 and costs incurred related to the facility termination of \$315,000 at December 31, 2016.

During the year ended December 31, 2015, the Company redeemed all of the outstanding 12.875% Senior Secured Notes and discharged the related Secured Note indenture. The Secured Notes were redeemed at 106% of their principal amount plus interest up to but excluding November 10, 2015. Approximately \$8.8 million was expensed as extinguishment related to the early repayment of the Secured Notes for the year ended December 31, 2015. This included \$5.2 million, \$171,000, \$1.7 million and \$1.7 million related to interest and prepayment penalties, unused fees, write off of debt discount and write off of issuance cost.

See Notes 9 "Red Falcon Revolving Credit Facility," and 12 "12.875% Senior Secured Notes" of the accompanying consolidated financial statements.

Change in fair value of the Revolving Credit Facilities (in thousands)

	Year Ended December 31,				
	2016	2015	Change	% Change	
White Eagle Revolving Credit Facility	\$ (1,389)	\$ 11,926	\$ (13,315)	(112)%	decrease
Red Falcon Revolving Credit Facility	(509)	270	(779)	(289)%	decrease
Total Change in Fair Value of Revolving Credit Facilities	\$ (1,898)	\$ 12,196	\$ (14,094)	(116)%	decrease

At December 31, 2016, the White Eagle Revolving Credit Facility shows a gain of approximately \$1.4 million compared to a loss of \$11.9 million for the year ended December 31, 2015. This gain in 2016 is attributable to a combination of offsetting factors as discussed below:

During the second quarter ended June 30, 2016, the Company changed its valuation technique by adopting the 2015 VBT, smoker and gender distinct tables, to determine the value of the life insurance policies pledged as collateral in the facilities. The resulting impact was a positive change in the cash flows which drives the change in fair value of the White Eagle Revolving Credit Facility of approximately \$14.7 million.

On December 29, 2016, White Eagle entered into a second amendment to the Amended and Restated Loan and Security Agreement. As amended, the expected repayment term of the facility was increased by approximately 4 years with the lender's commitment expiring on December 31, 2031; prior to the amendment, the commitment was scheduled to expire on April 30, 2028. This extension has impacted the overall cash flow that drives the fair value calculation of the facility. In addition, 190 life settlement policies purchased from Red Falcon Trust and other affiliates of the Company were pledged as additional collateral under the facility. These policies have characteristics that are more aged, and, as a result, maturities are expected to occur earlier on these policies compared to the policies that existed in the White Eagle Revolving Credit Facility prior to this acquisition, which allows an earlier expected repayment, thus impacting the White Eagle Revolving Credit Facility duration. The amendment now requires the parent company to maintain a cash interest coverage ratio which, if not met, may provide the lender the option to sweep 100% of remaining maturity proceeds after all facility expenses and interest are satisfied. The Company believes that the presence of such covenant does lend some improvement in the overall risk profile of the facility after the amendment.

In considering the factors above, management felt it is reasonable to apply a onetime reduction in the discount rate. This one time reduction had a negative impact on the fair value of the White Eagle Revolving Credit Facility, which was offset by increased borrowings and lengthening of life expectancies of certain insureds underlying policies pledged as collateral in the facility. The White Eagle Revolving Credit Facility is valued at December 31, 2016 using a discount rate of 18.50% compared to 20.55% for the year ended December 31, 2015.

Change in fair value of Revolving Credit Facilities also includes a gain of \$509,000 attributable to the Red Falcon Revolving Credit Facility for the year ended December 31, 2016. This facility was terminated on December 29, 2016.

See Note 13, "Fair Value Measurements," to the accompanying consolidated financial statements.

Selling, general and administrative expenses (in thousands)

	Year Ended December 31,				
	2016	2015	Change	% Change	
Personnel costs	\$ 6,070	\$ 6,384	\$ (314)	(5)%	decrease
Legal fees	6,427	20,739	(14,312)	(69)%	decrease
Professional fees	7,081	7,133	(52)	(1)%	decrease
Insurance	835	1,275	(440)	(35)%	decrease
Other SG&A	2,036	2,194	(158)	(7)%	decrease
Total SG&A Expense	\$ 22,449	\$ 37,725	\$ (15,276)	(40)%	decrease

The decrease in SG&A expense was primarily the result of a decrease in legal expense of \$14.3 million, a decrease in insurance costs of \$440,000 and a decrease in personnel costs of \$314,000.

During the year ended December 31, 2016, as part of a reduction in force, the Company reduced its headcount from 31 employees to 24 employees inclusive of two executives. The expense associated with this reduction was approximately \$1.0 million for the year ended December 31, 2016 which related to separation costs.

Legal expenses for the year ended December 31, 2016 were \$6.4 million compared to \$20.7 million for the year ended December 31, 2015. Of the legal expense, approximately \$1.7 million was associated with the USAO Investigation, SEC Investigation, IRS Investigation and related matters for the year ended December 31, 2016, compared to \$17.0 million for the year ended December 31, 2015. Amounts for 2015 mainly relate to the USAO Investigation, which was concluded at December 31, 2015.

See Note 15, "Commitments and Contingencies," to the accompanying consolidated financial statements.

2015 Compared to 2014

Net loss from continuing operations for the year ended December 31, 2015 was \$30.4 million as compared to \$5.2 million for the year ended December 31, 2014. Our net loss for the year ended December 31, 2015 included approximately \$8.7 million in income tax benefit compared to \$125,000 in income tax expense for the same period in 2014. The following is our analysis of net loss for the period (in thousands).

	Year Ended December 31,				
	2015	2014	Change	% Change	
Income	\$ 46,891	\$ 43,816	\$ 3,075	7 %	increase
Expenses	85,990	48,842	37,148	76 %	increase
Income tax (benefit)	(8,719)	125	(8,844)	(7,075)%	decrease
Net loss	\$ (30,380)	\$ (5,151)	\$ (25,229)	490 %	increase

Income from continuing operations for the year ended December 31, 2015 was higher due to the maturity of 17 policies with a net gain of approximately \$47.9 million compared to seven policies with a net gain of approximately \$16.4 million for the year ended December 31, 2014.

Our expense from continuing operations for the year ended December 31, 2015 was significantly higher than 2014 due to interest expense of \$27.3 million compared to \$16.2 million, legal expense of \$20.7 million compared to \$13.6 million, change in fair value of the Revolving Credit Facilities of \$12.2 million compared to a gain of \$5.5 million, loss on extinguishment of Secured Notes of \$8.8 million and professional fees of \$7.1 million compared to \$5.3 million, for the years ended December 31, 2015 and December 31, 2014 respectively. 2014 was significantly impacted by a onetime charge of change in fair value of conversion derivative liability of \$6.8 million which is associated with our Convertible Notes. Legal expenses for the year ended December 31, 2015 included approximately \$6.5 million in payments relating to the Company's indemnification obligations for the conclusion of the USAO Investigation.

See Notes 12, "12.875% Senior Secured Notes," and 18, "Income Taxes," to the accompanying consolidated financial statements.

Change in Fair Value of Life Settlements (in thousands)

	Year Ended December 31,				
	2015	2014	Change	% Change	
Change in fair value of life settlements	\$ 46,717	\$ 44,128	\$ 2,589	6%	increase

The gain for the years ended December 31, 2015 and 2014 was primarily a result of maturities and increased life settlement values.

During the year ended December 31, 2015, 17 life insurance policies with face amounts totaling \$67.4 million matured compared to seven policies with face amounts of \$25.5 million for the same period in 2014. The net gain on these maturities was \$47.9 million and \$16.4 million for 2015 and 2014, respectively, and is recorded as a change in fair value of life settlements in the consolidated statements of operations for the years ended December 31, 2015 and 2014. Of these maturities, three served as collateral under the Red Falcon Revolving Credit Facility and 13 served as collateral under the White Eagle Revolving Credit Facility.

Proceeds from maturities totaling \$53.5 million were received during the year ended December 31, 2015. Of this amount, approximately \$43.2 million and \$4.6 million were utilized to repay borrowings, interest and credit facility expenses under the White Eagle Revolving Credit Facility and the Red Falcon Revolving Credit Facility, respectively, during the year ended December 31, 2015. The Company also recorded an \$18.2 million receivable for maturity of life settlements at December 31, 2015 relating to the White Eagle Revolving Credit Facility.

As of December 31, 2015, the Company owned 632 policies with an estimated fair value of \$461.9 million compared to 607 policies with a fair value of \$388.9 million at December 31, 2014, an increase of \$73.0 million or 19%. Of the 632 policies, 437 policies were pledged to the White Eagle Revolving Credit Facility and 156 policies were pledged to the Red Falcon Revolving Credit Facility. During the year ended December 31, 2015, the Company acquired 43 life insurance policies that resulted in a gain of approximately \$6.0 million compared to 16 policies during the same period in 2014 which resulted in a gain of \$6.1 million. The gain related to acquisitions is included in income from changes in the fair value of life settlements in the consolidated statements of operations for the years ended December 31, 2015 and 2014. As of December 31, 2015, the aggregate death benefit of the Company's investment in life settlements was \$3.0 billion.

Of these 632 policies owned as of December 31, 2015, 544 were premium financed and are valued using discount rates that range from 16.00% – 24.50%. The remaining policies are valued using discount rates that range from 15.00% – 21.00%. See Note 13, "Fair Value Measurements," to the accompanying consolidated financial statements.

Loss on life settlements, net (in thousands)

	Year Ended December 31,				
	2015	2014	Change	% Change	
Loss on life settlements, net	\$ (41)	\$ (426)	\$ 385	(90)%	decrease

During the year ended December 31, 2015, one policy was sold resulting in a loss of approximately \$41,000 on net proceeds received of \$2.2 million compared to 14 policies sold and a loss of \$426,000 on net proceeds of \$4.0 million for the same period in 2014.

Expenses (in thousands)

	Year Ended December 31,				
	2015	2014	Change	% Change	
Interest expense	\$ 27,286	\$ 16,245	\$ 11,041	68 %	increase
Extinguishment of Senior Notes	8,782	—	8,782	100 %	increase
Change in fair value of Revolving Credit Facilities	12,197	(5,472)	17,669	(323)%	decrease
Change in fair value of conversion derivative liability	—	6,759	(6,759)	(100)%	decrease
SG&A expenses	37,725	31,310	6,415	20 %	increase
Total Expense	\$ 85,990	\$ 48,842	\$ 37,148	76 %	increase

Interest expense (in thousands)

	Year Ended December 31,				
	2015	2014	Change	% Change	
White Eagle Revolving Credit Facility	9,239	7,980	\$ 1,259	16%	increase
Red Falcon Revolving Credit Facility	4,860	—	4,860	100%	increase
Convertible Notes	9,145	7,549	1,596	21%	increase
12.875% Senior Secured Notes	4,019	694	3,325	479%	increase
Other	23	22	1	5%	increase
Total Interest Expense	\$ 27,286	\$ 16,245	\$ 11,041	68%	increase

Outstanding debt for the year ended December 31, 2015 includes \$172.0 million of outstanding principal on the White Eagle Revolving Credit Facility, \$55.4 million on the Red Falcon Revolving Credit Facility and \$70.7 million of Convertible Notes. During the year ended December 31, 2015, the Company redeemed all outstanding 12.875% Senior Secured Notes.

Of the interest expense of \$27.3 million for the year ended December 31, 2015, approximately \$9.2 million represents interest paid on the White Eagle Revolving Credit Facility, which included \$6.7 million withheld from borrowings by the lender and \$2.5 million paid by White Eagle. Approximately \$4.9 million represents interest expense attributable to the Red Falcon Revolving Credit Facility, which includes approximately \$3.3 million attributable to debt issuance costs not capitalized as a result of electing the fair value option for valuing this debt and an additional \$1.6 million related to interest payments paid during the year ended December 31, 2015.

Interest expense on the Convertible Notes totaled \$9.1 million including \$6.0 million, \$2.7 million and \$404,000 representing interest, amortization of debt discount and issuance costs, respectively. The Company recorded \$4.0 million of interest expense on the 12.875% Senior Secured Notes, including \$3.2 million, \$265,000, \$264,000, and \$277,000 from interest, unused fees, amortizing debt discounts and issuance costs, respectively, during the year ended December 31, 2015.

Of the interest expense of \$16.2 million for the year ended December 31, 2014, approximately \$8.0 million represents interest paid on the White Eagle Revolving Credit Facility. Interest expense on the Convertible Notes totaled \$7.5 million including \$5.2 million, \$2.0 million and \$332,000 representing interest, amortization of debt discount and issuance costs, respectively. The Company recorded \$694,000 of interest expense on the 12.875% Senior Secured Notes, including \$592,000, \$36,000, and \$66,000 from interest, amortizing debt discounts and issuance costs, respectively, during the year ended December 31, 2014.

See Notes 8, "White Eagle Revolving Credit Facility," 9, "Red Falcon Revolving Credit Facility," 10, "8.50% Senior Unsecured Convertible Notes," and 12, "12.857% Senior Secured Notes," to the accompanying consolidated financial statements.

Extinguishment of 12.875% Senior Secured Notes (in thousands)

	Year Ended December 31,				
	2015	2014	Change	% Change	
Extinguishment of Senior Secured Notes	\$ 8,782	\$ —	\$ 8,782	100%	increase

During the year ended December 31, 2015, the Company redeemed all of the outstanding 12.875% Senior Secured Notes and discharged the related indenture. The Secured Notes were redeemed at 106% of their principal amount plus interest up to but excluding November 10, 2015. Approximately \$8.8 million was expensed as extinguishment related to the early repayment of the Secured Notes for the year ended December 31, 2016. This included \$5.2 million, \$171,000, \$1.7 million and \$1.7 million related to interest and prepayment penalties, unused fees, write off of debt discount and write off of issuance cost.

Change in fair value of the Revolving Credit Facilities (in thousands)

	Year Ended December 31,				
	2015	2014	Change	% Change	
White Eagle Revolving Credit Facility	\$ 11,926	\$ (5,472)	\$ 17,398	(318)%	decrease
Red Falcon Revolving Credit Facility	270	—	270	100 %	increase
Total Change in Fair Value of Revolving Credit Facilities	\$ 12,196	\$ (5,472)	\$ 17,668	(323)%	decrease

Change in fair value of the debt under the Revolving Credit Facilities was a loss of approximately \$12.2 million for the year ended December 31, 2015 compared to a gain of approximately \$5.5 million for the year ended December 31, 2014.

The \$11.9 million loss attributable to the White Eagle Revolving Credit Facility was due to a reduction in the discount rate after amending the facility along with projected earlier repayments due to maturities. These were offset by increased borrowings, lengthening of life expectancies of certain insureds underlying policies pledged as collateral in the facilities and projected costs of insurance increases. The \$5.5 million gain for 2014 resulted from increased borrowings and an increase in the discount rate used to value the facility. These were offset by projected early repayment of the White Eagle Revolving Credit Facility given earlier than projected maturities. The White Eagle Revolving Credit Facility is valued at December 31, 2015 using a discount rate of 20.55% compared to 23.89% at December 31, 2014.

Change in fair value of Revolving Credit Facilities also includes a loss of \$270,405 attributable to the Red Falcon Revolving Credit Facility for the year ended December 31, 2015. This change is associated with the election of the fair value option in accounting for the facility and a reduction in the discount rate since inception. These were offset by increased borrowings and projected cost of insurance increases. The Red Falcon Revolving Credit Facility was valued at December 31, 2015 using a discount rate of 11.65%.

See Note 13, "Fair Value Measurements," to the accompanying consolidated financial statements.

Change in fair value of conversion derivative liability (in thousands)

	Year Ended December 31,				
	2015	2014	Change	% Change	
Change in fair value of conversion derivative liability	—	\$ 6,759	\$ (6,759)	(100)%	decrease

ASC 815, *Derivatives and Hedging*, required the Company to bifurcate the embedded conversion option that was valued on February 21, 2014 and June 5, 2014, which resulted in a fair value loss of approximately \$6.8 million for the year ended December 31, 2014. During that year, the conversion derivative liability was reclassified to additional-paid-in-capital. Accordingly, there will be no further adjustment to the fair value of this derivative liability reflected in the Company's financial statements. See Note 10, "8.50% Senior Unsecured Convertible Notes," to the accompanying consolidated financial statements.

Selling, General and Administrative Expenses (in thousands)

	Year Ended December 31,				
	2015	2014	Change	% Change	
Personnel costs	\$ 6,384	\$ 8,763	\$ (2,379)	(27)%	decrease
Legal fees	20,739	13,620	7,119	52 %	increase
Professional fees	7,133	5,254	1,879	36 %	increase
Insurance	1,275	1,667	(392)	(24)%	decrease
Other SG&A	2,194	2,006	188	9 %	increase
Total SG&A Expense	\$ 37,725	\$ 31,310	\$ 6,415	20 %	increase

The increase in SG&A expenses for the year ended December 31, 2015 was primarily a result of an increase of \$7.1 million in legal fees, an increase of \$1.9 million in professional fees, and a \$188,000 increase in other SG&A expenses. These increases were offset by a reduction in personnel costs of \$2.4 million and a \$392,000 reduction in insurance costs.

Of the legal expense for the year ended December 31, 2015, approximately \$17.0 million is mainly associated with the USAO Investigation, IRS Investigation and related matters compared to \$5.0 million for the year ended December 31, 2014. These expenses were significantly impacted by a \$6.5 million payment relating to the Company's indemnification obligations for the conclusion of the USAO Investigation at December 31, 2015.

See Note 15, "Commitments and Contingencies," to the accompanying consolidated financial statements.

Results of Discontinued Operations

2016 Compared to 2015

	Year Ended December 31,				
	2016	2015	Change	% Change	
Total income	\$ 12	\$ 81	\$ (69)	(85)%	decrease
Total expenses	272	725	(453)	(62)%	decrease
Loss before income taxes	(260)	(644)	384	(60)%	decrease
Net loss, net of income taxes	\$ (260)	\$ (644)	\$ 384	(60)%	decrease

During the year ended December 31, 2015, our discontinued structured settlement operations sold 43 structured settlements for a loss of approximately \$32,000 and received proceeds of approximately \$920,000. There were no structured settlement sales during the year ended December 31, 2016.

Total expenses from our discontinued structured settlement operations were \$272,000 for the year ended December 31, 2016 compared to \$725,000 incurred during the same period in 2015. This decrease was attributable to a \$497,000 decrease in legal fees.

2015 Compared to 2014

	Year Ended December 31,				
	2015	2014	Change	% Change	
Total income (loss)	\$ 81	\$ 192	\$ (111)	(58)%	decrease
Total expenses	725	793	(68)	(9)%	decrease
Income (loss) before income taxes	(644)	(601)	(43)	7 %	increase
Income tax benefit	—	232	(232)	(100)%	decrease
Net income (loss), net of income taxes	\$ (644)	\$ (369)	\$ (275)	75 %	increase

During the year ended December 31, 2015, our discontinued structured settlement operations sold 43 structured settlements for a loss of approximately \$32,000 and received proceeds of approximately \$920,000, compared to 8 structured settlements for a gain of \$18,000 during the year ended December 31, 2014.

Unrealized change in fair value of structured settlements receivable was \$20,000 and \$32,000 for the years ended December 31, 2015 and 2014, respectively.

Total expenses from our discontinued structured settlement operations were \$725,000 for the year ended December 31, 2015 compared to \$793,000 during the same period in 2014. This decrease was attributable to a \$42,000 decrease in legal fees, a \$15,000 decrease in professional fees, and an \$11,000 decrease in other SG&A expenses.

Liquidity and Capital Resources

Our consolidated financial statements have been prepared assuming the realization of assets and the satisfaction of liabilities in the normal course of business, as well as continued compliance with the covenants contained in the indentures governing our Convertible Notes and 15% Senior Secured Notes and other financing arrangements.

As of our filing date, we anticipate that we will not comply with our financial covenant under the White Eagle Revolving Credit Facility to maintain a cash interest coverage ratio of at least 2.0:1. Absent waivers or cures, non-compliance with such covenant would result in the cash flow sweep percentage being equal to one-hundred percent (100%), and even if the required LTV ratio was satisfied, the Company would not participate in any cash flow sweep. As of December 31, 2016, the cash interest coverage ratio was 1.65:1 and the LTV ratio was 55%, which was calculated using the lender's valuation. It is possible we could obtain waivers from our debt holder.

At December 31, 2016, we had approximately \$11.3 million of cash and cash equivalents and certificate of deposits of \$6.0 million; of this amount, approximately \$8.3 million is available to pay premiums on the two unencumbered policies and other overhead expenses, with approximately \$9.1 million being restricted by the White Eagle Revolving Credit Facility. We expect to meet our liquidity needs for the foreseeable future primarily through a combination of the receipt of death benefits from life insurance policy maturities, borrowings under the White Eagle Revolving Credit Facility, strategic capital market raises, policy sales (subject to the asset sale restrictions in our debt arrangements) and cash on hand.

For the year ended December 31, 2016, we paid \$71.7 million in premiums to maintain our policies in force. Of this amount, \$53.6 million was paid by White Eagle through its borrowings and \$14.7 million was paid by Red Falcon through its borrowings. While the liquidity risk associated with the policies that have been pledged as collateral under the White Eagle Revolving Credit Facility has been mitigated, any distributions from available proceeds under the White Eagle Revolving Credit Facility will vary based on the respective then current loan to value ratio as well as the cash interest coverage ratio. Accordingly, there can be no assurance as to when the proceeds from maturities of the policies pledged as collateral under the White Eagle Revolving Credit Facility will be distributed to the Company. Additionally, White Eagle may not borrow under the White Eagle Revolving Credit Facility to pay interest. To the extent there are insufficient collections from policy proceeds to cover interest, the required payment will put further stress on our available cash. Assuming no policy maturities, as of December 31, 2016, we expect to pay \$118,000 in premiums during 2017 on the two policies that have not been pledged under the White Eagle Revolving Credit Facility; however, any future cost of insurance increases may cause our projected premium payments to significantly increase and adversely affect the loan to value ratios under the White Eagle Revolving Credit Facility. Additionally, at December 31, 2016, we had \$70.7 million and \$30.0 million in aggregate principal amount of outstanding

Convertible Notes and 15% Senior Secured Notes, which accrued interest at 8.50% and 15.0%, respectively. Interest on the Convertible Notes is due semi-annually and interest on the 15% Senior Secured Notes is due quarterly.

During the year ended December 31, 2016, actual maturities have fallen below the Company's expectations. As a result, the Company anticipates a liquidity shortfall within three months after the date of this report, unless additional liquidity is obtained. Accordingly, the Company will continue to proactively manage its cash in order to effectively run its businesses and service its debt. The Company may, subject to the covenants and restrictions in its debt arrangements, sell or, under very limited circumstances, lapse certain of its policies as its portfolio management strategy and liquidity needs dictate. The lapsing of policies, if any, could result in events of default under the White Eagle Revolving Credit Facility and would create losses as such assets would be written down to zero.

On August 1, 2016, the Company initiated a formal process to explore strategic alternatives in response to receiving a number of unsolicited inquiries from several interested parties. The Company's Board of Directors formed a special committee whose mandate is to review and consider strategic alternatives and to make recommendations to the full Board of Directors. Some of the possible strategic alternatives the special committee may consider are a sale of the Company, a merger or other business combination, a sale of all or a material portion of the Company's assets, a joint venture, and a recapitalization. At December 31, 2016, the special committee was continuing its efforts to explore these initiatives. As a result, the Company does not currently intend to expend resources acquiring policies and will continue to sell shares of common stock under the Company's at-the-market offering program to assist with funding business operations.

While we expect to meet our liquidity needs for the next several months primarily through a combination of the receipt of death benefits from life insurance policy maturities, borrowings under the White Eagle Revolving Credit Facility, strategic capital market raises, delaying interest and other payments, policy sales (subject to the asset sale restrictions in our debt arrangements) and cash on hand, the Company has incurred substantial losses and negative cash flows from operating activities. The Company's current operating plan indicates that we will continue to incur losses from operations. These projections and other liquidity risks raise substantial doubt about whether we will meet our obligations as they become due within three months after the date of this report. As a result of these factors, as well as the continued uncertainty surrounding the timing of death benefits and our ability to raise capital, there exists substantial doubt whether we will be able to continue as a going concern.

The accompanying consolidated financial statements are prepared on a going concern basis and do not include any adjustments that might result from uncertainty about our ability to continue as a going concern. The report from our independent registered public accounting firm on our consolidated financial statements for the year ended December 31, 2016 includes an emphasis of matter paragraph that summarizes the salient facts or conditions that raise substantial doubt about our ability to continue as a going concern.

Issuance of Additional Convertible Notes

On February 14, 2017, the Company entered into a solicitation to consent (the "Consent Solicitation") to issue additional Convertible Notes (the "Additional Convertible Notes") in lieu of a cash payment of interest due on February 15, 2017 (the "2017 Interest Payment Date") to holders of the Convertible Notes. The Company's obligation to issue the Additional Convertible Notes was subject to the satisfaction of (1) not less than 95% of the aggregate principal amount of Convertible Notes agreeing to accept Additional Convertible Notes in lieu of a cash payment of interest on the 2017 Interest Payment Date and (2) the amendment of the Senior Secured Indenture to permit the issuance of the Additional Convertible Notes. This consent is only effective for the cash payment of interest due on the 2017 Interest Payment Date and not for subsequent interest payments.

On March 14, 2017, the Company issued an additional \$3.5 million in Additional Convertible Notes following the Company's receipt of requisite consents of the holders of the Convertible Notes of approximately 98% of the aggregate principal amount of Convertible Notes (the "Consenting Holders"), pursuant to the Consent Solicitation, whereby each Consenting Holder agreed to accept Additional Convertible Notes in lieu of a cash payment of interest on the Convertible Notes due on the 2017 Interest Payment Date. All Additional Convertible Notes issued by the Company to Consenting Holders were issued under the Indenture dated February 21, 2014 between the Company and U.S. Bank National Association (the "Convertible Indenture") and such Additional Convertible Notes have identical terms to existing Convertible Notes. Interest on the Additional Convertible Notes will accrue from February 15, 2017.

Events of Default - 15.0% Senior Secured Note

The Company did not make an interest payment of \$1.1 million, due March 15, 2017, on the 15.0% Senior Secured Notes, of which \$30.0 million principal amount was outstanding on that date. If the interest payment is not made within five business days of its due date, such failure would result in an event of default under the Senior Secured Indenture governing the 15.0% Senior Secured Notes, and the trustee or holders of at least 25% in principal amount of the outstanding 15.0% Senior Secured Notes may declare the principal, premium, if any, and accrued but unpaid interest immediately due and payable. The Company released the cash interest payment of \$1.1 million to the holders of the 15% Senior Secured Notes on March 20, 2017.

Recapitalization Transaction

On March 15, 2017, the Company entered into a series of separate Master Transaction Agreements (together, the "Agreements") by and between the Company, PJC Investments, LLC, a Texas limited liability company ("PJC"), and each such Consenting Convertible Note Holder that is a party to such Agreement ("Consenting Holders") regarding a series of integrated transactions with the intent to effect a recapitalization of the Company (the "Transaction"), which includes an Amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the Common Stock, a Common Stock Purchase Agreement, a Convertible Note Exchange Offer, a New Convertible Note Indenture providing for the issuance of New Convertible Notes, a Senior Note Exchange Offer, a New Senior Note Indenture providing for the issuance of New Senior Notes, a Senior Note Purchase Agreement, a Warrant and certain other agreements and documents to be delivered in connection with the Transaction (each as defined in the Agreements, and together with the Agreements, the "Transaction Documents"). The Agreements and the transactions contemplated under the Agreements were unanimously approved by the Board of Directors of the Company on March 13, 2017.

Under the Agreements, PJC and other parties agreed to certain undertakings, including: (i) PJC or its designee (the "Investor") purchasing up to 100% of the Company's New Senior Notes from the Holders (as defined herein) pursuant to the Senior Note Purchase Agreement, (ii) PJC or the Investor purchasing \$15.0 million in shares of Common Stock, pursuant to the Common Stock Purchase Agreement, and (iii) issuance to PJC or the Investor of a warrant to purchase up to 34,000,000 shares of Common Stock at an exercise price of \$0.25 per share for an aggregate purchase price of up to \$8.5 million. Upon the closing of the proposed transactions, the Company's Board of Directors will include four members representing PJC and one member representing the convertible note holders. The Transaction is subject to certain conditions described in this Annual Report on Form 10-K, including that the Company shall have obtained the requisite approval by the Company's shareholders to the Articles Amendment and that the requisite number of holders of the Company's senior secured notes and unsecured convertible notes shall have tendered their notes in connection with the applicable exchange offer as described below, and certain customary closing conditions, including that each of the Transaction Documents shall have been executed and delivered to the other parties thereto. The Transaction is expected to close in the second quarter of 2017, although the consummation of the Transaction is subject to multiple conditions and there can be no assurance that the Transaction will close on a timely basis or at all.

At or contemporaneously with the closing of the Transaction, the Company will enter into a Common Stock Purchase Agreement (the "Purchase Agreement") with the purchasers' party to the Purchase Agreement (the "Purchasers"). The Purchase Agreement will generally provide for the Purchasers to purchase up to 92,000,000 shares of Common Stock at a price of \$0.25 per share for an aggregate price of up to \$23.0 million, of which PJC or the Investor will purchase 60,000,000 shares of Common Stock for an aggregate price of \$15.0 million. The remaining Purchasers may purchase up to 32,000,000 shares of Common Stock for an aggregate price of up to \$8.0 million. The Purchase Agreement shall contain customary representations, warranties, and covenants.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued a warrant (the "Warrant") to the Investor to purchase up to an aggregate of 34,000,000 shares of the Common Stock at an exercise price of \$0.25 per share (the "Warrant Shares") for an aggregate price of up to \$8.5 million.

As part of the Transaction, the Company will offer to exchange, in each case with existing holders, its outstanding 8.5% Convertible Notes (the "Existing Convertible Notes") for 5.0% Senior Unsecured Convertible Notes due 2023 (the "New Convertible Notes"), and its outstanding 15.0% Senior Secured Notes (the "Existing Senior Notes") for 8.5% Senior Notes due 2021 (the "New Senior Notes"). As a result of such exchanges, at least 98% of the holders of each class of notes must tender in the relevant exchange offer as a condition to closing the Transaction.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued the New Convertible Notes in an aggregate amount not to exceed approximately \$75.0 million pursuant to a Convertible Note Indenture (the "New Convertible Note Indenture") between the Company and a trustee to be later identified.

The New Convertible Notes will be unsecured senior obligations of the Company and will mature six years from the Closing. The New Convertible Notes will bear interest at a rate of 5.00% per annum from the issue date, payable semi-annually.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued the New Senior Notes in an aggregate amount not to exceed approximately \$40.0 million pursuant to a Senior Note Indenture (the "New Senior Note Indenture") between the Company as issuer, and the trustee to be later identified. Up to approximately \$30.0 million aggregate principal amount of New Senior Notes may be issued to holders of the Existing Senior Notes in the relevant exchange offer, and PJC or the Investor may acquire up to an additional \$10.0 million principal amount of New Senior Notes.

The New Senior Notes will be secured senior obligations of the Company and will mature four years from the date of Closing. The New Senior Notes will bear interest at a rate of 8.5% per annum, payable quarterly.

At or contemporaneously with the closing of the Transaction, PJC or the Investor and certain holders of New Senior Notes (the "Holders") will enter into a Note Purchase Agreement (the "Note Purchase Agreement"). The Note Purchase Agreement will generally provide for PJC or the Investor to purchase up to 100% of the New Senior Notes held by the Holders for an aggregate purchase price equal to the face amount of such purchased New Senior Notes.

The Transaction is expected to close in the second quarter of 2017, although the consummation of the Transaction is subject to multiple conditions and there can be no assurance that the Transaction will close on a timely basis or at all.

See Note 20 "Subsequent Events," of the accompanying consolidated financial statements for additional information.

Financing Arrangements Summary

White Eagle Revolving Credit Facility

As amended on December 29, 2016, White Eagle is the borrower under a \$370.0 million revolving credit facility, with Imperial Finance and Trading, LLC, as the initial servicer, the initial portfolio manager and guarantor, Lamington Road Bermuda Ltd., as portfolio manager, LNV Corporation, as initial lender, the other financial institutions party thereto as lenders, and CLMG Corp., as administrative agent for the lenders.

Borrowing availability under the White Eagle Revolving Credit Facility is subject to a borrowing base, which, among other items, is capped at 75% of the valuation of the policies pledged as collateral. This loan to value calculation is determined by the lenders with a high degree of discretion. At December 31, 2016, \$108.6 million was undrawn and \$674,800 was available to borrow under the White Eagle Revolving Credit Facility. For a description of the facility see Note 8, "White Eagle Revolving Credit Facility," of the notes to Consolidated Financial Statements.

At December 31, 2016, the fair value of the debt under the White Eagle Revolving Credit Facility was \$257.1 million. As of December 31, 2016, the borrowing base was approximately \$262.1 million including \$261.4 million in outstanding principal. Interest is calculated at LIBOR (subject to a floor of 1.5%) plus an applicable margin of 4.5% and is due quarterly. Interest totaling \$11.0 million was paid during the year ended December 31, 2016, all of which was paid from policy proceeds. There are no scheduled repayments of principal prior to maturity although payments are due upon receipt of death benefits and distributed pursuant to the waterfall. At December 31, 2016, approximately \$2.5 million included in cash and cash equivalents -VIE was on account with White Eagle for distribution through the waterfall.

Based on the loan agreement, the LIBOR portion of the interest rate will re-adjust annually once the floor has exceeded 1.5%. The applicable rate will be dependent on the rate at the last business day of the preceding calendar year. Future increase in LIBOR could have a material adverse effect on the Company's financial position and results of operations. At December 31, 2016, LIBOR was increased to 1.69%.

For a description of the White Eagle Revolving Credit Facility, Note 8, "White Eagle Revolving Credit Facility," of the notes to Consolidated Financial Statements.

8.50% Senior Unsecured Convertible Notes

At December 31, 2016, there was \$70.7 million in aggregate principal amount of the Company's 8.50% senior unsecured convertible notes due 2019 outstanding. For a description of the Convertible Notes see Note 10, "8.50% Senior Unsecured Convertible Notes," of the accompanying consolidated financial statement.

On February 14, 2017, the Company entered into a solicitation to consent (the "Consent Solicitation") to issue additional 8.50% Senior Unsecured Convertible Notes (the "Additional Convertible Notes") in lieu of a cash payment of interest on February 15, 2017 (the "2017 Interest Payment Date") to holders of the Convertible Notes. The Company's obligation to issue the Additional Convertible Notes is subject to the satisfaction of (1) not less than 95% of the aggregate principal amount of Convertible Notes agreeing to accept Additional Convertible Notes in lieu of a cash payment of interest on the 2017 Interest Payment Date and (2) the amendment of the Senior Secured Indenture to permit the issuance of the Additional Convertible Notes. This consent is only effective for the cash payment of interest due on the 2017 Interest Payment Date and not for subsequent interest payments.

On March 14, 2017, the Company issued an additional \$3.5 million in Additional Convertible Notes following the Company's receipt of requisite consents of the holders of the Convertible Notes of approximately 98% of the aggregate principal amount of Convertible Notes (the "Consenting Holders"), pursuant to the Consent Solicitation, whereby each Consenting Holder agreed to accept Additional Convertible Notes in lieu of a cash payment of interest on the Convertible Notes due on the 2017 Interest Payment Date. All Additional Convertible Notes issued by the Company to Consenting Holders were issued under the Convertible Note Indenture and such Additional Convertible Notes have identical terms to existing Convertible Notes. Interest on the Additional Convertible Notes will accrue from February 15, 2017.

See Note 20 "Subsequent Events," of the accompanying consolidated financial statements for additional information.

15% Senior Secured Notes

At December 31, 2016, there was \$30.0 million in aggregate principal amount of the Company's 15% Senior Secured Notes due 2018 outstanding. For a description of the Secured Notes, see Note 11, "15% Senior Secured Notes," of the accompanying consolidated financial statements.

The Company did not make an interest payment of \$1.1 million, due March 15, 2017, on the 15.0% Senior Secured Notes, of which \$30.0 million principal amount was outstanding on that date. If the interest payment is not made within five business days of its due date, such failure would result in an event of default under the Senior Secured Indenture governing the 15.0% Senior Secured Notes, and the trustee or holders of at least 25% in principal amount of the outstanding 15.0% Senior Secured Notes may declare the principal, premium, if any, and accrued but unpaid interest immediately due and payable. The Company released the cash interest payment of \$1.1 million to the holders of the 15% Senior Secured Notes on March 20, 2017.

Red Falcon Revolving Credit Facility

Effective July 16, 2015, Red Falcon, as borrower, entered into a \$110.0 million 7-year credit facility that provided for five years of revolving credit borrowing with LNV Corporation, as initial lender, the other lenders party thereto from time to time, Imperial Finance & Trading, LLC, as guarantor, Blue Heron as portfolio administrator and CLMG Corp., as administrative agent.

On December 29, 2016, Red Falcon Trust, entered into a Master Termination Agreement with its lender. The policies which served as collateral under the Red Falcon Revolving Credit Facility were sold to While Eagle. Proceeds totaling \$65.1 million from this sale were utilized to repay the lender. See Note 9, "Red Falcon Revolving Credit Facility" to the accompanying consolidated financial statements.

At-The-Market Offering

On March 14, 2016, we filed a prospectus supplement with the SEC related to the offer and sale from time to time of our common stock at an aggregate offering price of up to \$50.0 million through FBR Capital Markets & Co. and MLV & Co. LLC, as distribution agents. Sales of shares of our common stock under the prospectus supplement and the equity distribution agreement entered into with the distribution agents, if any, may be made in negotiated transactions or transactions that are

deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933. We have agreed to pay the distribution agents a commission rate of up to 3% of the gross proceeds from the sale of any shares of common stock sold through the equity distribution agreement.

During the quarter and year ended December 31, 2016, the Company sold 185,271 and 628,309 shares of common stock, respectively, under this prospectus supplement, receiving net proceeds totaling approximately \$323,000 and \$1.8 million, respectively.

Period	Total Number of Shares Purchased	Average Price Paid Per Share
October 1 through October 31	43,638	\$ 2.91
November 1 through November 30	—	—
December 1 through December 31	141,633	\$ 1.38
Total	185,271	1.74

Cash Flows

The following table summarizes our cash flows, which includes both continuing and discontinued operations, from operating, investing and financing activities for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Statement of Cash Flows Data:			
Total cash (used in) provided by:			
Operating activities	(45,555)	\$ (54,348)	\$ (32,899)
Investing activities	(26,120)	(40,954)	(46,009)
Financing activities	62,652	60,726	111,126
(Decrease)/increase in cash and cash equivalents	\$ (9,023)	\$ (34,576)	\$ 32,218

Operating Activities

During the year ended December 31, 2016, operating activities used cash of \$45.6 million. Our net loss of \$49.7 million million was adjusted for the following: Revolving Credit Facilities financing costs and fees of \$1.0 million, which represent fees associated with the Revolving Credit Facilities withheld by the lender and added to the outstanding loan balance, amortization of discount and deferred cost for the Convertible Notes of \$3.7 million, change in fair value of life settlement of \$864,000 that is mainly attributable to the impact of adopting the 2015 VBT, offset by maturities of 12 policies; change in fair value of Revolving Credit Facilities gain of \$1.9 million that is mainly attributable to the impact of adopting the 2015 VBT, increased borrowings, the lengthening of life expectancies of certain insureds underlying policies pledged as collateral in the facility, offset by a reduction in the discount rates, and a net positive change in the components of operating assets and liabilities of \$121,000. This \$121,000 change in operating assets and liabilities is partially attributable to a \$213,000 increase in interest payable and a \$161,000 increase in prepaid expenses and other assets, offset by a \$287,000 decrease in accounts payable and accrued expenses.

During the year ended December 31, 2015, operating activities used cash of \$54.3 million. Our net loss of \$31.0 million was adjusted for the following: Revolving Credit Facilities financing costs and fees of \$7.5 million, which represent interest expense and other fees associated with the White Eagle Revolving Credit Facility withheld by the lender and added to the outstanding loan balance; change in fair value of life settlement gains of \$46.7 million that is mainly attributable to the maturities of 17 policies and change in fair value of Revolving Credit Facilities loss of \$12.2 million mainly attributable to a reduction in the discount rate along with projected earlier repayments due to maturities. These were offset by increased borrowings and the lengthening of life expectancies of certain insureds underlying policies pledged as collateral in the facility and cost of insurance increase. Red Falcon Revolving Credit Facility origination cost was \$3.3 million relating to the debt issuance cost which was not capitalized as a result of electing the fair value option for valuing this debt. Extinguishment of Secured Notes was \$8.8 million, which represents redemption at 106% of their principal amount plus interest; deferred income tax benefit of \$8.7 million and a net negative change in the components of operating assets and liabilities of \$3.9 million. This \$3.9 million change in operating assets and liabilities is partially attributable to a \$3.1 million decrease in accounts payable and accrued expenses, a \$860,000 decrease in other liabilities, and a \$654,000 increase in deposits. These were offset by a \$1.1 million decrease in structured settlement receivables associated with the sale during the year.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2016 was \$26.1 million and included proceeds of \$50.5 million from maturity of 12 life settlements. This was offset by \$71.7 million for premiums paid on life settlements; \$3.5 million for certificates of deposit and \$1.4 million for purchase of life settlements.

Net cash used in investing activities for the year ended December 31, 2015 was \$41.0 million and included proceeds of \$53.5 million from maturity of 17 life settlements and \$2.2 million from sale of one life settlement. These were offset by \$64.9 million for premiums paid on life settlements, \$29.1 million for purchases of life settlements and a \$2.5 million for certificate of deposit.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2016 was \$62.7 million and included \$30.0 million of proceeds from the 15% Senior Secured Notes; \$58.0 million of borrowings from the White Eagle Revolving Credit Facility; \$19.7 million of borrowings from the Red Falcon Revolving Credit Facility and \$1.8 million from issuance of common stock through the Company's "at the market" offerings. These were offset by \$34.8 million in repayment of borrowings under the White Eagle Revolving Credit Facility and \$10.5 million in repayment of borrowings under the Red Falcon Revolving Credit Facility.

Net cash provided by financing activities for the year ended December 31, 2015 was \$60.7 million and includes \$38.3 million of net proceeds from the rights offering completed in the second quarter of 2015, \$23.8 million of net proceeds from the Secured Notes, \$47.1 million of borrowings from the White Eagle Revolving Credit Facility and \$5.7 million of borrowings from the Red Falcon Revolving Credit Facility. These were offset by \$43.2 million in repayment of borrowings under the White Eagle Revolving Credit Facility, \$4.4 million in repayment of borrowings under the Red Falcon Revolving Credit Facility, \$3.6 million for the extinguishment of the Secured Notes and \$2.5 million for purchase of treasury stock.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2016 (in thousands):

	Total	Due in Less than 1 Year	Due 1-3 Years	Due 3-5 Years	More than 5 Years
Operating leases	\$ 940	\$ 241	\$ 699	\$ —	\$ —
Finance lease obligation	25	25	—	—	—
White Eagle Revolving Credit Facility ⁽¹⁾	261,393	—	—	—	261,393
Interest payable ⁽²⁾	4,905	4,905	—	—	—
Senior Secured Notes	30,000	—	30,000	—	—
Senior unsecured convertible notes	70,743	—	70,743	—	—
	<u>\$ 368,006</u>	<u>\$ 5,171</u>	<u>\$ 101,442</u>	<u>\$ —</u>	<u>\$ 261,393</u>

(1) Please see Note 8, "White Eagle Revolving Credit Facility," to the accompanying consolidated financial statements .

(2) Includes \$2.4 million related to outstanding interest due for the White Eagle Revolving Credit Facility.

Inflation

Our assets and liabilities are, and will be in the future, interest-rate sensitive in nature. As a result, interest rates may influence our performance far more than inflation. Changes in interest rates do not necessarily correlate with inflation or changes in inflation rates. We do not believe that inflation had any material impact on our results of operations in the periods presented in our financial statements presented in this report.

Off-Balance Sheet Arrangements

At December 31, 2016, there were no off-balance sheet arrangements between us and any other entity that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to shareholders.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of potential economic loss principally arising from adverse changes in the fair value of financial instruments. The major components of market risk are credit risk, interest rate risk and foreign currency risk. As of December 31, 2016, we did not hold material amount of financial instruments for trading purposes.

Credit Risk

Credit risk consists primarily of the potential loss arising from adverse changes in the financial condition of the issuers of the life insurance policies that we own. Although we may purchase life settlements from carriers rated below investment grade, to limit our credit risk, we generally only purchase life settlements from companies that are investment grade.

The following table provides information about the life insurance issuer concentrations that exceed 10% of total death benefit and 10% of total fair value of our life settlements as of December 31, 2016:

<u>Carrier</u>	<u>Percentage of Total Fair Value</u>	<u>Percentage of Total Death Benefit</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>
Lincoln National Life Insurance Company	21.7%	19.3%	A1	AA-
Transamerica Life Insurance Company	18.4%	20.6%	A1	AA-

Interest Rate Risk

At December 31, 2016, fluctuations in interest rates did not impact interest expense in the life finance business. The White Eagle Revolving Credit Facility accrues interest at LIBOR plus an applicable margin. LIBOR is subject to a floor of 1.5%.

Based on the White Eagle Revolving Credit Facility loan agreement, the LIBOR portion of the interest rate will re-adjust annually once the floor has exceeded 1.5%. The applicable rate will be dependent on the rate at the last business day of the preceding calendar year. At December 31, 2016, the applicable LIBOR rate was 1.69%.

Future increases in LIBOR could have a material adverse effect on the Company's financial position and results of operations. Increases in LIBOR above the floors provided in the White Eagle Revolving Credit Facility, will also affect the calculation of the fair value of the debt under the White Eagle Revolving Credit Facility. Additional increases in interest rates may impact the rates at which we are able to obtain financing in the future.

We earn income on the changes in fair value of the life insurance policies we own. However, if the fair value of the life insurance policies we own decreases, we record this reduction as a loss.

As of December 31, 2016, we owned life settlements with a fair value of \$498.4 million. A rise in interest rates could potentially have an adverse impact on the sale price if we were to sell some or all of these assets, which could also decrease the borrowing base available to White Eagle under the applicable White Eagle Revolving Credit Facility. There are several factors that affect the market value of life settlements, including the age and health of the insured, investors' demand, available liquidity in the marketplace, duration and longevity of the policy, and interest rates. We currently do not view the risk of a decline in the sale price of life settlements due to normal changes in interest rates as a material risk.

Foreign Currency Exchange Rate Risk

Changes in the exchange rate between transactions denominated in a currency other than our foreign subsidiaries' functional currency are immaterial to our operating results. Exposure to foreign currency exchange rate risk may increase over time as our business evolves.

Item 8. Financial Statements and Supplementary Data

The financial statements required by this Item are included in Item 15 of this Annual Report on Form 10-K and are presented beginning on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of December 31, 2016. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to management, including to the chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter ended December 31, 2016 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management's report set forth on page F-2 is incorporated herein by reference.

The effectiveness of our internal control over financial reporting as of December 31, 2016, has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their attestation report, which appears on page F-3 and is incorporated herein by reference.

Item 9B. Other Information

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information relating to the directors and officers of the Company, information regarding compliance with Section 16(a) of the Exchange Act and information regarding the audit committee and audit committee financial expert is incorporated herein by reference to the Company's Proxy Statement for the 2017 Annual Meeting of Stockholders (the "Proxy Statement") to be filed within 120 days after December 31, 2016.

All of the Company's directors, officers and employees must act in accordance with our Code of Ethics. A copy of the Code of Ethics is available on the Company's website at www.emergentcapital.com in the "Investor Relations" section, under the Corporate Governance tab. The Company intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding disclosure of an amendment to, or waiver from, a provision of this Code of Ethics with respect to its principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions, by posting such information on the Company's website discussed above, unless a Form 8-K is otherwise required by law or applicable listing rules.

Item 11. Executive Compensation

The information regarding executive compensation is incorporated herein by reference to the Proxy Statement to be filed within 120 days after December 31, 2016.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information setting forth the security ownership of certain beneficial owners and management is hereby incorporated by reference to the Proxy Statement to be filed within 120 days after December 31, 2016.

Shown below is certain information as of December 31, 2016 regarding equity compensation plans:

<u>Plan category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted- average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in other column)</u>
Equity compensation plans approved by security holders	763,594	\$ 8.52	1,554,323
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	763,594	\$ 8.52	1,554,323

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information relating to certain relationships and related transactions and director independence is incorporated herein by reference to the Proxy Statement to be filed within 120 days after December 31, 2016.

Item 14. Principal Accountant Fees and Services

The information relating to the principal accountant fees and expenses is incorporated herein by reference to the Proxy Statement to be filed within 120 days after December 31, 2016.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements:

Our consolidated financial statements identified in the accompanying Index to Financial Statements at page F-1 herein are filed as part of this Annual Report on Form 10-K.

(a)(2) Financial Statement Schedules: The schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(a)(3) Exhibits:

The accompanying Exhibit Index on page E-1 sets forth the exhibits that are filed as part of this Annual Report on Form 10-K.

INDEX TO FINANCIAL STATEMENTS

Audited Consolidated Financial Statements as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 of Emergent Capital, Inc.

<u>Managements' Report on Internal Controls Over Financial Reporting</u>	<u>F-2</u>
<u>Reports of Grant Thornton LLP, Independent Registered Public Accounting Firm</u>	<u>F-3</u>
<u>Consolidated Balance Sheets as of December 31, 2016 and 2015</u>	<u>F-5</u>
<u>Consolidated Statements of Operations for the years ended December 31, 2016, 2015 and 2014</u>	<u>F-6</u>
<u>Consolidated Statements of Stockholders' Equity for the years ended December 31, 2016, 2015 and 2014</u>	<u>F-7</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015 and 2014</u>	<u>F-8</u>
<u>Notes to Consolidated Financial Statements</u>	<u>F-9</u>

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined under Rule 13a-15(f) in the Securities Exchange Act of 1934. The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including the Company's principal executive officer and principal financial officer, the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework in 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the Company's evaluation under the framework in Internal Control—Integrated Framework, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2016.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2016 has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report which is included herein.

**REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

Board of Directors and Stockholders
Emergent Capital, Inc.

We have audited the internal control over financial reporting of Emergent Capital, Inc. (a Florida corporation) and subsidiaries (the "Company") as of December 31, 2016, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2016, and our report dated March 21, 2017 expressed an unqualified opinion on those financial statements.

/s/ GRANT THORNTON LLP

Fort Lauderdale, Florida
March 21, 2017

**REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

Board of Directors and Stockholders
Emergent Capital, Inc.

We have audited the accompanying consolidated balance sheets of Emergent Capital, Inc. (a Florida corporation) and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Emergent Capital, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company incurred a net loss of \$49,689,000 during the year ended December 31, 2016, has incurred recurring losses from operations in each of the past three years ended December 31, 2016, and has a forecasted liquidity shortfall by June 2017. These conditions, along with other matters as set forth in Note 2 raise substantial doubt about their ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 21, 2017 expressed an unqualified opinion.

/s/ GRANT THORNTON LLP

Fort Lauderdale, Florida
March 21, 2017

Emergent Capital, Inc.
CONSOLIDATED BALANCE SHEETS
December 31,

	2016	2015
	(In thousands except share data)	
ASSETS		
Assets		
Cash and cash equivalents	\$ 2,246	\$ 12,946
Cash and cash equivalents (VIE Note 3)	9,072	7,395
Certificate of deposit	6,025	2,501
Prepaid expenses and other assets	1,112	1,017
Deposits - other	1,347	1,347
Life settlements, at estimated fair value	680	11,946
Life settlements, at estimated fair value (VIE Note 3)	497,720	449,979
Receivable for maturity of life settlements (VIE Note 3)	5,000	18,223
Fixed assets, net	232	322
Investment in affiliate	2,384	2,384
Total assets	<u>\$ 525,818</u>	<u>\$ 508,060</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	\$ 2,590	\$ 3,051
Accounts payable and accrued expenses (VIE Note 3)	593	419
Other liabilities	359	360
Interest payable - Convertible Notes (Note 10)	2,272	2,272
Convertible Notes, net of discount and deferred debt costs (Note 10)	60,535	56,812
Interest payable - Senior Secured Notes (Note 11)	213	—
Senior Secured Notes, net of discount and deferred debt costs (Note 11)	29,297	—
White Eagle Revolving Credit Facility, at estimated fair value (VIE Note 3)	257,085	169,131
Red Falcon Revolving Credit Facility, at estimated fair value (VIE Note 3)	—	55,658
Total liabilities	<u>352,944</u>	<u>287,703</u>
Commitments and Contingencies (Note 15)		
Stockholders' Equity		
Common stock (par value \$0.01 per share, 80,000,000 authorized at December 31, 2016 and 2015; 29,021,844 issued and 28,413,844 outstanding as of December 31, 2016 and 28,130,508 issued and 27,522,508 outstanding as of December 31, 2015)	290	281
Preferred stock (par value \$0.01 per share, 40,000,000 authorized; 0 issued and outstanding as of December 31, 2016 and 2015)	—	—
Treasury stock (608,000 as of December 31, 2016 and 2015)	(2,534)	(2,534)
Additional paid-in-capital	307,647	305,450
Accumulated deficit	(132,529)	(82,840)
Total stockholders' equity	<u>172,874</u>	<u>220,357</u>
Total liabilities and stockholders' equity	<u>\$ 525,818</u>	<u>\$ 508,060</u>

The accompanying notes are an integral part of this financial statement.

Emergent Capital, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31,

	2016	2015	2014
	(in thousands, except share and per share data)		
Income			
Loss on life settlements, net	\$ —	\$ (41)	\$ (426)
Change in fair value of life settlements (Notes 7 & 13)	864	46,717	44,128
Other income	251	215	114
Total income	<u>1,115</u>	<u>46,891</u>	<u>43,816</u>
Expenses			
Interest expense	29,439	27,286	16,245
Change in fair value of Revolving Credit Facilities (Notes 8, 9 & 13)	(1,898)	12,197	(5,472)
Extinguishment of Secured Notes	—	8,782	—
Extinguishment of Red Falcon Revolving Credit Facility	554	—	—
Change in fair value of conversion derivative liability (Notes 10 & 13)	—	—	6,759
Personnel costs	6,070	6,384	8,763
Legal fees	6,427	20,739	13,620
Professional fees	7,081	7,133	5,254
Insurance	835	1,275	1,667
Other selling, general and administrative expenses	2,036	2,194	2,006
Total expenses	<u>50,544</u>	<u>85,990</u>	<u>48,842</u>
(Loss) income from continuing operations before income taxes	(49,429)	(39,099)	(5,026)
(Benefit) provision for income taxes	—	(8,719)	125
Net (loss) income from continuing operations	<u>\$ (49,429)</u>	<u>\$ (30,380)</u>	<u>\$ (5,151)</u>
Discontinued Operations:			
(Loss) income from discontinued operations, net of income taxes	(260)	(644)	(601)
Benefit for income taxes	—	—	232
Net (loss) income from discontinued operations	<u>(260)</u>	<u>(644)</u>	<u>(369)</u>
Net (loss) income	<u>\$ (49,689)</u>	<u>\$ (31,024)</u>	<u>\$ (5,520)</u>
(Loss) earnings per share:			
Basic and diluted (loss) earnings per common share			
Continuing operations	\$ (1.79)	\$ (1.22)	\$ (0.24)
Discontinued operations	(0.01)	(0.03)	(0.02)
Net (loss) income	<u>\$ (1.80)</u>	<u>\$ (1.25)</u>	<u>\$ (0.26)</u>
Weighted average shares outstanding:			
Basic and diluted	<u>27,660,711</u>	<u>24,851,178</u>	<u>21,354,567</u>

The accompanying notes are an integral part of this financial statement.

Emergent Capital, Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2016, 2015 and 2014

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
(in thousands, except share data)							
Balance, January 1, 2014	21,237,166	\$ 212	—	\$ —	239,506	\$ (46,296)	\$ 193,422
Net income (loss)	—	—	—	—	—	(5,520)	(5,520)
Stock-based compensation	41,060	1	—	—	955	—	956
Restricted stock issued	125,628	1	—	—	499	—	500
Retirement of common stock	(864)	\$ —	—	\$ —	—	\$ —	—
Reclassification of derivative liability, net of tax	—	—	—	—	14,069	—	14,069
Issuance of warrants	—	—	—	—	5,381	—	5,381
Pre-conversion tax adjustment	—	—	—	—	6,295	—	6,295
Balance, December 31, 2014	21,402,990	\$ 214	—	\$ —	266,705	\$ (51,816)	\$ 215,103
Net income (loss)	—	—	—	—	—	(31,024)	(31,024)
Stock-based compensation	41,259	—	—	—	490	—	490
Purchase of treasury stock, net of costs	—	—	608,000	(2,534)	—	—	(2,534)
Common stock issued for rights offering, net of costs	6,688,433	67	—	—	38,267	—	38,334
Retirement of common stock	(2,174)	—	—	—	(12)	—	(12)
Balance, December 31, 2015	28,130,508	\$ 281	608,000	\$ (2,534)	305,450	\$ (82,840)	220,357
Net income (loss)	—	—	—	—	—	(49,689)	(49,689)
Stock-based compensation	265,212	3	—	—	408	—	411
Common stock issued through ATM, net	628,309	6	—	—	1,797	—	1,803
Retirement of common stock	(2,185)	—	—	—	(8)	—	(8)
Balance, December 31, 2016	29,021,844	\$ 290	608,000	\$ (2,534)	\$ 307,647	\$ (132,529)	\$ 172,874

The accompanying notes are an integral part of this financial statement.

Emergent Capital, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2016	2015	2014
	(In thousands)		
Cash flows from operating activities			
Net (loss) income	\$ (49,689)	\$ (31,024)	\$ (5,520)
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Depreciation and amortization	108	113	88
Red Falcon Revolving Credit Facility origination cost	297	3,329	—
White Eagle Revolving Credit Facility origination cost	388	—	—
Revolving Credit Facilities financing cost and fees withheld by lender	1,020	7,493	6,716
Amortization of discount and deferred debt costs for Convertible Notes	3,724	3,132	2,371
Amortization of discount and deferred debt costs for 15% Senior Secured Notes	348	—	—
Amortization of discount and deferred debt costs for Secured Notes	—	541	102
Stock-based compensation	403	490	956
Change in fair value of life settlements	(864)	(46,717)	(44,128)
Unrealized change in fair value of structured settlements	—	(20)	(32)
Change in fair value of Revolving Credit Facilities	(1,898)	12,197	(5,472)
Loss on life settlements	—	41	426
Interest income	(67)	(87)	(136)
Extinguishment of Red Falcon Revolving Credit Facility	554	—	—
Extinguishment of Secured Notes	—	8,782	—
Change in fair value of conversion derivative liability	—	—	6,759
Deferred income tax	—	(8,729)	(107)
Change in assets and liabilities:			
Restricted cash	—	—	13,506
Deposits—other	—	(654)	257
Investment in affiliates	—	—	(6)
Structured settlement receivables	—	1,065	614
Prepaid expenses and other assets	161	(74)	(153)
Deferred costs	—	—	(739)
Accounts payable and accrued expenses	(287)	(3,105)	3,244
Other liabilities	34	(860)	(14,178)
Interest payable- Convertible Notes	—	—	2,533
Interest payable- 15% Senior Secured Notes	213	—	—
Interest payable- Secured Notes	—	(261)	—
Net cash used in operating activities	<u>(45,555)</u>	<u>(54,348)</u>	<u>(32,899)</u>
Cash flows from investing activities			
Purchase of fixed assets, net of disposals	(9)	(69)	(256)
Certificate of deposit	(3,500)	(2,501)	—
Premiums paid on life settlements	(71,681)	(64,923)	(55,458)
Purchases of life settlements	(1,390)	(29,065)	(16,296)
Proceeds from sale of life settlements, net	—	2,150	4,031
Proceeds from maturity of life settlements	50,460	53,454	23,600
Deposit on purchase of life settlement	—	—	(1,630)
Net cash used in investing activities	<u>(26,120)</u>	<u>(40,954)</u>	<u>(46,009)</u>
Cash flows from financing activities			
Repayment of borrowings under White Eagle Revolving Credit Facility	(34,799)	(43,241)	(29,777)
Repayment of borrowings under Red Falcon Revolving Credit Facility	(10,452)	(4,378)	—
Borrowings from White Eagle Revolving Credit Facility	57,978	47,146	50,518
Borrowings from Red Falcon Revolving Credit Facility	19,673	5,741	—
Proceeds from issue of common stock, net	1,803	—	—
Proceeds from 15% Senior Secured Notes, net	30,000	—	—
Proceeds from Convertible Notes, net	—	—	67,893
Proceeds from rights offering, net	—	38,334	—
Proceeds from Secured Notes, net	—	23,750	22,500
Purchase of treasury shares	—	(2,534)	—
Payment under finance lease obligations	(35)	(34)	(8)
Extinguishment of Secured Notes	—	(3,570)	—
Extinguishment of Red Falcon Revolving Credit Facility	(315)	—	—
Red Falcon Revolving Credit Facility origination costs	(150)	(483)	—
15% Senior Secured Notes origination cost	(1,051)	—	—
Secured Notes deferred debt costs	—	(5)	—
Net cash provided by financing activities	<u>62,652</u>	<u>60,726</u>	<u>111,126</u>
Net (decrease)/increase in cash and cash equivalents	(9,023)	(34,576)	32,218

Cash and cash equivalents, at beginning of the year	20,341	54,917	22,699
Cash and cash equivalents, at end of the year	\$ 11,318	\$ 20,341	\$ 54,917
Supplemental disclosures of cash flow information:			
Cash paid for interest during the period	\$ 24,337	\$ 13,802	\$ 5,414
Supplemental disclosures of non-cash financing activities:			
Interest payment and fees withheld from borrowings by lender	\$ 1,020	\$ 7,493	\$ 6,716
Reclassification of derivative liability, net of tax	\$ —	\$ —	\$ 14,069
Issuance of warrants and common stock in connection with settlement of class action litigation	\$ —	\$ —	\$ 5,881
Pre-conversion tax adjustment	\$ —	\$ —	\$ 6,295
Red Falcon Revolving Credit Facility origination cost paid to lender	\$ —	\$ 2,200	\$ —
Repayment of Secured Notes by lender of Red Falcon Revolving Credit Facility	\$ —	\$ 51,800	\$ —
Borrowings under Red Falcon Revolving Credit Facility	\$ —	\$ 54,000	\$ —
Repayment of Red Falcon Revolving Credit Facility through borrowings by White Eagle Revolving Credit Facility	\$ 64,965	—	—

The accompanying notes are an integral part of this financial statement.

NOTE 1—ORGANIZATION AND DESCRIPTION OF BUSINESS ACTIVITIES

Founded in December 2006 as a Florida limited liability company, Imperial Holdings, LLC, converted into Imperial Holdings, Inc. on February 3, 2011, in connection with the Company's initial public offering. Effective September 1, 2015, the Company changed its name to Emergent Capital, Inc. (with its subsidiary companies, the "Company" or "Emergent Capital").

Incorporated in Florida, Emergent Capital, through its subsidiary companies, owns a portfolio of 621 life insurance policies, also referred to as life settlements, with a fair value of \$498.4 million and an aggregate death benefit of approximately \$2.9 billion at December 31, 2016. The Company primarily earns income on these policies from changes in their fair value and through death benefits. 619 of these policies, with an aggregate death benefit of approximately \$2.9 billion and a fair value of \$497.7 million at December 31, 2016 are pledged under a \$370.0 million, revolving credit agreement (the "White Eagle Revolving Credit Facility") entered into by the Company's indirect subsidiary, White Eagle Asset Portfolio, LP ("White Eagle"). At December 31, 2016, 2 policies owned by the Company, with an aggregate death benefit of approximately \$12.0 million and a fair value of \$680,000 were not pledged as collateral under the White Eagle Revolving Credit Facility.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, all of its wholly-owned subsidiary companies and its special purpose entities, with the exception of Imperial Settlements Financing 2010, LLC ("ISF 2010"), an unconsolidated special purpose entity which is accounted for using the cost method of accounting. The special purpose entity has been created to fulfill specific objectives. All significant intercompany balances and transactions have been eliminated in consolidation, including income from services performed by subsidiary companies in connection with the Revolving Credit Facilities. Notwithstanding consolidation, as referenced above, White Eagle is the owner of 619 policies, with an aggregate death benefit of approximately \$2.9 billion and an estimated fair value of approximately \$497.7 million.

Going Concern and Management's Plan

The Company has incurred substantial losses and reported negative cash flows from operating activities of \$45.6 million, \$54.3 million and \$32.9 million for the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016, we had approximately \$11.3 million of cash and cash equivalents and certificates of deposit of \$6.0 million; of this amount, approximately \$8.3 million is available to pay premiums on the two unencumbered policies and other overhead expenses, with approximately \$9.1 million being restricted by the White Eagle Revolving Credit Facility. These factors raise substantial doubt about the ability of the Company to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to meet its liquidity needs through a combination of the receipt of death benefits from life insurance policy maturities, borrowings under the White Eagle Revolving Credit Facility, strategic capital market raises, policy sales (subject to certain asset sale restrictions) and cash on hand. Based on management's forecast, the Company currently has sufficient cash to continue in operations approximately three months from the date of this report. The Company has entered into an agreement as described below subsequent to year end. No assurance can be given that the Company will be successful in these efforts.

On March 15, 2017, the Company entered into a series of separate Master Transaction Agreements (together, the "Agreements") by and between the Company, PJC Investments, LLC, a Texas limited liability company ("PJC"), and each such Consenting Convertible Note Holder that is a party to such Agreement ("Consenting Holders") regarding a series of integrated transactions with the intent to effect a recapitalization of the Company (the "Transaction"), which includes an Amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the Company's common stock, \$0.01 par value (the "Common Stock"), a Common Stock Purchase Agreement, a Convertible Note Exchange Offer, a New Convertible Note Indenture providing for the issuance of New Convertible Notes, a Senior Note Exchange Offer, a New Senior Note Indenture providing for the issuance of New Senior Notes, a Senior Note Purchase Agreement, a Warrant and certain other agreements and documents to be delivered in connection with the Transaction (each as defined in the Agreements, and together

with the Agreements, the "Transaction Documents"). The Agreements and the transactions contemplated under the Agreements were unanimously approved by the Board of Directors of the Company on March 13, 2017.

Under the Agreements, PJC and other parties agreed to certain undertakings, including: (i) PJC or its designee (the "Investor") purchasing up to 100% of the Company's New Senior Notes from the Holders (as defined herein) pursuant to the Senior Note Purchase Agreement, (ii) PJC or the Investor purchasing \$15.0 million in shares of Common Stock, pursuant to the Common Stock Purchase Agreement, and (iii) issuance to PJC or the Investor of a warrant to purchase up to 34,000,000 shares of Common Stock at an exercise price of \$0.25 per share for an aggregate purchase price of up to \$8.5 million. Upon the closing of the proposed transactions, the Company's Board of Directors will include four members representing PJC and one member representing the convertible note holders. The Transaction is subject to certain conditions described in this Annual Report on Form 10-K, including that the Company shall have obtained the requisite approval by the Company's shareholders to the Articles Amendment and that the requisite number of holders of the Company's senior secured notes and unsecured convertible notes shall have tendered their notes in connection with the applicable exchange offer as described herein, and certain customary closing conditions, including that each of the Transaction Documents shall have been executed and delivered to the other parties thereto. The Transaction is expected to close in the second quarter of 2017, although the consummation of the Transaction is subject to multiple conditions and there can be no assurance that the Transaction will close on a timely basis or at all.

See Note 20 "Subsequent Events," to the accompanying consolidated financial statements for additional information.

Event of Default

The Company did not make an interest payment of \$1.1 million, due March 15, 2017, on the 15.0% Senior Secured Notes, of which \$30.0 million principal amount was outstanding on that date. If the interest payment is not made within five business days of its due date, such failure would result in an event of default under the Senior Secured Indenture governing the 15.0% Senior Secured Notes, and the trustee or holders of at least 25% in principal amount of the outstanding 15.0% Senior Secured Notes may declare the principal, premium, if any, and accrued but unpaid interest immediately due and payable. The Company released the cash interest payment of \$1.1 million to the holders of the 15% Senior Secured Notes on March 20, 2017.

The accompanying consolidated financial statements are prepared on a going concern basis and do not include any adjustments that might result from uncertainty about the Company's ability to continue as a going concern.

Discontinued Operations

On October 25, 2013, the Company sold substantially all of the assets comprising its structured settlement business for \$12.0 million. As a result, the Company has discontinued segment reporting and classified its operating results of the structured settlement business, net of income taxes, as discontinued operations. The accompanying consolidated statements of operations for each of the three years in the period ended December 31, 2016, 2015 and 2014 and the related notes to the consolidated financial statements reflect the classification of its structured settlement business operating results, net of tax, as discontinued operations. See Note 6, "Discontinued Operations," of the accompanying consolidated financial statements for further information. Unless otherwise noted, the following notes refer to the Company's continuing operations.

Ownership of Life Insurance Policies

In the ordinary course of our legacy premium finance business, a large portion of our borrowers defaulted by not paying off their loans and relinquished ownership of their life insurance policies to us in exchange for our release of the obligation to pay amounts due. We also buy life insurance policies in the secondary and tertiary markets. We account for life insurance policies that we own as life settlements (life insurance policies) in accordance with ASC 325-30, *Investments in Insurance Contracts*, which requires us to either elect the investment method or the fair value method. The election is made on an instrument-by-instrument basis and is irrevocable. We have elected to account for these life insurance policies as investments using the fair value method.

We initially record life settlements at the transaction price. For policies acquired upon relinquishment by our borrowers, we determined the transaction price based on fair value of the acquired policies at the date of relinquishment. The difference between the net carrying value of the loan and the transaction price is recorded as a gain (loss) on loan payoffs and settlement. For policies acquired for cash, the transaction price is the amount paid.

Valuation of Insurance Policies

Our valuation of insurance policies is a critical component of our estimate of the fair value of our life settlements (life insurance policies). We currently use a probabilistic method of valuing life insurance policies, which we believe to be the preferred valuation method in the industry. The most significant assumptions are the Company's estimate of the life expectancy of the insured and the discount rate. See Note 13, "Fair Value Measurements" of the accompanying consolidated financial statements.

Fair Value Measurement Guidance

We follow ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Our investments in life insurance policies, and debt under the Revolving Credit Facilities are considered Level 3 as there is currently no active market where we are able to observe quoted prices for identical assets/liabilities and our valuation model incorporates significant inputs that are not observable. See Note 13, "Fair Value Measurements" of the accompanying consolidated financial statements.

Fair Value Option

We have elected to account for life settlements using the fair value method. The fair value of the asset is the estimated amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. We calculate the fair value of the asset using a present value technique to estimate the fair value of the life settlements. The Company currently uses a probabilistic method of valuing life insurance policies, which the Company believes to be the preferred valuation method in the industry. The most significant assumptions are the estimates of life expectancy of the insured and the discount rate. See Note 7, "Life Settlements (Life Insurance Policies)" and Note 13, "Fair Value Measurements" of the accompanying consolidated financial statements.

We have elected to account for the debt under the Revolving Credit Facilities, which includes the interests in policy proceeds to the lender, using the fair value method. The fair value of the debt is the estimated amount that would have to be paid to transfer the debt to a market participant in an orderly transaction. We calculated the fair value of the debt using a discounted cash flow model taking into account the stated interest rate of the applicable credit facility and probabilistic cash flows from the pledged policies. Considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, our estimates are not necessarily indicative of the amounts that we, or holders of the instruments, could realize in a current market exchange. The most significant assumptions are the estimates of life expectancy of the insured and the discount rate. The use of assumptions and/or estimation methodologies could have a material effect on estimated fair values.

In February 2014, the Company issued and sold \$70.7 million in aggregate principal amount of 8.50% senior unsecured convertible notes due 2019 (the "Convertible Notes"). Prior to shareholder approval on June 5, 2014 to issue shares of common stock upon conversion of the Convertible Notes in excess of New York Stock Exchange limits for share issuances without shareholder approval, the Convertible Notes contained an embedded derivative feature. In accordance with Accounting Standards Codification ("ASC" 815, *Derivatives and Hedging*), derivative instruments are recognized as either assets or liabilities on the Company's balance sheet and are measured at fair value with gains or losses recognized in earnings. Embedded derivatives that are not clearly and closely related to the host contract, such as the Convertible Notes, are bifurcated and recognized at fair value with changes in fair value recognized as either a gain or loss in earnings if they can be reliably measured. The Company determined the fair value of its embedded derivative based upon available market data and unobservable inputs using a Black Scholes pricing model. In accordance with ASC 815, upon receipt of shareholder approval on June 5, 2014, the Company reclassified the embedded derivative to equity along with unamortized transaction costs proportionate to the allocation of the initial debt discount and the principal amount of the Convertible Notes. The Convertible Notes are recorded at accreted value and will continue to be accreted up to the par value of the Convertible Notes at maturity. See Note 10, "8.50% Senior Unsecured Convertible Notes" of the accompanying consolidated financial statements.

Income Recognition from Continuing Operations

Our primary sources of income from continuing operations are in the form of changes in fair value and gains on life settlements, net. Our income recognition policies for these sources of income are as follows:

- *Changes in Fair Value of Life Settlements*—When the Company acquires certain life insurance policies, we initially record these investments at the transaction price, which is the fair value of the policy for those acquired upon relinquishment or the amount paid for policies acquired for cash. The fair value of the investment in insurance policies is evaluated at the end of each reporting period. Changes in the fair value of the investment are recorded as changes in fair value of life settlements in our consolidated statement of operations. The fair value is determined on a discounted cash flow basis that incorporates current life expectancy assumptions. The discount rate incorporates current information about market interest rates, the credit exposure to the insurance company that issued the life insurance policy and our estimate of the risk premium an investor in the policy would require. The Company recognizes income from life settlement maturities upon receipt of a death notice or verified obituary of the insured. This income is the difference between the death benefit and fair value of the policy at the time of maturity.
- *Loss on Life Settlements, Net*—The Company recognizes gains or losses from the sale of life settlement contracts that the Company owns upon the signed sale agreement and/or filing of ownership forms and funds transferred to escrow.

Income Taxes

In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists ("ASU 2013-11"). ASU 2013-11 requires, unless certain conditions exist, an unrecognized tax benefit, or a portion of an unrecognized tax benefit, to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, similar tax loss, or a tax credit carryforward. The Company adopted ASU 2013-11 effective on January 1, 2014, which required the Company to reclassify a \$6.3 million current liability for unrecognized tax benefits to deferred taxes.

In November 2015, the FASB issued ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes, which requires that all deferred tax assets and liabilities, along with any related valuation allowances be classified as a net noncurrent asset or liability in the balance sheet based on a jurisdictional basis. The new guidance will be effective for public business entities in fiscal years beginning after December 15, 2016, including interim periods within those years. The adoption of this guidance only affects the presentation of deferred taxes in the Company's consolidated balance sheets.

On March 30, 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting. Under current GAAP a difference exists between the amount and timing of compensation cost recognized for financial reporting purposes and compensation cost that is ultimately deductible for income tax purposes, thus creating deferred taxes. Upon exercise or vesting of an award, the difference between the deduction for tax purposes and the compensation cost recognized for financial reporting creates an excess tax benefit or tax deficiency, which is recorded against the APIC pool. ASU 2016-09 eliminates the APIC pool as all tax benefits and tax deficiencies would be recognized as an income tax benefit or expense in the income statement period in which they become deductible on the tax return. The new guidance will become effective for fiscal years beginning after December 15, 2016, including interim periods within those years. We are currently evaluating whether the adoption of this new guidance will have a significant impact on the consolidated financial statements and related disclosures.

In October 2016, the FASB issued ASU No. 2016-16 Income Taxes (Topic 740): Intra-entity transfers of assets other than inventory ("ASU 2016-16"). Current GAAP prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. This prohibition on recognition is an exception to the principle of comprehensive recognition of current and deferred income taxes in GAAP. The Board decided that an entity should recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. Consequently, the amendments in this Update eliminate the exception for an intra-entity transfer of an asset other than inventory. For public business entities, the amendments in this Update are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. We are currently evaluating whether the adoption of this new guidance will have a significant impact on our consolidated financial statements and related disclosures.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and all highly liquid instruments with an original maturity of three months or less, when purchased. The Company maintains the majority of its cash in several operating accounts with two

commercial banks. Balances on deposit are insured by the Federal Deposit Insurance Corporation ("FDIC"). However, from time to time, the Company's balances may exceed the FDIC insurable amount at its banks.

Certificate of Deposit

The Company maintains a portion of its operating funds in certificate of deposits. At December 31, 2016, the carrying amount of the certificates of deposit is \$6.0 million, consisting of certificates amounting to \$1.0 million and \$5.0 million, which approximates fair value. The certificates of deposit mature on September 22, 2017 and June 7, 2017, respectively and bears interest at a rate of 0.2% and 1%, respectively.

Deferred Debt Costs

Deferred debt costs include costs incurred in connection with acquiring and maintaining debt arrangements. These costs are amortized over the life of the related debt instrument using the effective interest method and are classified as interest expense in the accompanying consolidated statement of operations. These deferred debt costs are related to the Company's Convertible Notes and 15% Senior Secured Notes that were issued by the Company. The Company did not recognize any deferred costs on its Revolving Credit Facilities given all costs were expensed due to electing the fair value option in valuing the Revolving Credit Facilities.

Treasury Stock

The Company accounts for its treasury stock using the treasury stock method as set forth in ASC 505-30, *Treasury Stock*. Under the treasury stock method, the total amount paid to acquire the stock is recorded and no gain or loss is recognized at the time of purchase. Gains and losses are recognized at the time the treasury stock is reinstated or retired and are recorded in additional paid in capital or retained earnings. At December 31, 2016, the Company owned 608,000 shares of treasury stock.

Stock-Based Compensation

We have adopted ASC 718, *Compensation—Stock Compensation*. ASC 718 addresses accounting for share-based awards, including stock options, restricted stock, performance shares and warrants, with compensation expense measured using fair value and recorded over the requisite service or performance period of the award. The fair value of equity instruments awarded will be determined based on a valuation using an option pricing model that takes into account various assumptions that are subjective. Key assumptions used in the valuation will include the expected term of the equity award taking into account both the contractual term of the award, the effects of expected exercise and post-vesting termination behavior, expected volatility, expected dividends and the risk-free interest rate for the expected term of the award. Compensation expense associated with performance shares is only recognized to the extent that it is probable the performance measurement will be met.

Earnings Per Share

The Company computes net income per share in accordance with ASC 260, *Earnings Per Share*. Under the provisions of ASC 260, basic net income per share is computed by dividing the net income available to common shareholders by the weighted average common shares outstanding during the period. Diluted net income per share adjusts basic net income per share for the effects of stock options, warrants and restricted stock awards only in periods in which such effect is dilutive. ASC 260 also requires the Company to present basic and diluted earnings per share information separately for each class of equity instruments that participate in any income distribution with primary equity instruments.

Held-for-sale and discontinued operations

We report a business as held-for-sale when management has approved or received approval to sell the business and is committed to a formal plan, the business is available for immediate sale, the business is being actively marketed, the sale is anticipated to occur during the ensuing year and certain other specified criteria are met. A business classified as held-for-sale is recorded at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of the business exceeds its estimated fair value, a loss is recognized. Depreciation is not recorded on assets of a business classified as held-for-sale. Assets and liabilities related to a business classified as held-for-sale are segregated in the Consolidated Balance Sheet and major classes are separately disclosed in the notes to the Consolidated Financial Statements commencing in the period in which the business is classified as held-for-sale. We report the results of operations of a business as discontinued operations if the business is classified as held-for-sale, the operations and cash flows of the business have been or will be eliminated from the ongoing operations of the Company as a result of a disposal transaction and we will not have any significant continuing involvement in the operations of the business after the disposal transaction. The results of discontinued operations are reported in Discontinued Operations in the Consolidated Statement of Operations for current and prior periods commencing in the period in which the business meets the criteria of a discontinued operation, and include any gain or loss recognized on closing or adjustment of the carrying amount to fair value less cost to sell. During the fourth quarter of 2013, we sold substantially all of our structured settlements business. As a result, we have classified our structured settlement operating results as discontinued operations.

Foreign Currency

We own certain foreign subsidiary companies formed under the laws of Ireland, Bahamas and Bermuda. These foreign subsidiary companies utilize the U.S. dollar as their functional currency. The foreign subsidiary companies financial statements are denominated in U.S. dollars and therefore, there are no translation gains and losses resulting from converting the financial statements at exchange rates other than the functional currency. Any gains and losses resulting from foreign currency transactions (transactions denominated in a currency other than the subsidiary companies functional currency) are included in income. These gains and losses are immaterial to our financial statements.

Use of Estimates

The preparation of these consolidated financial statements, in conformity with generally accepted accounting principles in the United States of America ("GAAP"), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from these estimates and such differences could be material. Significant estimates made by management include income taxes, the valuation of life settlements, the valuation of the debt owing under the White Eagle Revolving Credit Facility, the valuation of equity awards and the valuation of the conversion derivative liability formerly embedded within the Company's Convertible Notes.

Risks and Uncertainties

In the normal course of business, the Company encounters economic, legal and longevity risk. There are two main components of economic risk that could potentially impact the Company: market risk and concentration of credit risk. Market risk for the Company includes interest rate risk. Market risk also reflects the risk of declines in valuation of the Company's life settlements, including declines caused by the selection of increased discount rates associated with the Company's fair value model for life settlements. It is reasonably possible that future changes to estimates involved in valuing life settlements could change and result in material effects to the future financial statements. Concentration of credit risk includes the risk that an insurance carrier who has issued life insurance policies held by the Company in its portfolio, does not remit the amount due under those policies due to the deteriorating financial condition of the carrier or otherwise. Legal risk includes the risk that statutes define or courts interpret insurable interest in a manner adverse to the Company's ownership rights in its portfolio of life insurance policies and the risk that courts allow insurance carriers to retain premiums paid by the Company in respect of insurance policies that have been successfully rescinded or contested. Longevity risk refers to the risk that the Company does not experience the mortalities of insureds in its portfolio of life insurance policies that are anticipated to occur on an actuarial basis in a timely manner, which would result in the Company expending additional amounts for the payment of premiums.

Reclassification

Certain reclassification of the prior period amounts and presentation have been made to conform to the presentation of the current period. This reclassification relates primarily to the adoption of ASU No. 2015-03, "Interest—Imputation of Interest (Subtopic 835-30): which provides guidance on the balance sheet presentation for debt issuance costs and impacts the Convertible Notes.

Change in Accounting Principle and Accounting for Debt Issuance Costs

The Company adopted ASU No. 2015-03, "Interest—Imputation of Interest (Subtopic 835-30)" on January 1, 2016. Upon adoption of ASU No. 2015-03, deferred debt issuance costs related to the Convertible Notes previously presented in the Company's consolidated balance sheet as an asset have been reclassified as a direct deduction to the carrying amount of the liability. The adoption of this ASU did not result in changes to the consolidated statements of operations, stockholders' equity, or statement of cash flows. In transitioning the application of this guidance, retrospective application to all periods presented in the consolidated financial statements has been performed as follows (in thousands):

	<u>As reported under previous accounting guidance</u>	<u>As reported under ASU 2015-03</u>	<u>Effect of change</u>
Balance Sheet			
December 31, 2015			
Assets:			
Deferred debt costs	\$ 1,797	\$ —	\$ (1,797)
Total assets	\$ 509,857	\$ 508,060	\$ (1,797)
Liabilities:			
Convertible Notes, net of discount	58,609	56,812	(1,797)
Total liabilities	289,500	287,703	(1,797)
Total stockholders' equity	220,357	220,357	—
Total liabilities and stockholders' equity	\$ 509,857	\$ 508,060	\$ (1,797)
Net effect	\$ —	\$ —	\$ —

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers," which converges the FASB and the International Accounting Standards Board ("IASB") standard on revenue recognition. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and disclosures. In April 2015, the FASB voted to defer the effective date of the new revenue recognition standard by one year. As a result, the provisions of this ASU are now effective for interim and annual periods beginning after December 15, 2017. The Company does not expect that this guidance will have a material impact on its financial position, results of operations or cash flows.

In August 2014, the FASB issued ASU No. 2014-15, "Disclosures of Uncertainties About an Entity's Ability to Continue as a Going Concern." The standard provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted. The Company did not early adopt, but will adopt in the first quarter of 2017 and management will be required to perform a going concern analysis given our current liquidity needs.

In February 2015, the FASB issued ASU No. 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis." This guidance focuses on a reporting company's consolidation evaluation to determine whether they should consolidate certain legal entities. This guidance is effective for annual periods beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. The Company has determined that this guidance does not have an impact on its consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classifications of Deferred Taxes," which aligns the FASB and the IASB standard for financial statement presentation of deferred income taxes. To simplify the presentation of deferred income taxes, this standard requires that deferred tax assets and liabilities be presented as noncurrent on the balance sheet. This ASU is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted, including adoption in an interim period. This guidance did not have any material impact on our financial position, results of operations or cash flows.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments." This ASU provides specific guidance on eight cash flow classification issues that are either unclear or not included in current GAAP. These cash flow classification issues include debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and separately identifiable cash flows and application of the predominance principle. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. We are currently evaluating the impact that the adoption of ASU 2016-15 will have on our consolidated financial statements.

NOTE 3—CONSOLIDATION OF VARIABLE INTEREST ENTITIES

The Company evaluates its interests in variable interest entities ("VIEs") on an ongoing basis and consolidates those VIEs in which it has a controlling financial interest and is thus deemed to be the primary beneficiary. A controlling financial interest has both of the following characteristics: (i) the power to direct the activities of the VIE that most significantly impact its economic performance; and (ii) the obligation to absorb losses of the VIE that could potentially be significant to it or the right to receive benefits from the VIE that could be potentially significant to the VIE.

The following table presents the consolidated assets and consolidated liabilities of VIEs for which the Company has concluded that it is the primary beneficiary and which are consolidated in the Company's financial statements as of December 31, 2016 and 2015, as well as non-consolidated VIEs for which the Company has determined it is not the primary beneficiary (in thousands):

	Primary Beneficiary		Not Primary Beneficiary	
	Consolidated VIEs		Non-consolidated VIEs	
	Assets	Liabilities	Total Assets	Maximum Exposure To Loss
December 31, 2016	\$ 511,792	\$ 257,678	\$ 2,384	\$ 2,384
December 31, 2015	\$ 475,597	\$ 225,208	\$ 2,384	\$ 2,384

As of December 31, 2016, 619 life insurance policies owned by White Eagle with an aggregate death benefit of approximately \$2.9 billion and an estimated fair value of approximately \$497.7 million were pledged as collateral under the White Eagle Revolving Credit Facility. In accordance with ASC 810, *Consolidation*, the Company consolidated White Eagle in its financial statements for the years ended December 31, 2016 and 2015.

As of December 31, 2015, 156 life insurance policies owned by Red Falcon were pledged as collateral under the Red Falcon Revolving Credit Facility. In accordance with ASC 810, *Consolidation*, the Company consolidated Red Falcon in its financial statements for the years ended December 31, 2015 and 2016 (until termination). The Red Falcon Facility was terminated on December 29, 2016. See Note 9, "Red Falcon Revolving Credit Facility" to the accompanying consolidated financial statements.

NOTE 4—EARNINGS PER SHARE

As of December 31, 2016, 2015 and 2014, there were 29,021,844, 28,130,508 and 21,402,990 shares of common stock issued, respectively, and 28,413,844, 27,522,508, and 21,402,990 of shares of common stock outstanding, respectively. Outstanding shares as of December 31, 2016 and 2015 have been adjusted to reflect 608,000 treasury shares.

Basic net income per share is computed by dividing the net earnings attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding, increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued. Conversion or exercise of the potential common shares is not reflected in diluted earnings per share unless the effect is dilutive. The dilutive effect, if any, of outstanding common share equivalents is reflected in diluted earnings per share by application of the treasury stock method, as applicable.

The following tables reconcile actual basic and diluted earnings per share for the years ended December 31, 2016, 2015 and 2014 (in thousands except per share data).

	2016	2015	2014
	(1)	(2)	(3)
Loss per share:			
Numerator:			
Net (loss) income from continuing operations	\$ (49,429)	\$ (30,380)	\$ (5,151)
Net (loss) income from discontinued operations	(260)	(644)	(369)
Net (loss) income	\$ (49,689)	\$ (31,024)	\$ (5,520)
Basic and diluted (loss) income per common share:			
Basic and diluted (loss) income per share from continuing operations	\$ (1.79)	\$ (1.22)	\$ (0.24)
Basic and diluted (loss) income per share from discontinued operations	\$ (0.01)	\$ (0.03)	\$ (0.02)
Basic and diluted (loss) income per share available to common shareholders	\$ (1.80)	\$ (1.25)	\$ (0.26)
Denominator:			
Basic and diluted	27,660,711	24,851,178	21,354,567

(1) The computation of diluted EPS does not include 763,594 options, 6,240,521 warrants, 265,212 shares of restricted stock, and up to 10,738,165 shares of underlying common stock issuable upon conversion of the Convertible Notes for the year ended December 31, 2016, as the effect of their inclusion would have been anti-dilutive.

(2) The computation of diluted EPS did not include 774,394 options, 6,240,521 warrants, 41,259 shares of restricted stock, up to 10,738,165 shares of underlying common stock issuable upon conversion of the Convertible Notes and 319,500 performance shares for the year ended December 31, 2015, as the effect of their inclusion would have been anti-dilutive.

(3) The computation of diluted EPS did not include 807,949 options and 6,240,521 warrants, 41,060 shares of restricted stock, up to 10,464,941 shares of underlying common stock issuable upon conversion of the Convertible Notes, and 323,500 performance shares for the year ended December 31, 2014, as the effect of their inclusion would have been anti-dilutive.

NOTE 5—STOCK-BASED COMPENSATION

On May 28, 2015, the Company amended and restated its 2010 Omnibus Incentive Plan (the "Omnibus Plan"). Awards under the Omnibus Plan may consist of incentive awards, stock options, stock appreciation rights, performance shares, performance units, and shares of common stock, restricted stock, restricted stock units or other stock-based awards as determined by the compensation committee of the Company's board of directors. The Omnibus Plan provides for an aggregate of 2,700,000 shares of common stock to be reserved for issuance under the Omnibus Plan, subject to adjustment as provided in the Omnibus Plan.

Options

As of December 31, 2016, all options to purchase shares of common stock issued by the Company were fully vested. The Company recognized approximately \$0, \$238,000, and \$765,000 in stock-based compensation expense relating to stock options it granted under the Omnibus Plan during the years ended December 31, 2016, 2015, and 2014, respectively.

As of December 31, 2016, options to purchase 763,594 shares of common stock were outstanding under the Omnibus Plan at a weighted average exercise price of \$8.52 per share.

The following table presents the activity of the Company's outstanding stock options of common stock for the year ended December 31, 2016:

<u>Common Stock Options</u>	<u>Number of Shares</u>	<u>Weighted Average Price per Share</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
Options outstanding, January 1, 2016	774,394	\$ 8.50	3.47	\$ —
Options granted	—	—	—	—
Options exercised	—	—	—	—
Options forfeited	(10,800)	7.22	—	—
Options expired	—	—	—	—
Options outstanding, December 31, 2016	<u>763,594</u>	\$ 8.52	2.47	\$ —
Exercisable at December 31, 2016	<u>763,594</u>	8.52	2.47	—
Unvested at December 31, 2016	<u>—</u>	\$ —	—	\$ —

As of December 31, 2016, all outstanding stock options had an exercise price above the fair market value of the common stock on that date. There are no remaining unamortized amounts to be recognized on these options.

Restricted Stock

The Company incurred additional stock-based compensation expense of approximately \$411,000, \$252,000, and \$191,000 relating to restricted stock granted to its board of directors and certain employees during the years ended December 31, 2016, 2015, and 2014, respectively.

Under the Omnibus Plan, 41,060 shares of restricted stock granted to the Company's directors during 2014 vested during the year ended December 31, 2015. The fair value of the restricted stock was approximately \$255,000 based on the closing price of the Company's shares on the day prior to the grant date. The Company incurred additional stock-based compensation expense of approximately \$0 and \$108,000, respectively, related to these 41,060 shares of restricted stock during the years ended December 31, 2016 and 2015.

Under the Omnibus Plan, 41,259 shares of restricted stock granted to the Company's directors during 2015 vested during the year ended December 31, 2016. The fair value of the restricted stock was valued at \$255,000 based on the closing price of the Company's shares on the day prior to the grant date. The Company incurred stock-based compensation expense of approximately \$103,000 and \$144,000 related to these 41,259 shares of restricted stock during the years ended December 31, 2016 and 2015, respectively.

During the year ended December 31, 2016, the Company granted 65,212 shares of restricted stock to its directors under the Omnibus Plan, which are subject to a one year vesting period that commenced on the date of the grant. The fair value of the unvested restricted stock was valued at approximately \$255,000 based on the closing price of the Company's shares on the date prior to the grant date. The Company incurred stock-based compensation expense of approximately \$141,000 related to these 65,212 shares of restricted stock during the year ended December 31, 2016.

During the year ended December 31, 2016, the Company granted 200,000 shares of restricted stock units to certain employees under the Omnibus Plan, which are subject to a two year vesting period that commenced on the date of grant. The fair value of the unvested restricted stock was valued at approximately \$674,000 based on the closing price of the Company's shares on the day prior to the grant date. The Company incurred stock-based compensation expense of approximately \$168,000 related to these 200,000 shares of restricted stock during the year ended December 31, 2016.

The following table presents the activity of the Company's unvested restricted stock for the year ended December 31, 2016:

<u>Common Unvested Shares</u>	<u>Number of Shares</u>
Outstanding January 1, 2016	41,259
Granted	265,212
Vested	(41,259)
Forfeited	—
Outstanding December 31, 2016	265,212

The aggregate intrinsic value of the awards of 65,212 and 200,000 is \$78,000 and \$242,000, respectively, and the remaining weighted average life of these awards is 0.42 years and 1.48 years, respectively, as of December 31, 2016.

Performance Shares

During 2014, the Company awarded 323,500 target performance shares for restricted common stock to its directors and certain employees, of which 150,000 shares were subject to shareholder approval of the Omnibus Plan, which was obtained at the Company's 2015 annual meeting on May 28, 2015. The issuance of the performance shares was contingent on the Company's financial performance, as well as the performance of the Company's common stock through June 30, 2016, with the actual shares to be issued ranging between 0 – 150% of the target performance shares. During the year ended December 31, 2015, 4,000 of the performance shares were forfeited. Given that the Company's financial performance goal was not achieved during the year ended December 31, 2016, the remaining performance shares have been forfeited. At December 31, 2015, the Company determined that it was not probable that the performance conditions would be achieved and no related expense was recognized for the year then ended.

The following table presents the activity of the Company's performance share awards for the year ended December 31, 2016:

<u>Performance Shares</u>	<u>Number of Shares</u>
Outstanding January 1, 2016	319,500
Awarded	—
Vested	—
Forfeited	(319,500)
Outstanding December 31, 2016	—

Warrants

On February 11, 2011, three shareholders received warrants that may be exercised for up to a total of 4,240,521 shares of the Company's common stock at a weighted average exercise price of \$14.51 per share. The warrants will expire seven years after the date of issuance and are exercisable as they are fully vested. At December 31, 2016, all 4,240,521 warrants remained outstanding.

In connection with a settlement of class action litigation arising in connection with the investigation by the U.S. Attorney's Office for District of New Hampshire ("USAO") into the Company's now legacy premium finance business (the "USAO Investigation"), the Company issued warrants to purchase 2,000,000 shares of the Company's stock into an escrow account in April of 2014. The estimated fair value as of the measurement date of such warrants was \$5.4 million, which is included in stockholders' equity. The warrants were distributed in October 2014 and have a five-year term from the date they were distributed to the class participants with an exercise price of \$10.75. The Company is obligated to file a registration statement to register the shares underlying the warrants with the SEC if shares of the Company's common stock have an average daily trading closing price of at least \$8.50 per share for a 45 day period. The warrants will be exercisable upon effectiveness of the registration statement.

NOTE 6—DISCONTINUED OPERATIONS

On October 25, 2013, the Company sold substantially all of the operating assets comprising its structured settlement business to Majestic Opco LLC pursuant to an Asset Purchase Agreement. No structured settlement receivables were sold and

no on-balance sheet liabilities were transferred in connection with the sale. On August 18, 2015, the Company sold its remaining structured settlement receivables asset for \$920,000 to the buyer of its operating assets.

As a result of the sale of its structured settlements business, the Company reclassified its structured settlement business operating results as discontinued operations in the accompanying Consolidated Statements of Operations for all periods presented.

Operating results related to the Company's discontinued structured settlement business are as follows:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Total income	\$ 12	\$ 81	\$ 192
Total expenses	272	725	793
Income (loss) before income taxes	(260)	(644)	(601)
Income tax benefit	—	—	232
Income (loss) from discontinued operations, net of income taxes	\$ (260)	\$ (644)	\$ (369)

NOTE 7—LIFE SETTLEMENTS (LIFE INSURANCE POLICIES)

The Company accounts for policies it acquires using the fair value method in accordance with ASC 325-30-50 *Investments—Other—Investment in Insurance Contracts*. Under the fair value method, the Company recognizes the initial investment at the purchase price. For policies that were relinquished in satisfaction of premium finance loans at maturity, the initial investment is the loan carrying value. For policies purchased in the secondary or tertiary markets, the initial investment is the amount of cash outlay at the time of purchase. At each reporting period, the Company re-measures the investment at fair value in its entirety and recognizes changes in the Statements of Operations in the periods in which the changes occur.

As of December 31, 2016 and 2015, the Company owned 621 and 632 policies, respectively, with an aggregate estimated fair value of life settlements of \$498.4 million and \$461.9 million, respectively.

The weighted average life expectancy calculated based on death benefit of insureds in the policies owned by the Company at December 31, 2016 was 9.0 years. The following table describes the Company's life settlements as of December 31, 2016 (dollars in thousands):

Remaining Life Expectancy (In Years)*	Number of Life		
	Settlement Contracts	Fair Value	Face Value
0-1	4	\$ 16,280	\$ 19,497
1-2	14	35,019	52,093
2-3	14	31,300	57,274
3-4	31	44,096	114,449
4-5	40	57,792	172,157
Thereafter	518	313,913	2,531,041
Total	621	\$ 498,400	\$ 2,946,511

*Based on remaining life expectancy at December 31, 2016, as derived from reports of third party life expectancy providers, and does not indicate the timing of expected death benefits. See "Life Settlements," in Note 13, "Fair Value Measurements," of the accompanying consolidated financial statements.

The weighted average life expectancy calculated based on death benefit of insureds in the policies owned by the Company at December 31, 2015 was 9.9 years. The following table describes the Company's life settlements as of December 31, 2015 (dollars in thousands)

Remaining Life Expectancy (In Years)*	Number of Life	Fair Value	Face Value
	Settlement Contracts		
0-1	—	\$ —	\$ —
1-2	12	28,873	42,988
2-3	17	47,272	84,497
3-4	18	24,450	58,154
4-5	31	42,304	124,720
Thereafter	554	319,026	2,668,993
Total	632	\$ 461,925	\$ 2,979,352

*Based on remaining life expectancy at December 31, 2015, as derived from reports of third party life expectancy providers, and does not indicate the timing of expected death benefits. See "Life Settlements," in Note 13, "Fair Value Measurements," of the accompanying consolidated financial statements.

Estimated premiums to be paid for each of the five succeeding fiscal years and thereafter to keep the life insurance policies in force as of December 31, 2016, are as follows (in thousands):

2017	\$ 82,267
2018	85,023
2019	92,442
2020	96,650
2021	97,135
Thereafter	877,808
	\$ 1,331,325

The amount of \$1.33 billion noted above represents the estimated total future premium payments required to keep the life insurance policies in force during the life expectancies of all the underlying insured lives and does not give effect to projected receipt of death benefits. The estimated total future premium payments could increase or decrease significantly to the extent that insurance carriers increase the cost of insurance on their issued policies or that actual mortalities of insureds differs from the estimated life expectancies.

NOTE 8—WHITE EAGLE REVOLVING CREDIT FACILITY

Effective April 29, 2013, White Eagle entered into a 15-year revolving credit agreement with LNV Corporation, as initial lender, Imperial Finance & Trading, LLC, as servicer and portfolio manager and CLMG Corp., as administrative agent. Proceeds from the initial advance under the facility were used, in part, to retire a bridge facility and to fund a payment to the lender protection insurance provider to release subrogation rights in certain of the policies pledged as collateral for the White Eagle Revolving Credit Facility. On May 16, 2014, White Eagle Asset Portfolio, LLC converted from a Delaware limited liability company to White Eagle Asset Portfolio, LP, a Delaware limited partnership (the "Conversion") and all of its ownership interests were transferred to an indirect, wholly-owned Irish subsidiary of the Company. In connection with the Conversion, the White Eagle Revolving Credit Facility was amended and restated among White Eagle, as borrower, Imperial Finance and Trading, LLC, as the initial servicer, the initial portfolio manager and guarantor, Lamington Road Bermuda Ltd., as portfolio manager, LNV Corporation, as initial lender, the other financial institutions party thereto as lenders, and CLMG Corp., as administrative agent for the lenders. The White Eagle Revolving Credit Facility was amended on November 9, 2015. As amended, the White Eagle Revolving Credit Facility may provide earlier participation in the portfolio cash flows if certain loan to value ("LTV") ratios are achieved. Additionally, the maximum facility limit was reduced from \$300.0 million to \$250.0 million, and the interest rate under the facility was increased by 50 basis points.

On December 29, 2016, White Eagle entered into a Second Amendment to the Amended and Restated Loan and Security Agreement ("White Eagle Second Amendment") and on January 31, 2017, as required by the terms of the White Eagle Amendment, White Eagle executed the Second Amended and Restated Loan and Security Agreement, dated January 31, 2017, which consolidated into a single document the amendments evidenced by the White Eagle Amendment and all previous amendments. See Note 20 "Subsequent Events," of the accompanying consolidated financial statements.

As amended, the White Eagle Revolving Credit Facility adjusted the ("LTV") ratios which directed cash flow participation and became subjected to achieving certain financial metrics, as more fully described below under "Amortization & Distributions." Pursuant to the White Eagle Second Amendment, 190 life settlement policies purchased from wholly owned subsidiaries of the Company were pledged as additional collateral under the facility for an additional policy advance of approximately \$71.1 million. The maximum facility limit was increased to \$370.0 million and the term of the facility was extended to December 31, 2031. Additional loan terms and amendment changes are more fully described in the sections that follow.

General & Security. The White Eagle Revolving Credit Facility provides for an asset-based revolving credit facility backed by White Eagle's portfolio of life insurance policies with an aggregate lender commitment of up to \$370.0 million, subject to borrowing base availability. 619 life insurance policies with an aggregate death benefit of approximately \$2.9 billion and an estimated fair value of approximately \$497.7 million are pledged as collateral under the White Eagle Revolving Credit Facility at December 31, 2016. In addition, the equity interests in White Eagle have been pledged under the White Eagle Revolving Credit Facility.

Borrowing Base. Borrowing availability under the White Eagle Revolving Credit Facility is subject to a borrowing base, which at any time is equal to the lesser of (A) the sum of all of the following amounts that have been funded or are to be funded through the next distribution date (i) the initial advance and all additional advances to acquire additional pledged policies that are not for ongoing maintenance advances, plus (ii) 100% of the sum of the ongoing maintenance costs, plus (iii) 100% of accrued and unpaid interest on borrowings (excluding the rate floor portion described below), plus (iv) 100% of any other fees and expenses funded and to be funded as approved by the required lenders, less (v) any required payments of principal and interest previously distributed and to be distributed through the next distribution date; (B) 75% of the valuation of the policies pledged as collateral as determined by the lenders; (C) 50% of the aggregate face amount of the policies pledged as collateral (excluding certain specified life insurance policies); and (D) the then applicable facility limit. At December 31, 2016, \$108.6 million was undrawn and \$674,800 was available to borrow under the White Eagle Revolving Credit Facility. The amount available to borrow is calculated based on and limited to the premium payments and expenses if any, that are due as of the calculation date. In essence, what is available, is what is required to pay expenses and keep the policies in force as of the calculation date.

Amortization & Distributions. Proceeds from the maturity of the policies pledged as collateral under the White Eagle Revolving Credit Facility are distributed pursuant to a waterfall. After distributions for premium payments, fees to service providers and payments of interest, a percentage of the collections from policy proceeds are to be paid to the Company, which will vary depending on the then LTV ratio as illustrated below where the valuation is determined by the lenders:

LTV	Premiums, Interest &		Distribution to White Eagle	
	Other Fees	Principal	- 55%	Lender Participation - 45%
N/A	100%	—%	—%	—%
>65%	N/A	100%	—%	—%
50-65%	N/A	70%	16.5%	13.5%
35-50%	N/A	55%	24.8%	20.3%
0-35%	N/A	45%	30.3%	24.8%

Provided that (i) if (a) the Company failed to maintain a cash interest coverage ratio of at least 2.0:1 at any time during the immediately preceding calendar quarter or (b) the Company fails to take steps to improve its solvency in a manner acceptable to the required lenders (as determined in their sole and absolute discretion), then the cash flow sweep percentage to the lenders shall equal one-hundred percent (100%) and (ii) if such distribution date occurs on or after December 29, 2025, then the cash flow sweep percentage shall equal one-hundred percent (100%). As of December 31, 2016, the cash interest coverage ratio was 1.65:1 and the loan to value ratio was 55%, as calculated using the lenders' valuation.

The cash interest coverage ratio is the ratio of (i) consolidated cash and cash equivalents maintained by the Company to (ii) the aggregate interest amounts that will be due and payable in cash on (x) the \$30.0 million Senior Secured Notes due September 14, 2018 (and any notes issued by the Company or any of its Affiliates in connection with refinancing, replacing, substituting or any similar action with respect to any such notes) and the \$70.7 million Convertible Notes due February 15, 2019 (and any notes issued by the Company or any of its Affiliates in connection with refinancing, replacing, substituting or any similar action with respect to any such notes) and (y) any additional indebtedness issued by the Company after December 29, 2016, in each case, during the twelve month period following such date of determination. See Note 10, "8.50% Senior

With respect to approximately 25% of the face amount of policies pledged as collateral under the White Eagle Revolving Credit Facility, White Eagle has agreed that if policy proceeds that are otherwise due are not paid by an insurance carrier, the foregoing distributions will be altered such that the lenders will receive any "catch-up" payments with respect to amounts that they would have received in the waterfall prior to distributions being made to White Eagle. During the continuance of events of default or unmatured events of default, the amounts from collections of policy proceeds that might otherwise be paid to White Eagle will instead be held in a designated account controlled by the lenders and may be applied to fund operating and third party expenses, interest and principal, "catch-up" payments or percentage payments that would go to the lenders as described above.

Assuming no event of default, funds on account from policy proceeds shall be distributed in specified stages of priority. For the year ended December 31, 2016, approximately \$46.0 million of proceeds received from the maturity of policies pledged under the White Eagle Revolving Credit Facility, were distributed through the waterfall in the following stages of priority (in thousands):

Clause	Amount	Use of Proceeds
First:	\$ 239	Custodian and Securities Intermediary
Second:	—	White Eagle - Ongoing Maintenance Cost Reimbursable
Third:	—	Administrative Agent - Protective Advances
Fourth:	53	Administrative Agent - Administrative Agent Fee and Legal Expense Reimbursement
Fifth:	10,932	Administrative Agent - Accrued and Unpaid Interest
Sixth:	34,799	Administrative Agent - Required Amortization
Seventh:	—	Administrative Agent - Amortization Shortfall
Eighth:	—	Administrative Agent - Participation Interest
Ninth:	—	Reserved - \$0
Tenth:	—	Administrative Agent Aggregate Unpaid Participation Interest
Eleventh:	—	Administrative Agent - Remaining Available Amount After Clause First to Tenth
Twelfth:	—	Wilmington Trust - Custodian and Securities Intermediary - Unpaid Fees
Thirteenth:	—	Borrower - Any Remaining Available Amount After Clause First to Twelfth
Total Distributions	\$ 46,023	

The below is a reconciliation of proceeds collected by the White Eagle Revolving Credit Facility and distributed through the waterfall as shown above:

Face value collected in 2015 and distributed in 2016	\$ 5,000
Face value collected in 2016 and distributed in 2016	40,500
Face value collected in 2016 and distributed in 2017	2,480
Other collections*	523
Total collection in 2016	48,503
Less: Total waterfall distribution in 2016	(46,023)
Total to be distributed in 2017	\$ 2,480

*Includes refund of premiums and interest earned on maturity proceeds

Use of Proceeds. Generally, ongoing advances may be made for paying premiums on the life insurance policies pledged as collateral and to pay the fees of service providers. Effective with the White Eagle Amendment on November 9, 2015, ongoing advances may no longer be used to pay interest, which will now be paid by White Eagle if there is not otherwise sufficient amounts available from policy proceeds to be distributed to pay interest expense pursuant to the waterfall described above in "Amortization and Distributions." Subsequent advances and the use of proceeds from those advances are at the

discretion of the lenders. During the years ended December 31, 2016 and 2015, approximately \$51.3 million and \$45.7 million was drawn on the facility for premium payments, \$1.7 million and \$2.2 million in fees to service providers, respectively. Approximately \$6.7 million was drawn on the facility for interest during 2015. Effective with the November 9, 2015 Amendment, interest is no longer withheld from borrowings and, therefore, no interest was drawn on the facility during 2016.

Interest. Borrowings under the White Eagle Revolving Credit Facility bear interest at a rate equal to LIBOR or, if LIBOR is unavailable, the base rate, in each case plus an applicable margin of 4.50%, which was increased from 4.00% pursuant to the November 9, 2015 amendment, and subject to a rate floor component equal to the greater of LIBOR (or the applicable rate) and 1.5%. The base rate under the White Eagle Revolving Credit Facility equals the sum of (i) the weighted average of the interest rates on overnight federal funds transactions or, if unavailable, the average of three federal funds quotations received by the Agent plus 0.75% and (ii) 0.5%. Based on the loan agreement, the LIBOR portion of the interest rate will re-adjust annually, once the floor has exceeded 1.5%. The applicable rate will be dependent on the rate at the last business day of the preceding calendar year. On December 30, 2016, the LIBOR floor increased from 1.50% to 1.69%. The effective rate at December 31, 2016 was 6.19% compared to 6.00% at December 31, 2015.

Interest paid during the period is recorded in the Company's consolidated financial statements. Accrued interest is reflected as a component of the estimated fair value of the White Eagle Revolving Credit Facility debt. Effective with the White Eagle Amendment on November 9, 2015, interest for the applicable margin of 4.50% is no longer withheld from borrowings by the lender. Total interest expense on the facility for the year ended December 31, 2016 was \$11.4 million and comprised \$10.9 million paid through the waterfall distribution from maturity proceeds and \$103,000 paid directly by the Company. Interest expense included \$388,000 in debt issuance costs associated with the additional policy advance which was not capitalized as a result of electing the fair value option for valuing this debt.

Total interest expense on the facility for the year ended December 31, 2015 was \$9.2 million, which includes \$6.7 million withheld from borrowings by the lender and \$2.5 million paid by White Eagle.

Maturity. Effective with the White Eagle Second Amendment, the term of the White Eagle Revolving Credit Facility expires December 31, 2031, which is also the scheduled commitment termination date (though the lenders' commitments to fund borrowings may terminate earlier in an event of default). The lenders' interests in and rights to a portion of the proceeds of the policies does not terminate with the repayment of the principal borrowed and interest accrued thereon, the termination of the White Eagle Revolving Credit Facility or expiration of the lenders' commitments.

Covenants/Events of Defaults. The White Eagle Revolving Credit Facility contains covenants and events of default that are customary for asset-based credit agreements of this type, but also include cross defaults under the servicing, account control, contribution and pledge agreements entered into in connection with the White Eagle Revolving Credit Facility (including in relation to breaches by third parties thereunder), certain changes in law, changes in control of or insolvency or bankruptcy of the Company and relevant subsidiary companies and performance of certain obligations by certain relevant subsidiary companies, White Eagle and third parties. Effective with the White Eagle Second Amendment, and as described above in "Amortization and Distributions", the White Eagle Revolving Credit Facility contains a financial covenant requiring White Eagle to maintain a cash interest coverage ratio of at least 1.75:1 commencing after June 30, 2019. Failure to maintain this ratio for 60 consecutive days after June 30, 2019 constitutes an event of default. There is no interest coverage ratio requirement that would result in an event of default prior to this date; however, any failure to maintain a cash interest coverage ratio of at least 2.0:1 does impact the cash flow sweep percentage for proceeds distributed through the waterfall. As of December 31, 2016, the cash interest coverage ratio was 1.65:1. The White Eagle Revolving Credit Facility also contains certain tests relating to asset maintenance, performance and valuation, the satisfaction of which will be determined by the lenders with a high degree of discretion.

Remedies. The White Eagle Revolving Credit Facility and ancillary transaction documents afford the lenders a high degree of discretion in their selection and implementation of remedies, including strict foreclosure, in relation to any event of default, including a high degree of discretion in determining whether to foreclose upon and liquidate all or any pledged policies, the interests in White Eagle, and the manner of any such liquidation. White Eagle has limited ability to cure events of default through the sale of policies or the procurement of replacement financing.

The Company elected to account for the debt under the White Eagle Revolving Credit Facility in accordance with ASC 820, which includes the 45% interest in policy proceeds to the lender, using the fair value method. The fair value of the debt is the amount the Company would have to pay to transfer the debt to a market participant in an orderly transaction. The Company calculated the fair value of the debt using a discounted cash flow model taking into account the stated interest rate of the credit facility and probabilistic cash flows from the pledged policies. Considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the Company's estimates are not necessarily indicative of the amounts that the

Company, or holders of the instruments, could realize in a current market exchange. The most significant assumptions are the estimates of life expectancy of the insured and the discount rate. The use of different assumptions and/or estimation methodologies could have a material effect on the estimated fair values.

At December 31, 2016, the fair value of the outstanding debt was \$257.1 million and the borrowing base was approximately \$262.1 million, which includes \$261.4 million of outstanding principal. Approximately \$674,800 was available to borrow under the White Eagle Revolving Credit Facility.

There are no scheduled repayments of principal prior to maturity although payments are due upon the next distribution date following the receipt of death benefits and distributed pursuant to the waterfall as described above. At December 31, 2016, approximately \$2.5 million included in restricted cash was on account with White Eagle awaiting distribution through the waterfall.

NOTE 9—RED FALCON REVOLVING CREDIT FACILITY

Effective July 16, 2015, Red Falcon Trust ("Red Falcon"), a Delaware statutory trust formed by Blue Heron Designated Activity Company ("Blue Heron"), a wholly-owned Irish subsidiary of the Company, entered into a revolving loan and security agreement (together with its ancillary documents, the "Red Falcon Revolving Credit Facility," and together with the White Eagle Revolving Credit Facility, the "Revolving Credit Facilities.") with LNV Corporation, as initial lender, the other lenders party thereto from time to time, Imperial Finance & Trading, LLC, as guarantor, Blue Heron as portfolio administrator and CLMG Corp., as administrative agent (the "Agent"). On July 15, 2016, the Company amended its Red Falcon Revolving Credit Facility (the "Red Falcon Amendment"). Pursuant to the amendment, six additional policies and additional portions of 20 policies that were previously pledged in part as collateral under the initial credit agreement were pledged for an additional policy advance. Amounts advanced to Red Falcon following effectiveness of the amendment to the credit agreement were approximately \$3.0 million.

On December 29, 2016, the Red Falcon Revolving Credit Facility was terminated (the "Facility Termination"). The policies pledged under the Red Falcon Revolving Credit Facility were sold to White Eagle, a subsidiary of the Company, in exchange for a distribution of cash totaling \$65.1 million, which was used to repay all outstanding principal and interest due under the Red Falcon Revolving Credit Facility. The significant terms in effect through the termination date are included below.

General & Security. The Red Falcon Revolving Credit Facility provided for a revolving credit facility backed by Red Falcon's portfolio of life insurance policies with an initial aggregate lender commitment of up to \$110.0 million, subject to borrowing base availability. As of December 29, 2016, all life insurance policies previously owned by Red Falcon and pledged as collateral under the Red Falcon Revolving Credit Facility were sold to White Eagle an affiliate of the Company. See Note 8 "White Eagle Revolving Credit Facility," to the accompanying consolidated financial statements for further information regarding the Company's portfolio subsequent to the Red Falcon Revolving Credit Facility termination.

Borrowing Base & Availability. Revolving credit borrowings were permitted for a five-year period with the loans under the Red Falcon Revolving Credit Facility maturing on July 15, 2022. Borrowing availability under the Red Falcon Revolving Credit Facility was subject to a borrowing base, which at any time was equal to the lesser of (A) the sum of all of the following amounts that were funded or were to be funded through the next distribution date (i) the initial advance and all additional advances in respect of newly pledged policies that were not for ongoing maintenance advances, plus (ii) 100% of the sum of the ongoing maintenance costs, less (iii) any required amortization payments previously distributed and which were to be distributed through the next distribution date; (B) 60% of the valuation of the policies pledged as collateral as determined by the lenders; (C) 45% of the aggregate face amount of the policies pledged as collateral; and (D) \$110.0 million. All outstanding principal and interest was repaid in connection with the Facility Termination at December 31, 2016.

Amortization & Distributions. Proceeds from the policies pledged as collateral under the Red Falcon Revolving Credit Facility were distributed pursuant to a waterfall with, subject to yield maintenance provisions, 5% of policy proceeds directed to the lenders. Thereafter proceeds were directed to pay fees to service providers and premiums with any remaining proceeds directed to pay outstanding interest and required amortization of 8% per annum on the greater of the then outstanding balance of the loan or the initial advance. Generally, after payment of interest and required amortization, a percentage of the collections from policy proceeds were to be paid to the lenders, which varied depending on the then loan to value ratio ("LTV") as follows: (1) if the LTV was equal to or greater than 50%, all remaining proceeds were to be directed to the lenders to repay the then

outstanding principal balance; (2) if the LTV was less than 50% but greater than or equal to 25%, 65% of the remaining proceeds were to be directed to the lenders to repay the then outstanding principal balance; or (3) if the LTV is less than 25%, 35% of the remaining proceeds were to be directed to the lenders to repay the then outstanding principal balance, in each case, with remaining proceeds directed to Red Falcon. To the extent there were not sufficient remaining proceeds in the waterfall to satisfy the amount of required interest and amortization then due, Red Falcon would have had to pay any such shortfall amount.

Assuming no event of default, funds on account from policy proceeds shall be distributed in specified stages of priority. For the year ended December 31, 2016, approximately \$7.6 million of proceeds received from the maturity of policies which were pledged under the Red Falcon Revolving Credit Facility were distributed through the waterfall in the following stages of priority (in thousands):

<u>Clause</u>	<u>Amount</u>	<u>Distribution of Proceeds</u>
First:	\$ 378	Administrative Agent - 5% Contingent Interest
Second:	37	Servicer, Custodian and Securities Intermediary Fees
Third:	15	Portfolio Manager Fees
Fourth:	—	Administrative Agent - Protective Advances
Fifth:	47	Administrative Agent Fees
Sixth:	537	Accrued and Unpaid Interest
Seventh:	756	Lender - Repayment of Principal - 0.5% of Proceeds
Eighth:	5,787	Lender - Repayment of Principal - LTV over 50%
Ninth:	—	Unpaid Servicer, Custodian and Securities Fees
Tenth:	—	Red Falcon
Total Distributions	\$ 7,557	

Initial Advance and Use of Proceeds. Amounts advanced to Red Falcon following effectiveness of the Red Falcon Revolving Credit Facility were approximately \$54.0 million with certain of the proceeds used to pay transaction expenses and to purchase the policies pledged as collateral under the Red Falcon Revolving Credit Facility from certain affiliates of the Company, who then made a distribution to the Company which was used to redeem the Company's 12.875% Secured Notes. Generally, ongoing advances may have been made for paying premiums on the life insurance policies pledged as collateral, and to pay the fees of service providers.

Interest. Borrowings under the Red Falcon Revolving Credit Facility bore interest at a rate equal to LIBOR or, if LIBOR was unavailable, the base rate, in each case plus an applicable margin of 4.50% and subject to a rate floor of 1.0%. The base rate under the Red Falcon Revolving Credit Facility equaled the sum of (i) the weighted average of the interest rates on overnight federal funds transactions or, if unavailable, the average of three federal funds quotations received by the Agent plus 0.75% and (ii) 0.5%. Based on the loan agreement, the LIBOR portion of the interest rate readjusted monthly, once the floor had exceeded 1.0%. The applicable rate was dependent on the rate at the last business day of the immediately preceding calendar month. During the year ended December 31, 2016, the LIBOR floor increased from 1.0% to 1.64% prior to the Facility Termination.

Interest expense paid during the period is recorded in the Company's consolidated financial statements. Interest expense on the facility was \$4.3 million and \$4.9 million and included \$297,000 and \$3.3 million in debt issuance costs which were not capitalized as a result of electing the fair value option for valuing this debt and \$4.0 million and \$1.5 million relating to interest payments paid by Red Falcon for the year ended December 31, 2016 and 2015, respectively.

Maturity and Early Extinguishment. The original term of the Red Falcon Revolving Credit Facility expired July 15, 2022. On December 29, 2016, Red Falcon terminated the facility and repaid all outstanding principal and interest in the amount of \$65.1 million. Approximately \$554,000 was recorded as a loss on extinguishment of debt related to the early repayment of the facility. This includes the debt valuation allowance of \$239,000 and costs incurred related to the facility termination of \$315,000 at December 31, 2016.

Covenants/Events of Defaults. The Red Falcon Revolving Credit Facility contained covenants and events of default, including those that are customary for asset-based credit facilities of this type and including cross defaults under the servicing, portfolio management and sales agreements entered into in connection with the Red Falcon Revolving Credit Facility, changes

in control of or insolvency or bankruptcy of the Company and relevant subsidiary companies and performance of certain obligations by certain relevant subsidiary companies, Red Falcon and third parties. The Red Falcon Revolving Credit Facility did not contain any financial covenants, but did contain certain tests relating to asset maintenance, performance and valuation with determinations as to the satisfaction of such tests involving determinations made by the lenders with a high degree of discretion.

The Company elected to account for the debt under the Red Falcon Revolving Credit Facility using the fair value method. The fair value of the debt is the amount the Company would have to pay to transfer the debt to a market participant in an orderly transaction. The Company calculated the fair value of the debt using a discounted cash flow model taking into account the stated interest rate of the credit facility and probabilistic cash flows from the pledged policies. Considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the Company's estimates are not necessarily indicative of the amounts that the Company, or holders of the instruments, could realize in a current market exchange. The most significant assumptions are the estimates of life expectancy of the insured and the discount rate. The use of different assumptions and/or estimation methodologies could have had a material effect on the estimated fair values.

At December 31, 2016, all outstanding principal and interest under the Red Falcon Facility had been repaid.

NOTE 10—8.50% SENIOR UNSECURED CONVERTIBLE NOTES

In February 2014, the Company issued \$70.7 million in an aggregate principal amount of 8.50% senior unsecured convertible notes due 2019 (the "Convertible Notes"). The Convertible Notes were issued pursuant to an indenture dated February 21, 2014, between the Company and U.S. Bank National Association, as trustee (the "Convertible Note Indenture"). Two members of the Company's Board of Directors, Messrs. Dakos and Goldstein, are affiliated with Bulldog Investors, LLC, who purchased \$9.2 million of the Convertible Notes.

The Convertible Notes are general senior unsecured obligations and rank equally in right of payment with all of the Company's other existing and future senior unsecured indebtedness. The Convertible Notes are effectively subordinate to all of the Company's secured indebtedness to the extent of the value of the assets collateralizing such indebtedness. The Convertible Notes are not guaranteed by the Company's subsidiaries.

The maturity date of the Convertible Notes is February 15, 2019. The Convertible Notes accrue interest at the rate of 8.50% per annum on the principal amount of the Convertible Notes, payable semi-annually in arrears on August 15 and February 15 of each year.

The Convertible Notes are convertible into shares of common stock at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date. Initially, the Convertible Notes were convertible into shares of common stock at a conversion rate of 147.9290 shares of common stock per \$1,000 principal amount of Convertible Notes (equivalent to a conversion price of \$6.76 per share of common stock). In the second quarter of 2015, the conversion rate was adjusted to 151.7912 shares of common stock per \$1,000 principal amount of Convertible Notes (equivalent to a conversion price of \$6.59 per share of common stock) in connection with an anti-dilution adjustment triggered by a rights offering that resulted in the issuance of 6,688,433 shares of the Company's common stock.

The Company may not redeem the Convertible Notes prior to February 15, 2017. On and after such date, and prior to the maturity date, the Company may redeem for cash all, but not less than all, of the Convertible Notes if the last reported sale price of the Company's common stock equals or exceeds 130% of the applicable conversion price for at least 20 trading days during the 30 consecutive trading day period ending on the trading day immediately prior to the date the Company delivers notice of the redemption. The redemption price will be equal to 100% of the principal amount of the Convertible Notes, plus any accrued and unpaid interest to, but excluding, the redemption date. In addition, if the Company calls the Convertible Notes for redemption, a make-whole fundamental charge will be deemed to occur. As a result, the Company will, in certain circumstances, increase the conversion rate by a number of additional shares of common stock for holders who convert their notes prior to the redemption date.

The Company determined that an embedded conversion option existed in the Convertible Notes that was required to be separately accounted for as a derivative under ASC 815 which required the Company to bifurcate the embedded conversion option, record it as a liability at fair value and record a debt discount by an equal amount. Upon receipt of shareholder approval to issue shares of common stock upon conversion of the Convertible Notes in an amount that exceeded applicable New York

Stock Exchange limits for issuances without shareholder approval, the Company reclassified the embedded conversion derivative liability to equity. The Convertible Notes are recorded at accreted value and will continue to be accreted up to the par value of the Convertible Notes at maturity.

As of December 31, 2016, the carrying value of the Convertible Notes was \$60.5 million, net of unamortized debt discounts and deferred debt costs of \$8.9 million and \$1.3 million, respectively. These are being amortized over the remaining life of the Convertible Notes using the effective interest method.

The Company recorded \$9.7 million of interest expense on the Convertible Notes, including \$6.0 million, \$3.2 million and \$480,000 from interest, amortizing debt discounts and origination costs, respectively, during the year ended December 31, 2016.

For the year ended December 31, 2015, the Company recorded \$9.1 million of interest expense on the Convertible Notes, including \$6.0 million, \$2.7 million and \$404,000 from interest, amortizing debt discounts and origination costs, respectively.

During the year ended December 31, 2016 the Company adopted ASU No. 2015-03, "Interest-Imputation of Interest (Subtopic 835-30)." This standard provides guidance on the balance sheet presentation of debt issuance cost, discount and premiums. See Note 2 "Summary of Significant Accounting Policies," of the accompanying financial statements.

Subsequent Events

Issuance of Additional Convertible Notes

On February 14, 2017, the Company entered into a solicitation to consent (the "Consent Solicitation") to issue additional 8.50% Senior Unsecured Convertible Notes (the "Additional Convertible Notes") in lieu of a cash payment of interest on February 15, 2017 (the "2017 Interest Payment Date") to holders of the Convertible Notes.

On March 14, 2017, the Company issued an additional \$3.5 million in Additional Convertible Notes following the Company's receipt of requisite consents of the holders of the Convertible Notes of approximately 98% of the aggregate principal amount of Convertible Notes (the "Consenting Holders"), pursuant to the Consent Solicitation, whereby each Consenting Holder agreed to accept Additional Convertible Notes in lieu of a cash payment of interest on the Convertible Notes due on the 2017 Interest Payment Date. All Additional Convertible Notes issued by the Company to Consenting Holders were issued under the Convertible Note Indenture and such Additional Convertible Notes have identical terms to existing Convertible Notes. Interest on the Additional Convertible Notes will accrue from February 15, 2017.

Master Transaction Agreement

On March 15, 2017, the Company entered into a series of separate Master Transaction Agreements (the "Agreements") by and between the Company, PJC Investments, LLC, a Texas limited liability company ("PJC") and each such Consenting Convertible Note Holder that is a party to such Agreement ("Consenting Holders") regarding a series of integrated transactions with the intent to effect a recapitalization of the Company (the "Transaction") which includes, among other transactions, a Convertible Note Exchange Offer and a New Convertible Note Indenture providing for the issuance of New Convertible Notes to be delivered in connection with the Transaction (each as defined in the Agreements).

As part of the Transaction, the Company will offer to exchange, in each case with existing holders, its outstanding 8.5% Senior Unsecured Convertible Notes due 2019 (the "Existing Convertible Notes") 5% Senior Unsecured Convertible Notes due 2023 (the "New Convertible Notes"). At least 98% of the holders of each class of notes must tender in the relevant exchange offer as a condition to closing the Transaction.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued the New Convertible Notes in an aggregate amount not to exceed approximately \$75.0 million, pursuant to a Convertible Note Indenture between the Company and the trustee to be later identified (the "New Convertible Indenture").

The New Convertible Notes will be unsecured senior obligations of the Company and will mature six years from the Closing. The New Convertible Notes will bear interest at a rate of 5.00% per annum from the issue date, payable semi-annually.

See Note 20 "Subsequent Events," of the accompanying financial statements for additional information.

NOTE 11—15% SENIOR SECURED NOTES

On March 11, 2016, the Company, as issuer, entered into an indenture with Wilmington Trust Company, as indenture trustee (the "Senior Secured Indenture"). The Senior Secured Indenture provides for the issuance of up to \$30.0 million in senior secured notes (the "Senior Secured Notes"), of which approximately \$21.2 million were issued on the Initial Closing Date with an additional \$8.8 million issued on March 24, 2016. The 15% Senior Secured Notes were purchased in private transactions exempt from the registration requirements of the Securities Act of 1933, as amended, under the note purchase agreements with certain accredited investors and/or non U.S. persons, including certain members of the Company's board of directors, management and their affiliates, who purchased approximately \$3.3 million of the 15% Senior Secured Notes issued on the Initial Closing Date.

Interest on the 15% Senior Secured Notes accrues at 15.0% per annum payable quarterly and all 15% Senior Secured Notes will mature on September 14, 2018 (the "Maturity Date"). The 15% Senior Secured Notes may be optionally redeemed in full at any time and must be redeemed in full upon additional issuances of debt by Emergent Capital, Inc., in each case, at a price equal to 100% of the principal amount redeemed plus (i) accrued and unpaid interest on the 15% Senior Secured Notes redeemed up to the date of redemption, and (ii) the present value, as of the date of redemption of all remaining interest payments to the Maturity Date using a discount rate equal to the yield to maturity at the time of computation on the US treasury security with a constant maturity most nearly equal to the period from the redemption date to the Maturity Date plus 50 basis points. Upon a change of control, the Company will be required to make an offer to holders of the Senior Secured Notes to repurchase the Senior Secured Notes at a price equal to 107.5% of their principal amount.

The 15% Senior Secured Notes contain negative covenants restricting additional debt incurred by Emergent Capital, Inc., creation of liens on the collateral securing the 15% Senior Secured Notes, and restrictions on dividends and stock repurchases. The 15% Senior Secured Notes are secured by settlement proceeds, if any, received from certain litigation involving the Company, certain notes issued to the Company and a pledge of 65% of the equity interests in Blue Heron Designated Activity Company, OLIPP IV, LLC and Red Reef Alternative Investments, LLC.

During the year ended December 31, 2016, the Company adopted ASU No. 2015-03, "Interest - Imputation of Interest (Subtopic 835-30)." This standard provides guidance on the balance sheet presentation of debt issuance cost, discount and premiums.

As of December 31, 2016, the carrying value of the 15% Senior Secured Notes was \$29.3 million, net of unamortized debt origination costs of \$703,000, which is being amortized over the remaining life of the Senior Secured Notes using the effective interest method.

The Company recorded approximately \$4.0 million of interest expense on the 15% Senior Secured Notes, which includes \$3.7 million of interest and \$348,000 of amortizing debt issuance costs, during the year ended December 31, 2016.

Subsequent Events**Master Transaction Agreement**

On March 15, 2017, the Company entered into a series of separate Master Transaction Agreements (together, the "Agreements") by and between the Company, PJC Investments, LLC, a Texas limited liability company ("PJC") and each such Consenting Convertible Note Holder that is a party to such Agreement ("Consenting Holders") regarding a series of integrated transactions with the intent to effect a recapitalization of the Company (the "Transaction") which includes, among other transactions, a Senior Note Exchange Offer, a New Senior Note Indenture providing for the issuance of New Senior Notes, and a Senior Note Purchase Agreement to be delivered in connection with the Transaction (each as defined herein).

As part of the Transaction, the Company will offer to exchange, in each case with existing holders, its outstanding 15.0% Senior Notes due 2018 (the "Existing Senior Notes") for New Senior Notes. At least 98% of the holders of each class of notes must tender in the relevant exchange offer as a condition to closing the Transaction.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued the 8.5% Senior Notes due 2021 (the "New Senior Notes") in an aggregate amount not to exceed approximately \$40.0 million pursuant to a Senior Note Indenture (the "New Senior Note Indenture") between the Company, as issuer, and the trustee to be later identified. Up to approximately \$30.0 million aggregate principal amount of New Senior Notes may be issued to holders of the Existing Senior Notes in the relevant exchange offer, and PJC or the Investor may acquire up to an additional \$10.0 million principal amount of New Senior Notes.

The New Senior Notes will be secured senior obligations of the Company and will mature four years from the date of Closing. The New Senior Notes will bear interest at a rate of 8.5% per annum, payable quarterly.

Event of Default

The Company did not make an interest payment of \$1.1 million, due March 15, 2017, on the 15% Senior Secured Notes, of which \$30.0 million principal amount was outstanding on that date. If the interest payment is not made within five business days of its due date, such failure would result in an event of default under the Senior Secured Indenture governing the 15% Senior Secured Notes, and the trustee or holders of at least 25% in principal amount of the outstanding 15% Senior Secured Notes may declare the principal, premium, if any, and accrued but unpaid interest immediately due and payable. The Company released the cash interest payment of \$1.1 million to the holders of the 15% Senior Secured Notes on March 20, 2017.

See Note 20 "Subsequent Events," of the accompanying consolidated financial statements for additional information.

NOTE 12—12.875% Senior Secured Notes

On November 10, 2014 and January 21, 2015, the Company issued an aggregate of \$50.0 million in 12.875% Senior Secured Notes (the "Secured Notes") in two \$25.0 million tranches. The Secured Notes were issued at 96% of their face amount. Fees and expenses paid by the Company in connection with the initial and subsequent issuances were approximately \$1.8 million and \$305,000, respectively.

Secured Notes issued under the indenture were scheduled to mature on November 10, 2017. On July 16, 2015, the Company redeemed all of the outstanding Secured Notes at 106% of their principal amount plus interest up to November 10, 2015. Approximately \$8.8 million was expensed as extinguishment related to the early repayment of the facility in July 2015, including \$5.2 million, \$171,000, \$1.7 million and \$1.7 million related to interest and prepayment penalties, unused fees, a write off of debt discounts and write off of issuance costs, respectively.

The Company recorded \$4.0 million of interest expense on the Secured Notes, including \$3.2 million, \$265,000, \$264,000 and \$277,000 from interest, unused fees, amortizing debt discounts and issuance costs, during the year ended December 31, 2015, respectively.

NOTE 13—FAIR VALUE MEASUREMENTS

The Company carries life settlements and debt under the Revolving Credit Facilities at fair value as shown in the consolidated balance sheets. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. Fair value measurements are classified based on the following fair value hierarchy:

Level 1—Valuation is based on unadjusted quoted prices in active markets for identical assets and liabilities that are accessible at the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2—Valuation is determined from pricing inputs that are other than quoted prices in active markets that are either directly or indirectly observable as of the reporting date. Observable inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and interest rates and yield curves that are observable at commonly quoted intervals.

Level 3—Valuation is based on inputs that are both significant to the fair value measurement and unobservable. Level 3 inputs include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value generally require significant management judgment or estimation.

Assets and liabilities measured at fair value on a recurring basis

The balances of the Company's assets measured at fair value on a recurring basis as of December 31, 2016, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Investment in life settlements	\$ —	\$ —	\$ 498,400	\$ 498,400
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 498,400</u>	<u>\$ 498,400</u>

The balances of the Company's liabilities measured at fair value on a recurring basis as of December 31, 2016, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total Fair Value
Liabilities:				
White Eagle Revolving Credit Facility	\$ —	\$ —	\$ 257,085	\$ 257,085
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 257,085</u>	<u>\$ 257,085</u>

The balances of the Company's assets measured at fair value on a recurring basis as of December 31, 2015, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Investment in life settlements	\$ —	\$ —	\$ 461,925	\$ 461,925
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 461,925</u>	<u>\$ 461,925</u>

The balances of the Company's liabilities measured at fair value on a recurring basis as of December 31, 2015, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total Fair Value
Liabilities:				
White Eagle Revolving Credit Facility	\$ —	\$ —	\$ 169,131	\$ 169,131
Red Falcon Revolving Credit Facility			\$ 55,658	\$ 55,658
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 224,789</u>	<u>\$ 224,789</u>

The Company categorizes its investment in life settlement portfolio in two classes, non-premium financed and premium financed. In considering the categories, historically, it has generally believed that market participants would require a lower risk premium for policies that were non-premium financed, while a higher risk premium would be required for policies that were premium financed; the Company believes that this risk premium has been declining.

(\$ in thousands)	Quantitative Information about Level 3 Fair Value Measurements				
	Fair Value at 12/31/16	Aggregate death benefit 12/31/2016	Valuation Technique (s)	Unobservable Input	Range (Weighted Average)
Non-premium financed	\$ 100,523	\$ 325,291	Discounted cash flow	Discount rate	15.00% - 18.00%
				Life expectancy evaluation	5.8 years
Premium financed	\$ 397,877	\$ 2,621,220	Discounted cash flow	Discount rate	16.00% - 21.00%
				Life expectancy evaluation	9.4 years
Life settlements	\$ 498,400	\$ 2,946,511	Discounted cash flow	Discount rate	16.37%
				Life expectancy evaluation	9.0 years
White Eagle Revolving Credit Facility	\$ 257,085	\$ 2,934,511	Discounted cash flow	Discount rate	18.50%
				Life expectancy evaluation	9.0 years

Following is a description of the methodologies used to estimate the fair values of assets and liabilities measured at fair value on a recurring basis and within the fair value hierarchy.

Life settlements—The Company has elected to account for the life settlement policies it acquires using the fair value method. The Company uses a present value technique to estimate the fair value of its life settlements, which is a Level 3 fair value measurement as the significant inputs are unobservable and require significant management judgment or estimation. The Company currently uses a probabilistic method of valuing life insurance policies, which the Company believes to be the preferred valuation method in the industry. The most significant assumptions are the estimates of life expectancy of the insured and the discount rate.

The Company provides medical records for each insured to LE providers. Each LE provider reviews and analyzes the medical records and identifies all medical conditions it feels are relevant to the life expectancy determination of the insured. Debits and credits are assigned by each LE provider to the individual's health based on identified medical conditions which are derived from the experience of mortality attributed to relevant conditions in the portfolio of lives that the LE provider monitors. The health of the insured is summarized by the LE provider into a life assessment of the individual's life expectancy expressed both in terms of months and in mortality factor. The mortality factor represents the degree to which the given life can be considered more or less impaired than a life having similar characteristics (e.g. gender, age, smoking, etc.). For example, a standard insured (the average life for the given mortality table) would carry a mortality rating of 100%. A similar but impaired life bearing a mortality rating of 200% would be considered to have twice the chance of dying earlier than the standard life relative to the LE provider's population. Since each provider's mortality factor is based on its own mortality table, the Company calculates its own factors to apply to the table selected by the Company.

The Company calculates mortality factors so that when applied to the mortality table selected by the Company, the resulting LE equals the LE provided by each LE provider. The resulting mortality factors are then blended to determine a factor for each insured.

A mortality curve is then generated based on the calculated mortality factors and the rates from the Company selected mortality table to generate the best estimated probabilistic cash flow stream. The net present value of the cash flows is then calculated to determine the policy value.

If the insured dies earlier than expected, the return will be higher than if the insured dies when expected or later than expected. The calculation allows for the possibility that if the insured dies earlier than expected, the premiums needed to keep the policy in force will not have to be paid. Conversely, the calculation also considers the possibility that if the insured lives longer than expected, more premium payments will be necessary.

Since the quarter ended September 30, 2012, and prior to June 30, 2016, the Company used the 2008 Valuation Basic tables, smoker distinct ("2008 VBT"), mortality tables developed by the U.S. Society of Actuaries (the "SOA"). The mortality tables are created based on the expected rates of death among different groups categorized by factors such as age and gender. During 2015, the SOA released new versions of the Valuation Basic Tables (the "2015 VBT"). The 2015 VBT has a significant increase in exposure and number of claims compared to the 2008 VBT and is believed to be a better fit for the life settlement

industry and is becoming more widely accepted. During the year ended December 31, 2016, the Company changed its valuation technique and decided to adopt the 2015 VBT, smoker and gender distinct tables, to determine the value of the policies. The table shows lower mortality rates in the earlier select periods at most ages, so while the Company continues to fit the life expectancies from the LE providers to the 2015 VBT, the change in the mortality curve changes the timing of the Company's expected cash flow streams. The resulting impact is approximately \$17.6 million reduction in the fair value of our life settlements.

Future changes in the life expectancies could have a material adverse effect on the fair value of the Company's life settlements, which could have a material adverse effect on its business, financial condition and results of operations.

Life expectancy sensitivity analysis

If all of the insured lives in the Company's life settlement portfolio lived six months shorter or longer than the life expectancies provided by these third parties, the change in estimated fair value would be as follows (dollars in thousands):

<u>Life Expectancy Months Adjustment</u>	<u>Value</u>	<u>Change in Value</u>
+6	\$ 416,520	\$ (81,880)
-	\$ 498,400	—
-6	\$ 585,852	\$ 87,452

Discount rate

The discount rate incorporates current information about market interest rates, the credit exposure to the insurance company that issued the life insurance policy and our estimate of the risk premium an investor in the policy would require.

The Company re-evaluates its discount rates at the end of every reporting period in order to reflect the estimated discount rates that could reasonably be used in a market transaction involving the Company's portfolio of life insurance policies. In doing so, the Company relies on management insight, engages third party consultants to corroborate its assessment, engages in discussions with other market participants and extrapolates the discount rate underlying actual sales of policies.

At one time, due to the Company's association with the USAO Investigation and certain civil litigation involving the Company, the Company believed that, when given the choice to invest in a policy that was associated with the Company's premium finance business and a similar policy without such an association, all else being equal, an investor would have generally opted to invest in the policy that was not associated with the Company's premium finance business. However, since the Company entered into a Non-prosecution Agreement, investors have required less of a risk premium to transact in policies associated with the Company's legacy premium finance business. With passage of time, and resolution of litigations, the Company now believes investors no longer require a greater risk premium for policies associated with the Company's premium finance business than the risk premium otherwise required for policies that were premium financed. In general, the Company believes that the risk premium an investor would require to transact in a policy that has been premium financed versus a policy without premium financing is lessening in the current market environment and further expects that, with the passage of time, investors will continue to require less of a risk premium to transact in policies that had been premium financed.

Credit exposure of insurance company

The Company considers the financial standing of the issuer of each life insurance policy. Typically, we seek to hold policies issued by insurance companies that are rated investment grade by the top three credit rating agencies. At December 2016, the Company had 18 life insurance policies issued by two carriers that were rated non-investment grade as of that date. In order to compensate a market participant for the perceived credit and challenge risks associated with these policies, the Company applied an additional 300 basis point risk premium.

The following table provides information about the life insurance issuer concentrations that exceed 10% of total death benefit and 10% of total fair value of the Company's life settlements as of December 31, 2016:

<u>Carrier</u>	<u>Percentage of Total Fair Value</u>	<u>Percentage of Total Death Benefit</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>
Lincoln National Life Insurance Company	21.7%	19.3%	A1	AA-
Transamerica Life Insurance Company	18.4%	20.6%	A1	AA-

Estimated risk premium

As of December 31, 2016, the Company owned 621 policies with an estimated fair value of \$498.4 million. Of these 621 policies, 539 were previously premium financed and are valued using discount rates that range from 16.00% to 21.00%. The remaining 82 policies, which are non-premium financed, are valued using discount rates that range from 15.00% to 18.00%. As of December 31, 2016, the weighted average discount rate calculated based on death benefit used in valuing the policies in the Company's life settlement portfolio was 16.37%.

The discount rate incorporates current information about market interest rates, the credit exposure to the insurance company that issued the life insurance policy and our estimate of the risk premium an investor in the policy would require. The extent to which the fair value could vary in the near term has been quantified by evaluating the effect of changes in the weighted average discount rate on the death benefit used to estimate the fair value. If the weighted average discount rate was increased or decreased by 1/2 of 1% and the other assumptions used to estimate fair value remained the same, the change in estimated fair value would be as follows (dollars in thousands):

Market interest rate sensitivity analysis

<u>Weighted Average Rate Calculated Based on Death Benefit</u>	<u>Rate Adjustment</u>	<u>Value</u>	<u>Change in Value</u>
15.87%	-0.50 %	\$ 511,823	\$ 13,423
16.37%	—	\$ 498,400	\$ —
16.87%	0.50 %	\$ 485,545	\$ (12,855)

Future changes in the discount rates we use to value life insurance policies could have a material effect on the Company's yield on life settlement transactions, which could have a material adverse effect on our business, financial condition and results of our operations.

At the end of each reporting period we re-value the life insurance policies using our valuation model in order to update our estimate of fair value for investments in policies held on our balance sheet. This includes reviewing our assumptions for discount rates and life expectancies as well as incorporating current information for premium payments and the passage of time.

White Eagle Revolving Credit Facility —As of December 31, 2016, 619 policies are pledged by White Eagle to serve as collateral for its obligations under the White Eagle Revolving Credit Facility. Absent an event of default under the White Eagle Revolving Credit Facility, ongoing borrowings will be used to pay the premiums on these policies and certain approved third party expenses. As more fully described in Note 8, "White Eagle Revolving Credit Facility," proceeds from the maturity of the policies pledged as collateral under the White Eagle Revolving Credit Facility are distributed pursuant to a waterfall. After premium payments, fees to service providers and payments of interest, a percentage of the collections from policy proceeds are to be paid to the Company, which will vary depending on the then LTV ratio.

The Company elected to account for the debt under the White Eagle Revolving Credit Facility in accordance with ASC 820, which includes the 45% interest in policy proceeds payable to the lender, using the fair value method. The fair value of the debt is the amount the Company would have to pay to transfer the debt to a market participant in an orderly transaction. We calculated the fair value of the debt using a discounted cash flow model taking into account the stated interest rate of the White Eagle Revolving Credit Facility and probabilistic cash flows from the pledged policies. Accordingly, our estimates are not necessarily indicative of the amounts that we, or holders of the instruments, could realize in a current market exchange. The most significant assumptions are the estimates of life expectancy of the insured and the discount rate. The use of different assumptions and/or estimation methodologies could have a material effect on the estimated fair values.

During the year ended December 31, 2016, the Company changed its valuation technique by adopting the 2015 VBT, smoker and gender distinct tables, to determine the value of the life insurance policies pledged as collateral in the facility. The table shows lower mortality rates in the earlier select periods at most ages, so while the Company continues to fit the life expectancies from the LE providers to the 2015 VBT, the change in the mortality curve changes the timing of the Company's expected cash flow streams, which resulted in an increase in projected borrowings. The resulting impact is a positive change in fair value of the White Eagle Revolving Credit Facility of approximately \$14.7 million.

Life expectancy sensitivity analysis of the White Eagle Revolving Credit Facility

A considerable portion of the fair value of the White Eagle Revolving Credit Facility is determined by the timing of receipt of future policy proceeds. Should life expectancies lengthen such that policy proceeds are collected further into the future, the fair value of this debt will decline. Conversely, should life expectancies shorten, the fair value of this debt will increase. Considerable judgment is required in interpreting market data to develop the estimates of fair value.

If all of the insured lives in the life settlement portfolio pledged under the White Eagle Revolving Credit Facility live six months shorter or longer than the life expectancies used to calculate the estimated fair value of the White Eagle Revolving Credit Facility debt, the change in estimated fair value would be as follows (dollars in thousands):

<u>Life Expectancy Months Adjustment</u>	<u>Fair Value of White Eagle Revolving Credit Facility</u>	<u>Change in Value</u>
+6	\$ 201,868	\$ (55,217)
-	\$ 257,085	—
-6	\$ 296,665	\$ 39,580

Future changes in the life expectancies could have a material effect on the fair value of the White Eagle Revolving Credit Facility, which could have a material adverse effect on its business, financial condition and results of operations.

Discount rate of the White Eagle Revolving Credit Facility

The discount rate incorporates current information about market interest rates, credit exposure to insurance companies and the Company's estimate of the return a lender lending against the policies would require.

Market interest rate sensitivity analysis of the White Eagle Revolving Credit Facility

The extent to which the fair value of the White Eagle Revolving Credit Facility could vary in the near term has been quantified by evaluating the effect of changes in the weighted average discount. If the weighted average discount rate were increased or decreased by 1/2 of 1% and the other assumptions used to estimate fair value remained the same, the change in estimated fair value of the White Eagle Revolving Credit Facility as of December 31, 2016 would be as follows (dollars in thousands):

<u>Discount Rate</u>	<u>Rate Adjustment</u>	<u>Fair Value of White Eagle Revolving Credit Facility</u>	<u>Change in Value</u>
18.00%	-0.50 %	\$ 264,213	\$ 7,128
18.50%	—	\$ 257,085	\$ —
19.00%	0.50 %	\$ 250,241	\$ (6,844)

Future changes in the discount rates could have a material effect on the fair value of the White Eagle Revolving Credit Facility, which could have a material adverse effect on its business, financial condition and results of its operations.

At December 31, 2016, the fair value of the debt was \$257.1 million and the outstanding principal was approximately \$261.4 million.

Red Falcon Revolving Credit Facility—During the year ended December 2016, the Company terminated the Red Falcon Revolving Credit Facility and repaid all outstanding principal and interest. At December 31, 2016, all policies that were pledged by Red Falcon to serve as collateral for its obligations under the Red Falcon Revolving Credit Facility were sold to White Eagle.

Prior to the Facility Termination, proceeds from the policies pledged as collateral under the Red Falcon Credit Facility were distributed pursuant to a waterfall with, subject to yield maintenance provisions, 5% of policy proceeds directed to the lenders. Thereafter proceeds were directed to pay fees to service providers and premiums with any remaining proceeds directed to pay outstanding interest and required amortization of 8% per annum on the loan. Generally, after payment of interest and required amortization, a percentage of the collections from policy proceeds were to be paid to the lenders to repay the then outstanding principal balance, which varied depending on the then loan to value ratio as more fully described in Note 9, "Red Falcon Revolving Credit Facility." The Company had elected to account for this long-term debt using the fair value method. The fair value of the debt is the amount the Company would have to pay to transfer the debt to a market participant in an orderly transaction. The Company calculated the fair value of the debt using a discounted cash flow model taking into account the stated interest rate of the Red Falcon Revolving Credit Facility and probabilistic cash flows from the pledged policies. Accordingly, the Company's estimates were not necessarily indicative of the amounts that the Company, or holders of the instruments, could realize in a current market exchange. The most significant assumptions were the estimates of life expectancy of the insured and the discount rate. The use of different assumptions and/or estimation methodologies could have a material effect on the estimated fair values.

During the year ended December 31, 2016, the Company changed its valuation technique by adopting the 2015 VBT, smoker and gender distinct tables, to determine the value of the life insurance policies pledged as collateral in the facility. The table shows lower mortality rates in the earlier select periods at most ages, so while the Company continues to fit the life expectancies from the LE providers to the 2015 VBT, the change in the mortality curve changes the timing of the Company's expected cash flow streams, which resulted in an increase in projected borrowings. The resulting impact is a positive change in fair value of the Red Falcon Revolving Credit Facility of approximately \$1.0 million.

Convertible Notes—The Company determined that an embedded conversion option in the Convertible Notes was required to be separately accounted for as a derivative under Accounting Standards Codification 815, *Derivatives and Hedging* ("ASC 815"). ASC 815 required the Company to bifurcate the embedded conversion option and record it as a liability at fair value and reduce the debt liability by a corresponding discount of an equivalent amount. The Company used a Black Scholes pricing model that incorporates present valuation techniques and reflect both the time value and the intrinsic value of the embedded conversion option to approximate the fair value of the conversion derivative liability at the end of each reporting period. This model required assumptions as to expected volatility, dividends, terms, and risk free rates.

In accordance with ASC 815, upon receipt of shareholder approval, the Company reclassified the embedded derivative to stockholders' equity along with unamortized transaction costs proportionate to the allocation of the initial debt discount and the principal amount of the Convertible Notes. The Convertible Notes continue to be recorded at accreted value up to the par value of the Convertible Notes at maturity. See Note 10, "8.50% Senior Unsecured Convertible Notes," of the accompanying consolidated financial statements. Although the Company believes its valuation method is appropriate, the use of different methodologies or assumptions to determine the fair value could result in different fair values.

Changes in Fair Value

The following table provides a roll-forward in the changes in fair value for the year ended December 31, 2016, for all assets for which the Company determines fair value using a material level of unobservable (Level 3) inputs, which consists solely of life settlements (in thousands):

Life Settlements:

Balance, January 1, 2016	\$ 461,925
Purchase of policies	16
Retained death benefits acquisitions	1,374
Change in fair value*	864
Matured/lapsed/sold policies	(37,460)
Premiums paid	71,681
Transfers into level 3	—
Transfers out of level 3	—
Balance, December 31, 2016	<u>\$ 498,400</u>
Changes in fair value included in earnings for the period relating to assets held at December 31, 2016	<u>\$ (17,442)</u>

*Change in the mortality curve after adoption of 2015 VBT resulted in approximately \$17.6 million reduction in the fair value of our life settlements.

The following table provides a roll-forward in the changes in fair value for the year ended December 31, 2016, for the White Eagle Revolving Credit Facility for which the Company determines fair value using a material level of unobservable (Level 3) inputs (in thousands):

White Eagle Revolving Credit Facility:

Balance, January 1, 2016	\$ 169,131
Draws under the White Eagle Revolving Credit Facility	124,142
Payments on White Eagle Revolving Credit Facility	(34,799)
Unrealized change in fair value	(1,389)
Transfers into level 3	—
Transfer out of level 3	—
Balance, December 31, 2016	<u>\$ 257,085</u>
Changes in fair value included in earnings for the period relating to liabilities at December 31, 2016	<u>\$ (1,389)</u>

The following table provides a roll-forward in the changes in fair value for the year ended December 31, 2016, for the Red Falcon Revolving Credit Facility for which the Company determines fair value using a material level of unobservable (Level 3) inputs (in thousands):

Red Falcon Revolving Credit Facility:

Balance, January 1, 2016	\$ 55,658
Initial advance under the Red Falcon Revolving Credit Facility	—
Subsequent draws under the Red Falcon Revolving Credit Facility	20,029
Payments on Red Falcon Revolving Credit Facility	(75,417)
Unrealized change in fair value	(509)
Extinguishment	239
Transfers into level 3	—
Transfer out of level 3	—
Balance, December 31, 2016	<u>\$ —</u>
Changes in fair value included in earnings for the period relating to liabilities held at December 31, 2016	<u>\$ —</u>

The following table provides a roll-forward in the changes in fair value for the year ended December 31, 2015, for all assets for which the Company determines fair value using a material level of unobservable (Level 3) inputs, which consists solely of life settlements (in thousands):

Life Settlements:

Balance, January 1, 2015	\$	388,886
Purchase of policies		30,695
Change in fair value		46,717
Matured/lapsed/sold policies		(69,296)
Premiums paid		64,923
Transfers into level 3		—
Transfers out of level 3		—
Balance, December 31, 2015	\$	461,925
Changes in fair value included in earnings for the period relating to assets held at December 31, 2015	\$	(1,442)

The following table provides a roll-forward in the changes in fair value for the year ended December 31, 2015, for the White Eagle Revolving Credit Facility for which the Company determines fair value using a material level of unobservable (Level 3) inputs (in thousands):

White Eagle Revolving Credit Facility:

Balance, January 1, 2015	\$	145,831
Draws under the White Eagle Revolving Credit Facility		54,614
Payments on White Eagle Revolving Credit Facility		(43,241)
Unrealized change in fair value		11,927
Transfers into level 3		—
Transfer out of level 3		—
Balance, December 31, 2015	\$	169,131
Changes in fair value included in earnings for the period relating to liabilities at December 31, 2015	\$	11,927

The following table provides a roll-forward in the changes in fair value for the year ended December 31, 2015, for the Red Falcon Revolving Credit Facility for which the Company determines fair value using a material level of unobservable (Level 3) inputs (in thousands):

Red Falcon Revolving Credit Facility

Balance, January 1, 2015	\$	—
Initial advance under the Red Falcon Revolving Credit Facility		54,000
Subsequent draws under the Red Falcon Revolving Credit Facility		5,766
Payments on Red Falcon Revolving Credit Facility		(4,378)
Unrealized change in fair value		270
Transfers into level 3		—
Transfer out of level 3		—
Balance, December 31, 2015	\$	55,658
Changes in fair value included in earnings for the period relating to liabilities at December 31, 2015	\$	270

There were no transfers of financial assets or liabilities between levels of the fair value hierarchy during the years ended December 31, 2016 and 2015.

Other Fair Value Considerations—Carrying value of certificate of deposits, prepaid expenses and other assets, receivable for maturity of life settlements, investment in affiliates, Senior Secured Notes, accounts payable and accrued expenses approximate fair value due to their short-term maturities and/or low credit risk.

NOTE 14—SEGMENT INFORMATION

On October 25, 2013, the Company sold its structured settlement business, which was previously reported as an operating segment. The operating results related to the Company's structured settlement business have been included in discontinued operations in the Company's Consolidated Statements of Operations for all periods presented and the Company has discontinued segment reporting. See, Note 6 "Discontinued Operations" to the accompanying consolidated financial statements.

NOTE 15—COMMITMENTS AND CONTINGENCIES

Lease Agreements

The Company leases office space under a lease that commenced on October 1, 2014. The lease expires on September 30, 2020. The annual base rent is \$239,000, with a provision for a 3% increase on each anniversary of the rent commencement date. Rent expense was approximately \$412,000, \$423,000 and \$513,000 for the years ended December 31, 2016, 2015 and 2014, respectively.

Future minimum payments under operating leases for each of the four succeeding years subsequent to December 31, 2016 are as follows (in thousands):

<u>December 31,</u>	
2017	\$ 241
2018	248
2019	255
2020	196
	<u>\$ 940</u>

Employment Agreements

The Company has entered into employment agreements with certain of its officers, including with its chief executive officer, whose agreement provides for substantial payments in the event that the executive terminates his employment with the Company due to a material change in the geographic location where the chief executive officer performs his duties or upon a material diminution of his base salary or responsibilities, with or without cause. These payments are equal to three times the sum of the chief executive officer's base salary and the average of the preceding three years' annual cash bonus.

The Company does not have any general policies regarding the use of employment agreements, but has and may, from time to time, enter into such a written agreement to reflect the terms and conditions of employment of a particular named executive officer, whether at the time of hire or thereafter.

Separation Agreement

On April 26, 2012, the Company entered into a Separation Agreement and General Release of Claims (the "Separation Agreement") with its former chief operating officer, Jonathan Neuman. The Separation Agreement obligates the Company to indemnify Mr. Neuman for his legal expenses, including expenses incurred as part of the USAO Investigation and SEC investigation. The Company recognized indemnification expenses of \$493,000, \$8.5 million and \$2.1 million during the years ended December 31, 2016, 2015 and 2014, respectively. On December 31, 2015, the Company received a letter from the USAO indicating that the USAO had concluded the USAO Investigation. On December 27, 2016, the Company received notification from the SEC that it had concluded its investigation as to the Company and did not intend to recommend an enforcement action against the Company. Accordingly, the Company does not expect to incur advancement or indemnification expenses related to the USAO Investigation or SEC investigation going forward.

Litigation

In accordance with applicable accounting guidance, the Company establishes an accrued liability for litigation and regulatory matters when those matters present loss contingencies that are both probable and estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. When a loss contingency is not both probable and estimable, the Company does not establish an accrued liability. As a litigation or regulatory matter develops, the Company, in conjunction with any outside counsel handling the matter, evaluates on an ongoing basis whether such matter presents a loss contingency that is probable and estimable. If, at the time of evaluation, the loss contingency related to a litigation or regulatory matter is

not both probable and estimable, the matter will continue to be monitored for further developments that would make such loss contingency both probable and estimable. When a loss contingency related to a litigation or regulatory matter is deemed to be both probable and estimable, the Company will establish an accrued liability with respect to such loss contingency and record a corresponding amount of litigation-related expense. The Company will then continue to monitor the matter for further developments that could affect the amount of any such accrued liability.

Non-Prosecution Agreement & Indemnification Obligations

On September 27, 2011, the Company was informed that it was being investigated by the U.S. Attorney's Office for the District of New Hampshire in connection with the Company's now legacy premium finance loan business. On April 30, 2012, the Company entered into a Non-Prosecution Agreement (the "Non-Prosecution Agreement") with the USAO.

The Non-Prosecution Agreement had a term of three years and expired in accordance with its terms on April 30, 2015. While the Non-Prosecution Agreement effectively resolved the USAO Investigation as it pertained to the Company, the Company had continuing cooperation obligations to the USAO and, since entering the Non-Prosecution Agreement, the USAO had been investigating certain individuals and entities formerly associated with the Company's legacy premium finance business. Settlements of certain civil litigation with the Company's director and officer liability insurance carriers related to the USAO Investigation and other contractual obligations required the Company to advance legal fees to and indemnify these individuals and entities. On December 31, 2015, the Company received a letter from the USAO indicating that the USAO Investigation had formally concluded, that the Company fully complied with all of its obligations under the Non-Prosecution Agreement and that the Company was released from any further obligations under the Non-Prosecution Agreement. Accordingly, the Company does not expect to incur advancement or indemnification expenses related to the USAO Investigation going forward.

SEC Investigation

On February 17, 2012, the Company received an initial subpoena issued by the staff of the SEC seeking documents from 2007 through the date of the subpoena, generally related to the Company's premium finance business and corresponding financial reporting. The SEC was investigating whether any violations of federal securities laws had occurred and the Company fully cooperated with the SEC regarding the matter. On December 27, 2016, the Company received notification from the SEC that it had concluded its investigation as to the Company and did not intend to recommend an enforcement action against the Company.

Sun Life

On April 18, 2013, Sun Life Assurance Company of Canada ("Sun Life") filed a complaint against the Company and several of its affiliates in the United States District Court for the Southern District of Florida, entitled *Sun Life Assurance Company of Canada v. Imperial Holdings, Inc., et al.* ("Sun Life Case"), asserting, among other things, that at least 28 life insurance policies issued by Sun Life and owned by the Company through certain of its subsidiary companies were invalid. The Sun Life complaint, as amended, asserted the following claims: (1) violations of the federal Racketeer Influenced and Corrupt Organizations ("RICO") Act, (2) conspiracy to violate the RICO Act, (3) common law fraud, (4) aiding and abetting fraud, (5) civil conspiracy to commit fraud, (6) tortious interference with contractual obligations, and (7) a declaration that the policies issued were void. Following the filing of a motion by the Company to dismiss the Sun Life Case, on December 9, 2014, counts (2), (4), (5), (6) and (7) of the Sun Life Case were dismissed with prejudice. The Company then filed a motion for summary judgment on the remaining counts. On February 4, 2015, the Court issued an order (the "Order") granting the Company's motion for summary judgment on counts (1) and (3), resulting in the Company prevailing on all counts in the Sun Life Case.

On July 29, 2013, the Company filed a separate complaint against Sun Life in United States District Court for the Southern District of Florida, entitled *Imperial Premium Finance, LLC v. Sun Life Assurance Company of Canada* ("Imperial Case"), which was subsequently consolidated with the Sun Life Case. The Imperial complaint asserts claims against Sun Life for breach of contract, breach of the covenant of good faith and fair dealing, and fraud, and seeks a judgment declaring that Sun Life is obligated to comply with the promises made by it in certain insurance policies. The complaint also seeks compensatory damages of no less than \$30.0 million in addition to an award of punitive damages. On August 23, 2013, Sun Life moved to dismiss the complaint, which was denied by the Court as part of the Order. On February 26, 2015, Sun Life filed a Notice of Appeal from the Order to the United States Court of Appeals for the Eleventh Circuit, which had denied Sun Life's motion to dismiss. On December 17, 2015, after the matter was fully briefed, the Circuit Court issued an order granting the Company's motion to dismiss and sent the case back to the District Court. The District Court lifted the stay and ordered Sun Life to file its

Answer to the Imperial Case by January 22, 2016. On February 3, 2016, the District Court set a trial date of the Imperial Case for October 31, 2016.

On September 22, 2016, the Court granted summary judgment in favor of Sun Life on the entirety of the Imperial complaint and subsequently entered final judgment to end the case. After denial of its motion to alter or amend the judgment, the Company filed a notice of appeal on January 12, 2017. Sun Life filed its notice of appeal on January 24, 2017.

IRS Investigation

The Internal Revenue Service ("IRS") Criminal Investigation Division notified the Company in February 2014 that it was conducting an investigation related to the Company and its legacy structured settlements business (the "IRS Investigation"). On May 3, 2016, the Company was informed that the IRS Investigation has been closed. The IRS may still refer any civil aspects of this matter to its Collection and Examination functions. If any such referral is made and results in a determination by the IRS that the Company has failed to comply with any of its obligations under the Internal Revenue Code or regulations hereunder, the Company could incur additional tax liability, restitution payment obligations, penalties, fines or other liabilities and a reduction in the Company's net operating losses, that could have a material adverse effect on the Company, its personnel, its financial condition, cash flows and its results of operations. The Company did not establish any provision for losses related to this matter.

Other Litigation

A complaint was filed against the Company's subsidiary, styled *Kenneth Jennings v. Washington Square Financial, LLC d/b/a Imperial Structured Settlements* ("Washington Square"), and was pending in the United States District Court for the Northern District of Illinois. The plaintiff sought, in a purported class action, to represent all individuals who sold all or a part of a structured settlement annuity to Washington Square under the Illinois Structured Settlement Protections Act (the "Illinois Act"), where the underlying annuity contract contained an anti-assignment clause, and where a court issued an order under the Illinois Act approving the transaction. The complaint sought, among other things, a declaration that all such transactions are void and compensatory and punitive damages. On September 28, 2016, the District Court terminated the case pursuant to a notice of voluntary dismissal, without prejudice, which had been filed by the plaintiff.

The Company is party to various other legal proceedings that arise in the ordinary course of business. Due to the inherent difficulty of predicting the outcome of litigation and other legal proceedings, the Company cannot predict the eventual outcome of these matters, and it is reasonably possible that some of them could be resolved unfavorably to the Company. As a result, it is possible that the Company's results of operations or cash flows in a particular fiscal period could be materially affected by an unfavorable resolution of pending litigation or contingencies. However, the Company believes that the resolution of these other proceedings will not, based on information currently available, have a material adverse effect on the Company's financial position or results of operations.

NOTE 16—STOCKHOLDERS' EQUITY

During the second quarter of 2015, the Company issued 6,688,433 shares of common stock pursuant to a rights offering at a price of \$5.75 per share.

In connection with the settlement of class litigation, the Company issued warrants to purchase two million shares of the Company's stock into an escrow account in April 2014 and were distributed in October 2014. The estimated fair value at the measurement date of such warrants was \$5.4 million, which is included in stockholder's equity. The warrants have a five-year term from the date of their distribution with an exercise price of \$10.75. The Company is obligated to file a registration statement to register the shares underlying the warrants with the SEC if shares of the Company's common stock have an average daily trading closing price of at least \$8.50 per share for a 45 day period. The warrants will be exercisable upon effectiveness of the registration statement.

The Company has reserved an aggregate of 2,700,000 shares of common stock under its Omnibus Plan, of which 763,594 options to purchase shares of common stock granted to existing employees were outstanding as of December 31, 2016, and 116,871 shares of restricted stock had been granted to directors under the plan with 265,212 subject to vesting. There were 1,554,323 securities remaining for future issuance under the Omnibus Plan as of December 31, 2016.

On September 1, 2015, the Company announced that its Board of Directors authorized a \$10.0 million share and note repurchase program. The program has a two-year expiration date, and authorizes the Company to repurchase up to \$10.0 million of its common stock and/or its Convertible Notes due 2019. During 2015, the Company purchased 608,000 shares for a total cost of approximately \$2.5 million, which is an average cost of \$4.17 per share, including transaction fees. There were no purchases during the year ended December 31, 2016. As of December 31, 2016, the Company may purchase up to approximately \$7.5 million of additional common stock or Convertible Notes under its board authorized plan. However, the Company's 15% Senior Secured Notes restrict the Company from repurchasing its common stock if the Company has less than \$20 million in cash and cash equivalents.

On March 14, 2016, the Company filed a prospectus supplement with the SEC related to the offer and sale from time to time of the Company's common stock at an aggregate offering price of up to \$50.0 million through FBR Capital Markets & Co. and MLV & Co. LLC, as distribution agents. Sales of shares of the Company's common stock under the prospectus supplement and the equity distribution agreement entered into with the distribution agents, if any, may be made in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933. The Company has agreed to pay the distribution agents a commission rate of up to 3% of the gross proceeds from the sale of any shares of common stock sold through the equity distribution agreement. During the year ended December 31, 2016, the Company sold 628,309 shares of common stock under this prospectus supplement at a weighted average price per share of \$3.00, receiving proceeds net of commissions totaling approximately \$1.8 million. Approximately \$56,600 in commissions were paid in connection with the sales of shares.

On March 15, 2017, the Company entered into a series of separate Master Transaction Agreements (together, the "Agreements") by and between the Company, PJC Investments, LLC, a Texas limited liability company ("PJC"), and each such Consenting Convertible Note Holder that is a party to such Agreement ("Consenting Holders") regarding a series of integrated transactions with the intent to effect a recapitalization of the Company (the "Transaction"), which includes an Amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the Company's common stock, \$0.01 par value (the "Common Stock"), a Common Stock Purchase Agreement, a Convertible Note Exchange Offer, a New Convertible Note Indenture providing for the issuance of New Convertible Notes, a Senior Note Exchange Offer, a New Senior Note Indenture providing for the issuance of New Senior Notes, a Senior Note Purchase Agreement, a Warrant and certain other agreements and documents to be delivered in connection with the Transaction (each as defined in the Agreements, and together with the Agreements, the "Transaction Documents"). The Agreements and the transactions contemplated under the Agreements were unanimously approved by the Board of Directors of the Company on March 13, 2017.

Under the Agreements, PJC and other parties agreed to certain undertakings, including: (i) PJC or its designee (the "Investor") purchasing up to 100% of the Company's New Senior Notes from the Holders (as defined herein) pursuant to the Senior Note Purchase Agreement, (ii) PJC or the Investor purchasing \$15.0 million in shares of Common Stock, pursuant to the Common Stock Purchase Agreement, and (iii) issuance to PJC or the Investor of a warrant to purchase up to 34,000,000 shares of Common Stock at an exercise price of \$0.25 per share for an aggregate purchase price of up to \$8.5 million. Upon the closing of the proposed transactions, the Company's Board of Directors will include four members representing PJC and one member representing the convertible note holders. The Transaction is subject to certain conditions described in this Annual Report on Form 10-K, including that the Company shall have obtained the requisite approval by the Company's shareholders to the Articles Amendment and that the requisite number of holders of the Company's senior secured notes and unsecured convertible notes shall have tendered their notes in connection with the applicable exchange offer as described herein, and certain customary closing conditions, including that each of the Transaction Documents shall have been executed and delivered to the other parties thereto. The Transaction is expected to close in the second quarter of 2017, although the consummation of the Transaction is subject to multiple conditions and there can be no assurance that the Transaction will close on a timely basis or at all.

At or contemporaneously with the closing of the Transaction, the Company will enter into a Common Stock Purchase Agreement (the "Purchase Agreement") with the purchasers' party to the Purchase Agreement (the "Purchasers"). The Purchase Agreement will generally provide for the Purchasers to purchase up to 92,000,000 shares of Common Stock at a price of \$0.25 per share for an aggregate price of up to \$23.0 million, of which PJC or the Investor will purchase 60,000,000 shares of Common Stock for an aggregate price of \$15.0 million. The remaining Purchasers may purchase up to 32,000,000 shares of Common Stock for an aggregate price of up to \$8.0 million. The Purchase Agreement shall contain customary representations, warranties, and covenants.

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued a warrant (the "Warrant") to the Investor to purchase up to an aggregate of 34,000,000 shares of the Common Stock at an exercise price of \$0.25 per share (the "Warrant Shares") for an aggregate price of up to \$8.5 million.

See Note 20 "Subsequent Events," of the accompanying financial statements for additional information.

NOTE 17—EMPLOYEE BENEFIT PLAN

The Company has adopted a 401(k) plan that covers employees that have reached 18 years of age and completed three months of service. The plan provides for voluntary employee contributions through salary deductions, as well as discretionary employer contributions. For the years ended December 31, 2016, 2015 and 2014, there were no employer contributions made.

NOTE 18—SUMMARY OF QUARTERLY FINANCIAL DATA (UNAUDITED)

The following tables set forth our unaudited consolidated financial data regarding continuing operations for each quarter of fiscal 2016 and 2015 (in thousands). This information, in the opinion of management, includes all adjustments necessary, consisting only of normal and recurring adjustments, to state fairly the information set forth therein. Certain amounts previously reported have been reclassified to conform to the current presentation. These reclassifications had no net impact on the results of operations (in thousands).

	Fiscal 2016			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total income	8,454	(15,786)	4,767	3,680
(Loss)/income from continuing operations before taxes	(7,445)	(9,775)	(8,543)	(23,666)
Net (loss)/income from continuing operations	(7,445)	(9,775)	(8,543)	(23,666)
(Loss)/income per share from continuing operations:				
Basic and diluted	\$ (0.27)	\$ (0.36)	\$ (0.31)	\$ (0.84)

	Fiscal 2015			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total income	12,980	28,034	2,769	3,108
(Loss)/income from continuing operations before income taxes	(6,102)	644	(18,212)	(15,429)
Net (loss)/income from continuing operations	(4,165)	966	(13,491)	(13,690)
(Loss)/income per share from continuing operations:				
Basic and diluted	\$ (0.19)	\$ 0.04	\$ (0.48)	\$ (0.49) (1)

(1) The sum of the basic and diluted earnings per share amounts for each quarter in fiscal year 2016 and the diluted for 2015 do not equal the amount presented in the statements of operations for the years ended December 31, 2016 and December 31, 2015 due to the Company having a net loss for the years ended December 31, 2016 and December 31, 2015 and therefore all common stock equivalents were antidilutive.

NOTE 19—INCOME TAXES

The provision (benefit) for income taxes from continuing operations consisted of (in thousands):

	December 31, 2016	December 31, 2015	December 31, 2014
Continuing operations	\$ —	\$ (8,719)	\$ 125
Discontinued operations	—	—	(232)
Provision (benefit) for income taxes	\$ —	\$ (8,719)	\$ (107)
Current			
Federal	\$ —	\$ 10	\$ —
State	—	—	—
	\$ —	\$ 10	\$ —
Deferred			
Federal	(16,550)	(9,149)	5,214
State	(1,292)	(3,846)	(2,522)
	(17,842)	(12,995)	2,692
Valuation allowance increase (decrease)	17,842	4,266	(2,567)
	\$ —	\$ (8,729)	\$ 125
Provision (benefit) for income taxes from continuing operations	\$ —	\$ (8,729)	\$ 125

U.S. and foreign components of income (loss) from continuing operations before income taxes were as follows (in thousands):

	December 31, 2016	December 31, 2015	December 31, 2014
U.S.	\$ (23,405)	\$ (51,749)	\$ (10,824)
Foreign	(26,024)	12,650	5,798
	\$ (49,429)	\$ (39,099)	\$ (5,026)

The Company's actual provision (benefit) for income taxes from continuing operations differ from the federal expected income tax provision as follows (in thousands):

	2016		2015		2014	
	Amount	Rate	Amount	Rate	Amount	Rate
Tax provision (benefit) at statutory rate	\$ (17,300)	35.00 %	\$ (13,685)	35.00 %	\$ (1,759)	35.00 %
Increase (decrease) in taxes resulting from:						
State tax (net of federal benefit)	(836)	1.72	(1,617)	4.14	(364)	7.24
Impact of rate changes	253	(0.50)	23	(0.06)	(1,851)	36.84
Litigation settlement	—	—	2,275	(5.82)	—	—
Other permanent items	4	(0.01)	18	(0.05)	371	(7.40)
Adoption of ASU 2013-11	—	—	—	—	6,295	(125.26)
Other	37	(0.07)	—	—	—	—
Valuation allowance (decrease) increase	17,842	(36.14)	4,267	(10.91)	(2,567)	51.08
Provision (benefit) for income taxes	\$ —	— %	\$ (8,719)	22.30 %	\$ 125	(2.50) %

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and tax liabilities were (in thousands):

	December 31, 2016	December 31, 2015
Deferred tax assets:		
Federal and state net operating loss carryforward	\$ 37,511	\$ 31,588
Revolving Credit Facilities	7,024	8,973
Deferred gain	14,112	13,423
Other	1,930	1,960
Total gross deferred tax assets	60,577	55,944
Less valuation allowance	(22,457)	(4,515)
Total deferred tax assets	38,120	51,429
Deferred tax liabilities:		
Unrealized gains on life and structured settlements	20,321	29,473
Gain on structured settlements deferred for tax purposes	3,655	4,607
Convertible debt discount	3,430	4,681
Deferred income	10,714	12,668
Total deferred tax liabilities	38,120	51,429
Total net deferred tax asset (liability)	\$ —	\$ —

The Company evaluates its deferred tax assets to determine if valuation allowances are required. In its evaluation, management considers taxable loss carryback availability, expectations of sufficient future taxable income, trends in earnings, existence of taxable income in recent years, the future reversal of temporary differences, and available tax planning strategies that could be implemented, if required. Valuation allowances are established based on the consideration of all available evidence using a more likely than not standard. Based on the Company's evaluation, a deferred tax valuation allowance was established against its net deferred tax assets as of December 31, 2016. This valuation allowance was determined to be necessary as an offset to the full amount of the federal and state deferred tax asset.

The Company recorded a deferred tax asset for the increase in tax basis associated with the transfer of assets to subsidiaries located in Ireland. The net deferred asset with respect to these transactions is \$14.1 million and \$13.4 million for the years ended December 31, 2016 and December 31, 2015, respectively, which will serve as a tax benefit upon reversal as life settlements mature or are sold.

Generally, the amount of tax expense or benefit allocated to continuing operations is determined without regard to the tax effects of other categories of income or loss, such as other comprehensive income. However, an exception to the general rule is provided when, in the presence of a valuation allowance against deferred tax assets, there is a pretax loss from continuing operations and pretax income from other categories. In such instances, income from other categories must offset the current loss from operations, the tax benefit of such offset being reflected in continuing operations. For the year ended December 31, 2013, we increased our deferred tax valuation allowance from continuing operations by \$56,000 to reflect the taxable income associated with unrealized gains in accumulated other comprehensive income.

The federal and state net operating loss carryovers ("NOLs") generated by the Company since its conversion to a corporation are approximately \$102.0 million that expire beginning in 2031.

Prior to the Company's initial public offering in 2011, one of the founding members entered into a reorganization that allowed the Company to assume the corporate shareholder's tax attributes. These tax attributes include approximately \$11.2 million of NOLs. The utilization of the acquired NOLs is subject to an annual limitation under Section 382 based on the value of the Company at the time they were acquired. These NOLs begin to expire in 2028.

Tax years prior to 2013 are no longer subject to IRS examination. Various state jurisdiction tax years remain open to examination.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in tax expense.

A reconciliation of the total amounts of unrecognized benefits at the beginning and end of the period was as follows (in thousands):

	December 31, 2016	December 31, 2015	December 31, 2014
Balance as of beginning of period	\$ 6,295	\$ 6,295	\$ 6,295
Additions based on tax positions taken in the current year	—	—	—
Reductions of tax positions for prior years	—	—	—
Balance as of end of period	<u>\$ 6,295</u>	<u>\$ 6,295</u>	<u>\$ 6,295</u>

The unrecognized benefit is reflected as a reduction of the deferred tax asset related to the Federal and State net operating loss carryforward. The recognition of the unrecognized tax benefits would result in a \$6.3 million decrease in the Company's effective tax rate.

NOTE 20—SUBSEQUENT EVENTS

OTCQB Marketplace

On January 23, 2017, the Company announced its plans to voluntarily delist its common stock from the New York Stock Exchange and trade on the OTC Marketplace, and on February 3, 2017, the Company's common stock began trading on the OTC Market Group's OTCQB market under the ticker symbol "EMGC".

OTCQB is designed for early-stage and developing U.S. and international companies that are current in their reporting and undergo an annual verification and management certification process. The OTCQB market is considered by the SEC as an "established public market" for the purpose of determining the public market price when registering securities for resale in equity line financings with the SEC.

Consolidation of the White Eagle Loan Agreement

On January 31, 2017, as required by the terms of the White Eagle Amendment, our indirect subsidiary, White Eagle, executed the Second Amended and Restated Loan and Security Agreement, dated January 31, 2017, which consolidated into a single document the amendments evidenced by the White Eagle Amendment and all previous amendments.

Issuance of Additional Convertible Notes

On February 14, 2017, the Company entered into a solicitation to consent (the "Consent Solicitation") to issue additional 8.50% Senior Unsecured Convertible Notes (the "Additional Convertible Notes") in lieu of a cash payment of interest on February 15, 2017 (the "2017 Interest Payment Date") to holders of 8.5% Senior Unsecured Convertible Notes (the "Convertible Notes"). The Company's obligation to issue the Additional Convertible Notes was subject to the satisfaction of (1) not less than 95% of the aggregate principal amount of Convertible Notes agreeing to accept Additional Convertible Notes in lieu of a cash payment of interest on the 2017 Interest Payment Date and (2) the amendment of the Indenture dated as of March 11, 2016 with Wilmington Trust, National Association, as indenture trustee (the "Senior Secured Indenture") for the 15% Senior Secured Notes due 2018 (the "15.0% Senior Secured Notes") to permit the issuance of the Additional Convertible Notes. This consent is only effective for the cash payment of interest due on the 2017 Interest Payment Date and not for subsequent interest payments.

On March 10, 2017, the Company, as issuer, and Wilmington Trust, National Association, as trustee, entered into the First Supplemental Indenture (the "Senior Supplemental Indenture"), implementing certain amendments to the Senior Secured Indenture governing the Company's outstanding 15.0% Senior Secured Notes following the Company's receipt of requisite consents of the holders of the 15.0% Senior Secured Notes. The Senior Supplemental Indenture amends the Senior Secured Indenture to: (i) amend the definition of "Permitted Indebtedness" to include all Convertible Notes issued by the Issuer under the Indenture dated February 21, 2014 between the Company and U.S. Bank National Association (the "Convertible Indenture") after February 14, 2017, in lieu of a cash payment of interest due to the holders of the Convertible Notes, and (ii) add Section 4.07(e) to restrict the Company from increasing the interest rate payable on the Convertible Notes.

On March 13, 2017, the Company and U.S. Bank National Association, as trustee, entered into the First Supplemental Indenture (the "Convertible Supplemental Indenture"), implementing certain amendments to the Convertible Indenture governing the Convertible Notes. The Convertible Supplemental Indenture amends the Convertible Indenture to, among other things, allow for the issuance of Convertible Notes in denominations of \$1.00 principal amount and multiples of \$1.00.

On March 14, 2017, the Company issued an additional \$3.5 million in Additional Convertible Notes following the Company's receipt of requisite consents of the holders of the Convertible Notes of approximately 98% of the aggregate principal amount of Convertible Notes (the "Consenting Holders"), pursuant to the Consent Solicitation, whereby each Consenting Holder agreed to accept Additional Convertible Notes in lieu of a cash payment of interest on the Convertible Notes due on the 2017 Interest Payment Date. All Additional Convertible Notes issued by the Company to Consenting Holders were issued under the Convertible Note Indenture and such Additional Convertible Notes have identical terms to existing Convertible Notes. Interest on the Additional Convertible Notes will accrue from February 15, 2017.

Event of Default - 15.0% Senior Secured Note

The Company did not make an interest payment of \$1.1 million, due March 15, 2017, on the 15.0% Senior Secured Notes, of which \$30.0 million principal amount was outstanding on that date. If the interest payment is not made within five business days of its due date, such failure would result in an event of default under the Senior Secured Indenture governing the 15.0% Senior Secured Notes, and the trustee or holders of at least 25% in principal amount of the outstanding 15.0% Senior Secured Notes may declare the principal, premium, if any, and accrued but unpaid interest immediately due and payable. The Company released the cash interest payment of \$1.1 million to the holders of the 15% Senior Secured Notes on March 20, 2017.

The Master Transaction Agreement

On March 15, 2017, the Company entered into a series of separate Master Transaction Agreements (together, the "Agreements") by and between the Company, PJC Investments, LLC, a Texas limited liability company ("PJC"), and each such Consenting Convertible Note Holder that is a party to such Agreement ("Consenting Holders") regarding a series of integrated transactions with the intent to effect a recapitalization of the Company (the "Transaction"), which includes an Amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the Company's common stock, \$0.01 par value (the "Common Stock"), a Common Stock Purchase Agreement, a Convertible Note Exchange Offer, a New Convertible Note Indenture providing for the issuance of New Convertible Notes, a Senior Note Exchange Offer, a New Senior Note Indenture providing for the issuance of New Senior Notes, a Senior Note Purchase Agreement, a Warrant and certain other agreements and documents to be delivered in connection with the Transaction (each as defined in the Agreements, and together with the Agreements, the "Transaction Documents"). The Agreements and the transactions contemplated under the Agreements were unanimously approved by the Board of Directors of the Company on March 13, 2017.

Under the Agreements, PJC and other parties agreed to certain undertakings, including: (i) PJC or its designee (the "Investor") purchasing up to 100% of the Company's New Senior Notes from the Holders (as defined below) pursuant to the Senior Note Purchase Agreement, (ii) PJC or the Investor purchasing \$15.0 million in shares of Common Stock, pursuant to the Common Stock Purchase Agreement, and (iii) issuance to PJC or the Investor of a warrant to purchase up to 34,000,000 shares of Common Stock at an exercise price of \$0.25 per share for an aggregate purchase price of up to \$8.5 million. Upon the closing of the proposed transactions, the Company's Board of Directors will include four members representing PJC and one member representing the convertible note holders. The Transaction is subject to certain conditions described in this Annual Report on Form 10-K, including that the Company shall have obtained the requisite approval by the Company's shareholders to the Articles Amendment and that the requisite number of holders of the Company's senior secured notes and unsecured convertible notes shall have tendered their notes in connection with the applicable exchange offer as described below, and certain customary closing conditions, including that each of the Transaction Documents shall have been executed and delivered to the other parties thereto. The Transaction is expected to close in the second quarter of 2017, although the consummation of the Transaction is subject to multiple conditions and there can be no assurance that the Transaction will close on a timely basis or at all.

The Agreements contain standard representations and warranties related to each party, and may be terminated prior to the Closing under certain circumstances, including, without limitation, by:

- i. mutual written consent of PJC and the Company;
- ii. PJC or the Company, if the Closing shall not have occurred by August 31, 2017;
- iii. the Convertible Note Holders that, in the aggregate, hold a majority of the aggregate principal amount of the outstanding Convertible Notes, if the Closing shall not have occurred by September 30, 2017;

- iv. PJC or the Company, as a non-breaching party, if there has been a material breach of certain representations, warranties or covenants made by PJC or the Company, as a breaching party, which shall not have been cured or cannot be cured within 30 days of receipt of written notice of such breach;
- v. the Convertible Note Holders that, in the aggregate, hold a majority of the aggregate principal amount of the outstanding Convertible Notes, if the Company or PJC shall materially breach any representation, warranty, covenant, obligation or agreement and such breach shall not have been cured or cannot be cured within 30 days of receipt of written notice of such breach and such breach shall result in an adverse economic impact to the Consenting Convertible Note Holders;
- vi. PJC if the conditions precedent to the consummation of either Exchange Offer are not satisfied at the time such Exchange Offer expires or as of the date the other Transaction Documents are satisfied; or
- vii. PJC or the Company, if the transaction is enjoined or prohibited by governmental authorities.

Common Stock Purchase Agreement

At or contemporaneously with the closing of the Transaction, the Company will enter into a Common Stock Purchase Agreement (the "Purchase Agreement") with the purchasers' party to the Purchase Agreement (the "Purchasers"). The Purchase Agreement will generally provide for the Purchasers to purchase up to 92,000,000 shares of Common Stock at a price of \$0.25 per share for an aggregate price of up to \$23.0 million, of which PJC or the Investor will purchase 60,000,000 shares of Common Stock for an aggregate price of \$15.0 million. The remaining Purchasers may purchase up to 32,000,000 shares of Common Stock for an aggregate price of up to \$8.0 million. The Purchase Agreement shall contain customary representations, warranties, and covenants.

Common Stock Purchase Warrant

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued a warrant (the "Warrant") to the Investor to purchase up to an aggregate of 34,000,000 shares of the Common Stock at an exercise price of \$0.25 per share (the "Warrant Shares") for an aggregate price of up to \$8.5 million.

The Warrant shall vest and become exercisable as follows: (i) with respect to 14,000,000 Warrant Shares, immediately upon the issuance of the Warrant, and (ii) with respect to the remaining 20,000,000 Warrant Shares, at later times tied to the conversion of Existing Convertible Notes and New Convertible Notes outstanding upon the closing of the Transaction into shares of Common Stock. The Warrant has an eight year term. The number of Warrant Shares is subject to anti-dilution adjustment provisions.

Exchange Offers

As part of the Transaction, the Company will offer to exchange, in each case with existing holders, its outstanding 8.5% Senior Unsecured Convertible Notes due 2019 (the "Existing Convertible Notes") for New Convertible notes, described below, and its outstanding 15.0% Senior Secured Notes due 2018 (the "Existing Senior Notes") for New Senior notes, described below. As a result of such exchanges. At least 98% of the holders of each class of notes must tender in the relevant exchange offer as a condition to closing the Transaction.

New Convertible Note Indenture and New Convertible Notes

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued the 5.0% Senior Unsecured Convertible Notes due 2023 (the "New Convertible Notes") in an aggregate amount not to exceed approximately \$75.0 million pursuant to a Convertible Note Indenture (the "New Convertible Note Indenture") between the Company and a trustee to be later identified.

The New Convertible Notes will be unsecured senior obligations of the Company and will mature six years from the Closing. The New Convertible Notes will bear interest at a rate of 5.00% per annum from the issue date, payable semi-annually.

The Company may redeem, in whole but not in part, the New Convertible Notes at a redemption price of 100% of the principal amount of the New Convertible Notes to be redeemed, plus accrued and unpaid interest and additional interest, if any, if the last reported sale price of the Common Stock equals or exceeds 120% of the conversion price for at least 15 trading days in any period of 30 consecutive trading days. The Company may, at its election, pay or deliver as the case may be, to all

Holders of the New Convertible Notes, either (a) solely cash, (b) solely shares of Common Stock, or (c) a combination of cash and shares of Common Stock.

The New Convertible Note Indenture provides for customary events of default, which include (subject in certain cases to customary grace and cure periods), among others: nonpayment of principal or interest; breach of covenants or other agreements in the New Convertible Note Indenture; defaults in failure to pay certain other indebtedness; and certain events of bankruptcy or insolvency. Generally, if an event of default occurs and is continuing under the New Convertible Note Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the New Convertible Notes then outstanding may declare all unpaid principal plus accrued interest on the New Convertible Notes immediately due and payable, subject to certain conditions set forth in the New Convertible Note Indenture. In addition, holders of the New Convertible Notes may require the Company to repurchase the New Convertible Notes upon the occurrence of certain designated events at a repurchase price of 100% of the principal amount of the New Convertible Notes, plus accrued and unpaid interest.

New Senior Note Indenture and New Senior Notes

At or contemporaneously with the closing of the Transaction, the Company will cause to be issued the 8.5% Senior Notes due 2021 (the "New Senior Notes") in an aggregate amount not to exceed approximately \$40.0 million pursuant to a Senior Note Indenture (the "New Senior Note Indenture") between the Company as issuer, and the trustee to be later identified. Up to approximately \$30.0 million aggregate principal amount of New Senior Notes may be issued to holders of the Existing Senior Notes in the relevant exchange offer, and PJC or the Investor may acquire up to an additional \$10.0 million principal amount of New Senior Notes.

The New Senior Notes will be secured senior obligations of the Company and will mature four years from the date of Closing. The New Senior Notes will bear interest at a rate of 8.5% per annum, payable quarterly.

The New Senior Notes may be optionally redeemed in full by the Company at any time and must be redeemed in full upon additional issuances of debt by the Company in each case, at a price equal to 100% of the principal amount redeemed plus (i) accrued and unpaid interest on the New Senior Notes redeemed up to the date of redemption, and (ii) the Applicable Premium, if any, as defined in the New Senior Note Indenture. Upon a change of control, the Company will be required to make an offer to holders of the New Senior Notes to repurchase the New Senior Notes at a price equal to 107.5% of their principal amount, plus accrued and unpaid interest up to the date of redemption.

The New Senior Notes contain negative covenants restricting additional debt incurred by the Company, creation of liens on the collateral securing the New Senior Notes, and restrictions on dividends and stock repurchases, among other things. The New Senior Notes are secured by settlement proceeds, if any, received from certain litigation involving the Company, certain notes issued to the Company, and pledges of 65% of the equity interests in Blue Heron Designated Activity Company, OLIPP IV, LLC and Red Reef Alternative Investments, LLC.

The New Senior Note Indenture provides for customary events of default which include (subject in certain cases to customary grace and cure periods), among others: nonpayment of principal or interest; breach of covenants or other agreements in the New Senior Note Indenture; defaults in failure to pay certain other indebtedness; and certain events of bankruptcy or insolvency. Generally, if an event of default occurs and is continuing under the New Senior Note Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the New Senior Notes then outstanding may declare the principal of and accrued but unpaid interest, plus a premium, if any, on all the New Senior Notes immediately due and payable, subject to certain conditions set forth in the New Senior Note Indenture.

Note Purchase Agreement

At or contemporaneously with the closing of the Transaction, PJC or the Investor and certain holders of New Senior Notes (the "Holders") will enter into a Note Purchase Agreement (the "Note Purchase Agreement"). The Note Purchase Agreement will generally provide for PJC or the Investor to purchase up to 100% of the New Senior Notes held by the Holders for an aggregate purchase price equal to the face amount of such purchased New Senior Notes.

Terms not defined in this Annual Report on Form 10-K shall have the meaning as set forth in the Agreements and respective Transaction Documents. The foregoing description of the Agreements and the transactions contemplated thereby is a summary only and is qualified in its entirety by reference to the full text of the Agreements, which will be filed as exhibits to the Company's Quarterly Report on Form 10-Q for the period ending March 31, 2017.

EXHIBIT INDEX

In reviewing the agreements included as exhibits to this report, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company, its subsidiaries or other parties to the agreements. The Agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. The Company acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this report not misleading. Additional information about the Company may be found elsewhere in this report and the Company's other public files, which are available without charge through the SEC's website at <http://www.sec.gov>.

Exhibit Number	Exhibit Description	Form	Exhibit	Filing Date	Filed Herewith
2.1	Asset Purchase Agreement, dated as of October 25, 2013, between Majestic Opco L.L.C. and the Registrant.	8-K	2.1	10/28/13	
3.1	Articles of Incorporation of Registrant.	S-1/A	3.1	10/01/10	
3.2	Articles of Amendment to Articles of Incorporation of Registrant	8-K	3.1	09/01/15	
3.3	Amended and Restated Bylaws of Registrant.	8-K	3.2	09/01/15	
4.1	Form of Common Stock Certificate.	S-1/A	4.1	11/10/10	
4.2	Form of Warrant to purchase common stock	S-1/A	4.2	01/12/11	
4.3	Warrant Agreement related to Class Action Settlement	10-K	4.3	03/14/16	
4.4	Indenture, dated as of February 21, 2014, by and among the Registrant and U.S. Bank, National Association, as indenture trustee.	8-K	4.4	02/19/14	
4.5	Indenture, dated as of March 11, 2016, by and among the Registrant and Wilmington Trust, National Association, as indenture trustee.	10-K	4.5	03/14/16	
10.1†	Employment Agreement between the Registrant and Antony Mitchell dated November 8, 2010.	S-1/A	10.1	11/10/10	
10.2†	Employment Agreement between the Registrant and Richard O'Connell dated December 31, 2013 and effective January 1, 2014.	8-K	10.1	12/30/13	
10.3†	Employment Agreement between the Registrant and Miriam Martinez dated December 31, 2013 and effective January 1, 2014.	8-K	10.2	12/30/13	
10.4†	Employment Agreement between the Registrant and Michael Altschuler dated December 31, 2013 and effective January 1, 2014.	8-K	10.3	12/30/13	
10.5†	Employment Agreement between the Registrant and David Sasso dated December 31, 2013 and effective January 1, 2014.	10-Q	10.1	11/09/15	
10.6	Separation Agreement and General Release of Claims between the Registrant and Jonathan Neuman, dated April 26, 2012.	8-K	10.2	04/30/12	

10.7†	Amended & Restated Imperial Holdings 2010 Omnibus Incentive Plan.	Def 14A	A	04/08/15
10.8†	2010 Omnibus Incentive Plan Form of Stock Option Award Agreement.	10-Q	10.7	08/13/13
10.9†	2010 Omnibus Incentive Plan Form Performance Share Award Agreement.	8-K	10.1	06/09/14
10.10	Master Trust Indenture dated as of September 24, 2010 by and among Imperial Settlements Financing 2010, LLC as the Issuer, Portfolio Financial Servicing Company as the Initial Master Servicer, and Wilmington Trust Company as the Trustee and Collateral Trustee.	S-1/A	10.15	11/10/10
10.11	Series 2010-1 Supplement dated as of September 24, 2010 to the Master Trust Indenture dated as of September 24, 2010 by and among Imperial Settlements Financing 2010, LLC as the Issuer, Portfolio Financial Servicing Company as the Initial Servicer, and Wilmington Trust Company as the Trustee and Collateral Trustee.	S-1/A	10.16	11/10/10
10.12	Non-Prosecution Agreement between the Registrant and the United States Attorney's Office for the District of New Hampshire, dated April 30, 2012.	8-K	10.1	04/30/12
10.12††	Amended and Restated Loan and Security Agreement, dated May 16, 2014, among White Eagle Asset Portfolio, L.P., as borrower, Imperial Finance & Trading, LLC, as initial servicer, initial portfolio manager and guarantor, Lamington Road Bermuda Ltd., as portfolio manager, LNV Corporation, as initial lender, and CLMG Corp, as the administrative agent.	10-Q	10.1	07/30/14
10.13	First Amendment, dated November 15, 2015, to Amended and Restated Loan and Security Agreement, dated May 16, 2014, among White Eagle Asset Portfolio, L.P., as borrower, Imperial Finance & Trading, LLC, as initial servicer, initial portfolio manager and guarantor, Lamington Road Bermuda Ltd., as portfolio manager, LNV Corporation, as initial lender, and CLMG Corp, as the administrative agent.	8-K	10.1	11/10/15
10.14††	Master Termination Agreement and Release, effective as of April 30, 2013, by and among Lexington Insurance Company, Imperial Holding, Inc., Imperial PFC Financing, LLC, Imperial PFC Financing II, LLC, Imperial Life Financing II, LLC, Imperial Life & Annuity Services, LLC, Imperial Premium Finance, LLC and CTL Holdings, LLC.	10-Q	10.5	08/13/13
10.15††	Loan and Security Agreement, dated as of July 16, 2015, among Red Falcon Trust, as borrower, Imperial Finance & Trading, LLC, as guarantor, Blue Heron Designated Activity Company, as portfolio administrator, LNV Corporation, as initial lender, the other lenders party thereto from time to time and CLMG Corp, as the administrative agent	10-Q/A	10.1	12/15/15
10.16	Form of Purchase Agreement to purchase 15.0% Senior Secured Notes due 2018.	10-K	10.16	03/14/16
10.17	First Amendment to Loan and Security Agreement, dated July 15, 2016, among Red Falcon Trust, as borrower, Imperial Finance & Trading, LLC, as guarantor, Blue Heron Designated Activity Company, as portfolio administrator, LNV Corporation, as initial lender, and CLMG Corp, as administrative agent.	10-Q	10.1	11/7/2016
10.18††	Second Amendment to Amended and Restated Loan and Security Agreement, dated December 29, 2016, by and among White Eagle Asset Portfolio, LP, as borrower, Imperial Finance and Trading, LLC, Lamington Road Bermuda, LTD, as Portfolio Manager, CLMG Corp., as Administrative Agent, and LNV Corporation, as Lender.			*

10.19††	Second Amended and Restated Securities Account Control and Custodian Agreement, dated January 31, 2017, among White Eagle Asset Portfolio, LP, as borrower, Wilmington Trust, National Association, as securities intermediary and custodian, and CLMG Corp, as the administrative agent.	*
10.20	Master Termination Agreement, dated December 29, 2016, by and among CLMG Corp., LNV Corporation, as lender, Red Falcon Trust, as borrower, Imperial Finance & Trading LLC, as guarantor, Blue Heron Designated Activity Company, Harbordale, LLC, Red Reef Alternative Investments, LLC, MLF LexServ, L.P., as Servicer, Wilmington Trust National Association, as securities intermediary under the SACCA, Christiana Trust, as Trustee, Michelle A Dreyer, as independent trustee, and Corporation Service Company	*
21.1	Subsidiaries of the Registrant.	*
23.1	Consent of Grant Thornton LLP.	*
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*
32.1	Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*
32.2	Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*
101	Interactive Data Files.	*
101.INS	XBRL Instance Document	*
101.SCH	XBRL Taxonomy Extension Schema Document	*
101.	XBRL Taxonomy Extension Calculation Linkbase Document	*
101.	XBRL Taxonomy Definition Linkbase Document 10.1 & 10.2	*
101.L	XBRL Taxonomy Extension Label Linkbase Document	*
<u>101.PRE</u>	SBRL Taxonomy Extension Presentation Linkbase Document	*
††	Certain portions of the exhibit have been omitted pursuant to a confidential treatment order. An unredacted copy of the exhibit has been filed separately with the United States Securities and Exchange Commission pursuant to the request for confidential treatment.	
*	Filed herewith.	
†	Management compensatory arrangement.	

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

Dated as of January 31, 2017

Among

**WHITE EAGLE ASSET PORTFOLIO, LP,
as Borrower,**

**THE FINANCIAL INSTITUTIONS PARTY HERETO,
as Lenders**

**IMPERIAL FINANCE & TRADING, LLC
as Initial Servicer, as Initial Portfolio Manager and as Guarantor**

**LAMINGTON ROAD BERMUDA LTD.
as Portfolio Manager**

And

**CLMG CORP.,
as Administrative Agent**

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EXHIBIT G Form of Section 2.7(b) Notice

ANNEXES

ANNEX I List of Defined Terms

THIS SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this Loan Agreement) is made and entered into as of January 31, 2017, among WHITE EAGLE ASSET PORTFOLIO, LP, a Delaware limited partnership (the "Borrower"), IMPERIAL FINANCE & TRADING, LLC, a Florida limited liability company, as Initial Servicer (in such capacity, the Initial Servicer"), as Initial Portfolio Manager (in such capacity, the Initial Portfolio Manager) and as Guarantor (in such capacity, the Guarantor"), LAMINGTON ROAD BERMUDA LTD., a Bermuda company, as Portfolio Manager (in such capacity, the Portfolio Manager"), LNV Corporation, a Nevada corporation, as initial lender (the Initial Lender"), the financial institutions party hereto as Lenders (together with the Initial Lender, the "Lenders"), and CLMG Corp., a Texas corporation, as the administrative agent for the Lenders (in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, the Borrower desires that the Lenders agree to extend financing to the Borrower on the terms and conditions set forth herein.

WHEREAS, the Lenders are willing to provide such financing on the terms and conditions set forth in this Loan Agreement.

WHEREAS, in consideration for the Lenders providing such financing, the Borrower hereby agrees to pay, among other things, the Aggregate Participation Interest to the Lenders on the terms and conditions set forth herein.

WHEREAS, on May 16, 2014, the Borrower converted from being a Delaware limited liability company to a Delaware limited partnership.

WHEREAS, on May 16, 2014, the Predecessor Parent Pledgor (i) transferred to the LP Parent its limited partnership interests in the Borrower pursuant to the Borrower Interest Purchase and Sale Agreement and the Assignment of Interest in Limited Partnership, (ii) the Predecessor Parent Pledgor and LP Parent entered into the Predecessor Parent Pledgor LP Contribution Agreement, and (iii) the LP Parent and Borrower entered into the LP Parent Contribution Agreement.

WHEREAS, the Borrower (formerly known as White Eagle Asset Portfolio, LLC, a Delaware limited liability company), the Initial Portfolio Manager, the Initial Servicer, the Initial Lender and the Administrative Agent entered into that certain Loan and Security Agreement, dated as of April 29, 2013 (as amended, restated, supplemented or as otherwise modified prior to May 16, 2014, the "Original Loan Agreement").

WHEREAS, the Borrower, the Initial Portfolio Manager, the Initial Servicer, the Guarantor, the Initial Lender, the Lenders and the Administrative Agent entered into that certain Amended and Restated Loan and Security Agreement, dated as of May 16, 2014 (as amended, restated, supplemented or as otherwise modified prior to the date hereof, the "Original Amended and Restated Loan Agreement").

WHEREAS, the parties hereto wish to amend and restate the Original Amended and Restated Loan Agreement in its entirety.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. Capitalized terms used and not otherwise defined in this Loan Agreement shall have the meanings given to them in the List of Defined Terms attached hereto as Annex I.

Section 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Loan Agreement have the meanings as so defined herein when used in the Lender Notes or any other Transaction Document, certificate, report or other document made or delivered pursuant hereto.

(b) Each term defined in the singular form in Section 1.1 or elsewhere in this Loan Agreement shall mean the plural thereof when the plural form of such term is used in this Loan Agreement, the Lender Notes or any other Transaction Document, and each term defined in the plural form in Section 1.1 or elsewhere in this Loan Agreement shall mean the singular thereof when the singular form of such term is used herein or therein.

(c) The words “hereof,” “herein,” “hereunder” and similar terms when used in this Loan Agreement shall refer to this Loan Agreement as a whole and not to any particular provision of this Loan Agreement, and article, section, subsection, schedule and exhibit references herein are references to articles, sections, subsections, schedules and exhibits to this Loan Agreement unless otherwise specified.

Section 1.3 Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of Delaware, and not specifically defined herein, are used herein as defined in such Article 9.

Section 1.4 Computation of Time Periods. Unless otherwise stated in this Loan Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding.”

ARTICLE II

THE LENDERS' COMMITMENTS, BORROWING PROCEDURES, SECURITY INTEREST AND LENDER NOTES

Section 2.1 Lenders' Commitments.

(a) On the terms and subject to the conditions set forth in this Loan Agreement, the Lenders made the Initial Advance pursuant to the Original Loan Agreement and shall make Ongoing Maintenance Advances, and may make Additional Policy Advances, to the Borrower from time to time before the Commitment Termination Date in such amounts as may be from time to time requested by the Borrower pursuant to Section 2.2 and agreed to by the Lenders, for the purposes set forth in Section 2.8(a); provided, however that (i) the aggregate principal amount of all Advances from time to time outstanding under this Loan Agreement (including any Protective Advances that the Borrower has knowledge or notice of) shall not exceed the Borrowing Base and (ii) no Lender shall be obligated to make any Advance to the Borrower to the extent that the aggregate outstanding amount of such Advances made by such Lender hereunder exceeds such Lender's Commitment as set forth in Schedule 2.1(a), as the same is amended (or deemed amended) from time to time by Assignment and Assumption Agreements executed pursuant to Section 13.4 of this Loan Agreement, nor shall any Lender be obligated to make any Advance required to be made by any other Lender.

(b) On the Initial Closing Date, the Lenders made the Initial Advance to the Borrower.

(c) So long as the Borrower has requested the same pursuant to a Borrowing Request delivered to the Administrative Agent as set forth below and subject to the conditions set forth in this Loan Agreement, the Lenders shall make Ongoing Maintenance Advances to the Borrower; provided, however, that the aggregate principal amount of all Advances outstanding under this Loan Agreement (including any Protective Advances that the Borrower has knowledge or notice of) shall not exceed the Borrowing Base.

(d) So long as the Borrower has requested the same pursuant to a Borrowing Request delivered to the Administrative Agent as set forth below and subject to the conditions set forth in this Loan Agreement, the Lenders may make Additional Policy Advances to the Borrower in amounts determined by the Lenders in their sole discretion; provided, however, that the aggregate principal amount of all Advances outstanding under this Loan Agreement (including any Protective Advances that the Borrower has knowledge or notice of) shall not exceed the Borrowing Base.

(e) Without regard to the Borrowing Base and without any Borrowing Request, and whether before or after the Partial Repayment Date, the Lenders shall be entitled to make Advances on behalf of the Borrower as the Lenders determine in their reasonable discretion are necessary in order to make premium payments and to pay other costs and expenses to ensure that one or more Pledged Policies selected by the Lenders in their sole discretion, other than Policies that are abandoned or sold as contemplated by Section 2.7 of this Loan Agreement, remain in full force and effect, as determined by the Lenders in their sole discretion (such Advances, together with any Advances made from time to time by the Lenders hereunder to pay any costs and expenses in defending the Collateral against any lawsuits or in any other proceedings (including attorneys' fees) and any Advances made from time to time by the Lenders hereunder during the occurrence and continuance of an Unmatured Event of Default or an Event of Default shall collectively be referred to herein as "Protective Advances").

Section 2.2 Borrowing Procedures.

(a) The Borrower shall request Advances hereunder by giving notice to the Administrative Agent of the proposed borrowing. Such notice (herein called a "Borrowing Request") shall be in the form of Exhibit A. The Borrowing Request for the Initial Advance was permitted to have been prepared and delivered by the Borrower up to five (5) Business Days before the date of execution of the Original Loan Agreement such that the related Proposed Initial Advance Notice and Initial Advance Acceptance was executed concurrently with the Original Loan Agreement. The Borrowing Request for the Initial Advance (i) specified the date and aggregate amount of the proposed Initial Advance, (ii) identified the Subject Policies proposed to be pledged hereunder in connection with the Initial Advance and confirm that the related Collateral Packages (taking into account the exceptions noted on Schedules V, VI, VII, VIII, IX, X and XI to the Account Control Agreement) had been uploaded to the FTP Site and (iii) attached a Borrowing Base Certificate, signed by an officer of the Borrower or the Portfolio Manager.

(b) The Borrower may request an Ongoing Maintenance Advance hereunder by delivering a fully executed and completed Borrowing Request to the Administrative Agent. Each Borrowing Request for a proposed Ongoing Maintenance Advance shall (i) specify the date and aggregate amount of the proposed Ongoing Maintenance Advance and (ii) attach a Borrowing Base Certificate, signed by an officer of the Borrower or the Portfolio Manager. The Borrowing Request for the initial Ongoing Maintenance Advance was permitted to have been prepared and delivered by the Borrower up to five (5) Business Days before the date of execution of the Original Loan Agreement such that the related Subsequent Advance Acceptance was executed concurrently with the Original Loan Agreement.

(c) The Borrower shall not deliver any Borrowing Request with respect to a proposed Additional Policy Advance unless and until it has received written notice from the Administrative Agent confirming that the Administrative Agent and the Lenders have completed their due diligence with respect to the Additional Policies proposed to be pledged hereunder in connection with the making of such Additional Policy Advance, and indicating which Additional Policies, if any, will be accepted as Collateral hereunder and the estimated amounts that the Lenders will be willing to fund under this Loan Agreement with respect to such Additional Policies. After the Borrower's receipt of such written notice from the Administrative Agent, the Borrower may request an Additional Policy Advance hereunder with respect to such Additional Policies by delivering a fully executed and completed Borrowing Request to the Administrative Agent. Each Borrowing Request related to a proposed Additional Policy Advance shall (i) specify the date and aggregate amount of the proposed Additional Policy Advance, (ii) identify the Additional Policies proposed to be pledged hereunder in connection with such Additional Policy Advance, confirm that the related Collateral Packages have been uploaded to the FTP Site, and confirm that the related Expense Deposit shall be wired to the Administrative Agent's Account promptly following confirmation of the amount thereof and (iii) attach a Borrowing Base Certificate, signed by an officer of the Borrower or the Portfolio Manager. The Administrative Agent agrees that the Expense Deposit shall be used solely by the Administrative Agent and the Lenders for reasonable third-party out-of-pocket expenses incurred in connection with the review and evaluation of the Additional Policies

identified in such Borrowing Request, and that any unused portion of the Expense Deposit shall be returned to the Borrower.

(d) The Borrower hereby expressly authorizes the Portfolio Manager to execute any Borrowing Base Certificates that are to be delivered in connection with this Agreement. Each of the Borrower, the Portfolio Manager, the Initial Servicer, the Initial Portfolio Manager and the Guarantor hereby agrees that neither the Administrative Agent nor any Lender shall incur any liability to anyone in acting upon any signature, written instrument or notice purportedly signed by an officer of the Borrower or the Portfolio Manager.

Section 2.3 Funding.

(a) No later than five (5) Business Days following the Lenders' receipt of the Borrowing Request for the Initial Advance, the Lenders, in their sole discretion and acting unanimously, determined whether to approve the Subject Policies, and the Administrative Agent notified the Borrower of the determination of the amount, if any, the Lenders would fund (a "Proposed Initial Advance", and such notice of the Proposed Initial Advance, a "Proposed Initial Advance Notice"). Such determination was made in the Lenders' sole discretion. As the Lenders were willing to make such Proposed Initial Advance and the Borrower determined to accept such Proposed Initial Advance, on or before the third (3rd) Business Day after the delivery of the Proposed Initial Advance Notice by the Administrative Agent, the Borrower notified the Administrative Agent that the Borrower accepted the Proposed Initial Advance (an "Initial Advance Acceptance"). No later than the third (3rd) Business Day following the Lenders' receipt of the Initial Advance Acceptance, and subject to the complete satisfaction of the conditions precedent set forth in Article VII with respect to the Initial Advance and the limitations set forth in Section 2.1, the Lenders distributed funds in the amount set forth in the Proposed Initial Advance Notice to the Payment Account and was disbursed by the Securities Intermediary in accordance with the terms of the Account Control Agreement.

(b) No later than five (5) Business Days following the Lenders' receipt of a Borrowing Request for an Ongoing Maintenance Advance, the Administrative Agent shall notify the Borrower of the resulting total Ongoing Maintenance Advance to be funded by the Lenders on the related Subsequent Advance Date (such notice, the related "Subsequent Advance Acceptance") subject to the immediately following sentence. Subject to the complete satisfaction of the conditions precedent set forth in Article VII with respect to such Ongoing Maintenance Advance and the limitations set forth in Section 2.1, the Lenders shall distribute funds in the amount set forth in such Subsequent Advance Acceptance to the Payment Account to be disbursed by the Securities Intermediary in accordance with the terms of the Account Control Agreement.

(c) No later than five (5) Business Days following the Lenders' receipt of a Borrowing Request for an Additional Policy Advance, the Lenders shall, in their sole discretion and acting unanimously, determine whether to approve the Additional Policies, and the Administrative Agent shall notify the Borrower of the determination of the amount, if any, the Lenders will fund (a "Proposed Additional Policy Advance", and such notice of the Proposed Additional Policy Advance, a "Proposed Additional Policy Advance Notice"); provided that such determination shall be in the Lenders' sole discretion. If the Lenders are willing to make such Proposed Additional Policy Advance and the Borrower determines to accept such Proposed Additional Policy Advance,

on or before the third (3rd) Business Day after the delivery of the Proposed Additional Policy Advance Notice by the Administrative Agent, the Borrower shall notify the Administrative Agent that the Borrower accepts the Proposed Additional Policy Advance (an "Additional Policy Advance Acceptance") which notice shall specify the agreed Additional Policy Advance Amount; for avoidance of doubt, if the Borrower does not deliver an Additional Policy Advance Acceptance by 5:00 pm, New York time on the third (3rd) Business Day following the delivery of the Proposed Additional Policy Advance Notice, then the Borrower shall be deemed to have rejected such Proposed Additional Policy Advance. On the third (3rd) Business Day following the Lenders' receipt of the Additional Policy Advance Acceptance, and subject to the complete satisfaction of the conditions precedent set forth in Article VII with respect to such Additional Policy Advance and the limitations set forth in Section 2.1, the Lenders shall distribute funds in the amount set forth in the Proposed Additional Policy Advance Notice to the Payment Account to be disbursed by the Securities Intermediary in accordance with the terms of the Account Control Agreement.

(d) The Borrower shall not deliver more than three (3) Borrowing Requests in any calendar month. In addition, the Borrower shall not deliver any Borrowing Request so long as with respect to two (2) Borrowing Requests previously delivered to the Administrative Agent, (i) with respect to a Borrowing Request relating to an Additional Policy Advance, the Administrative Agent has not yet delivered the related Proposed Additional Policy Advance Notice, the Borrower has not yet delivered the related Additional Policy Advance Acceptance, the Borrower has not yet rejected the related Proposed Additional Policy Advance or the Borrower has delivered the related Additional Policy Advance Acceptance and the related Subsequent Advance Date has not yet occurred, in each case, in accordance with Section 2.3(c), or (ii) with respect to a Borrowing Request relating to an Ongoing Maintenance Advance, the Borrower has delivered the related Subsequent Advance Acceptance and the related Subsequent Advance Date has not yet occurred.

Section 2.4 Representation and Warranty. Each Borrowing Request pursuant to Section 2.2 and each acceptance of an Advance by the Borrower shall automatically constitute a representation and warranty by the Borrower to the Administrative Agent and each Lender that on the requested date of the requested Advance and on the related Advance Date (a) the representations and warranties set forth in Article VIII will be true and correct in all respects as of such Borrowing Request date and as of such Advance Date as though made on such dates (which may be made by reference to updated schedules for Section 8.1(i), Section 8.1(j), Section 8.1(m), Section 8.1(q), Section 8.1(s), Section 8.1(u) and Section 8.1(w), although the updates to any such schedules shall not be deemed to cure any breach resulting from schedules delivered prior to such date nor shall the updates to any such schedules be deemed to constitute a waiver by the Administrative Agent or any Lender of the satisfaction of any of the conditions precedent set forth in Article VII for the making of an Advance (and, for the avoidance of doubt, any rejection of a proposed Advance by the Required Lenders because of such updates to any such schedules shall not constitute an abandonment by the Required Lenders of any of the Pledged Policies related to such Advance for the purposes of Section 2.7(b)), (b) except as otherwise agreed to in this Section, all of the conditions precedent to the making of an Advance contained in Article VII have been satisfied or will have been satisfied as of such Advance Date, (c) no Event of Default or Unmatured Event of Default has occurred and is continuing or will result from the making of such Advance, and (d) the aggregate principal balance of the outstanding Advances hereunder (taking into account the amount of the Advance requested

by the Borrower pursuant to such Borrowing Request including any Protective Advances that the Borrower has knowledge or notice of) will not exceed the Borrowing Base.

Section 2.5 Lender Notes. With respect to each Lender, the Advances made by such Lender to the Borrower shall be evidenced by a single promissory grid note executed by the Borrower (as the same may be amended, modified, extended or replaced from time to time, a "Lender Note" and collectively, the "Lender Notes") substantially in the form of Exhibit B hereto, with appropriate insertions to reflect Advances actually funded by such Lender, the related applicable interest rates thereof and related repayments and appropriate revisions to reflect assignments effected in accordance with Section 13.4 of this Loan Agreement, payable to the order of such Lender. The Borrower hereby irrevocably authorizes each Lender to make (or cause to be made) appropriate notations on the grid attached to its Lender Note (or on any continuation of such grid) or at such Lender's option, in the records of such Lender, which notations, if made, shall evidence, inter alia, the date of, the outstanding principal of, and the interest rates and Interest Periods applicable to the Advances made by such Lender and related repayments and appropriate revisions to reflect assignments effected in accordance with Section 13.4 of this Loan Agreement. Such notations shall be rebuttably presumptive evidence of the subject matter thereof absent manifest error; provided, however, that the failure to make any such notations shall not limit or otherwise affect any Obligations of the Borrower. The Borrower hereby agrees to promptly execute and deliver a new Lender Note upon any assignment to a new Lender effected in accordance with Section 13.4 of this Loan Agreement, and each Lender making an assignment of all or any portion of its Lender Note will either (i) if such assignment is an assignment of its entire Lender Note, deliver its Lender Note to the Borrower for termination and cancellation effective upon Borrower's execution and delivery of such new Lender Note to the assignee thereof or (ii) if such assignment is an assignment in part of such Lender Note, deliver its Lender Note to the Borrower for termination and cancellation effective upon Borrower's execution and delivery of a new Lender Note to the assignee thereof and a new Lender Note to such Lender.

Section 2.6 Security Interest.

(a) To secure the timely repayment of the principal of, and interest on, the Advances, and all other Obligations of the Borrower to any Secured Party, including, without limitation, the Aggregate Participation Interest, and the prompt performance when due of all covenants of the Borrower hereunder and under any other Transaction Document, whether existing or arising as of the Initial Closing Date or thereafter, due or to become due, direct or indirect, the Borrower hereby pledges and grants to the Administrative Agent, for the benefit of the Secured Parties, a continuing, first priority security interest in, and assignment of, all of the Borrower's rights, titles and interests in, to and under all of the following, whether owned, existing or arising as of the Initial Closing Date or thereafter: all assets of the Borrower, including but not limited to all right, title and interest of the Borrower in the Pledged Policies (unless and until such Policies are abandoned or sold as provided by Section 2.7 of this Loan Agreement) and proceeds thereof; all accounts receivable, notes receivable, claims receivable and related proceeds including but not limited to, cash, loans, securities, accounts; contract rights; the contracts with the Custodian and/or the Securities Intermediary; the Collection Account, the Payment Account, the Escrow Account, the Policy Account, the Borrower Account and any other account of the Borrower; reserve accounts; escrow

agreements and related books and records; the rights under any purchase agreements relating to such Policies; all data, documents and instruments contained in the Collateral Packages; and such other assets, tangible or intangible, real or personal, as reasonably may be required by the Administrative Agent to fully secure any Advances contemplated herein. All of the rights and assets described in the previous sentence are herein referred to collectively as "Collateral"; provided, however, that this definition of "Collateral" does not limit any other collateral that may be pledged to secure the Advances under any other Transaction Document. Each of the Borrower, Imperial and the Portfolio Manager, on behalf of itself and each of its Affiliates, hereby acknowledges and agrees that each of the collateral assignments that were previously filed with Issuing Insurance Companies in connection with the Red Falcon Credit Facility, shall remain on file in full force and effect with such Issuing Insurance Companies, that all references to CLMG Corp. therein shall be deemed to refer to CLMG Corp. in its capacity as the Administrative Agent under this Agreement and the other Transaction Documents, shall relate to the applicable Policies pledged hereunder in connection with the Additional Policy Advance made on December 29, 2016 and be subject to the terms and conditions of this Agreement and the other Transaction Documents to secure the Borrower's obligations hereunder and thereunder.

(b) The Borrower shall file such financing statements, and execute and deliver such agreements, certificates and documents, and take such other actions, as the Administrative Agent requests in order to perfect, evidence or protect the security interest granted pursuant to Section 2.6(a), including without limitation delivering a collateral assignment in respect of each Pledged Policy subject to this Loan Agreement, naming the Administrative Agent, on behalf of the Lenders, as the collateral assignee, filed with, and acknowledged to have been filed by, the applicable Issuing Insurance Company; provided, that the foregoing collateral assignment shall not apply to the portion of the face amount that is retained by a third party under any Retained Death Benefit Policy. On or prior to each Advance Date (other than the Advance Date for the Initial Advance), the Borrower shall deliver or cause to be delivered completed but unsigned Change Forms for the Subject Policies to the Securities Intermediary. Within two (2) Business Days of the making of the Initial Advance Date, the Borrower delivered or caused to be delivered completed but unsigned Change Forms for the Subject Policies to the Securities Intermediary. The Borrower shall cause the Securities Intermediary to execute all such Change Forms in blank to be held by the Securities Intermediary. If an Issuing Insurance Company updates its Change Forms, at the request of the Administrative Agent, the Borrower shall deliver or cause to be delivered completed but unsigned updated Change Forms for the related Pledged Policies within five (5) Business Days of such request. The Borrower shall cause the Securities Intermediary to execute such Change Forms in blank to be held by the Securities Intermediary. The Borrower grants to the Administrative Agent, as its irrevocable attorney-in-fact and otherwise, the right, in the Administrative Agent's sole discretion following acceleration or maturity of the Obligations of the Borrower under this Loan Agreement, to complete or direct the Securities Intermediary to complete and send any and all Change Forms previously delivered to it by or on behalf of the Borrower or otherwise obtained by the Administrative Agent, to the applicable Issuing Insurance Companies. The Borrower hereby acknowledges that the foregoing grant has been coupled with an interest. The Borrower hereby authorizes the Administrative Agent to file such financing statements as the Administrative Agent determines are necessary or advisable to perfect such security interest without the signature of the Borrower, provided however, notwithstanding any other provision of any Transaction Document, the Administrative Agent shall

have no duty or obligation to file such financing statements, continuation statements or amendments thereto; and provided, further, that if the Administrative Agent notifies the Borrower in writing that it intends to file any financing statements, continuation statements or amendments thereto but fails to do so, and does not in connection therewith timely instruct the Borrower to file such item or items, then the Borrower shall not be and shall not be deemed to be in breach of any representation or warranty concerning the perfection of related or affected security interests if such breach is a direct result of the Administrative Agent's failure to file such item or items and such filing would have perfected such security interests. The Borrower hereby appoints the Administrative Agent as the Borrower's irrevocable attorney-in-fact, with full power and authority to take any other action to sign or endorse the Borrower's name on any Collateral, and to enforce or collect any of the Collateral following acceleration of the obligations of the Borrower under this Loan Agreement in relation to an uncured Event of Default. The Borrower hereby acknowledges that the foregoing appointments of the Administrative Agent as the Borrower's irrevocable attorney- in-fact have been coupled with an interest. The Borrower hereby ratifies and approves all acts of such attorney undertaken or performed consistent with the foregoing and all Applicable Law, and agrees that the Administrative Agent will not be liable for any act or omission with respect thereto, except to the extent that such act or omission constitutes gross negligence, fraud or willful misconduct on the part of the Administrative Agent. Subject to the provisions of the UCC and the rights of any purchaser (including any Lender) of the Collateral in connection with the Lenders' exercise of remedies, none of the foregoing provisions and undertakings constitute or shall be deemed to constitute waiver by the Borrower of its rights, title and interest in or to any such Collateral or the proceeds thereof that are in excess of its payment obligations hereunder and under the Lender Notes.

(c) Upon the abandonment of a Pledged Policy or upon the receipt by the Lenders of the portion of the related sale proceeds to which the Lenders are entitled in accordance with terms of this Loan Agreement after the sale of a Pledged Policy, in each case, pursuant to Section 2.7, the security interest of the Administrative Agent in such Pledged Policy for the benefit of the Secured Parties shall be released and the Administrative Agent agrees to file, promptly upon request, such releases or assignments, as applicable, with respect to such Pledged Policy, request the Securities Intermediary to deliver to the Borrower the Change Forms delivered to it in blank by the Borrower pursuant to Section 2.6(b) related to such Pledged Policy, and to take such other actions as the Borrower shall reasonably request in order to evidence any such release of such Pledged Policy. Upon the repayment of all of the Borrower's Advances then outstanding and all other Obligations (including, without limitation, the Aggregate Participation Interest) and termination of all Commitments and this Loan Agreement, the security interest of the Administrative Agent in the Collateral for the benefit of the Secured Parties shall be released and the Administrative Agent agrees to file, promptly upon request, such releases or assignments, as applicable, request the Securities Intermediary to deliver to the Borrower all Change Forms delivered to it in blank by the Borrower pursuant to Section 2.6(b), and to take such other actions as the Borrower shall reasonably request in order to evidence any such release.

Section 2.7 Sale or Abandonment of Collateral.

(a) Sale of Collateral.

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

(i) So long as no Event of Default has occurred and is continuing, (I) if the Portfolio Manager reasonably determines in good faith that the sale of one or more Pledged Policies would (through the application of the proceeds thereof or the removal of a Pledged Policy which solely caused an Unmatured Event of Default) cure any Unmatured Event of Default, (II) if the Portfolio Manager reasonably determines in good faith that it is in the best interests of the Borrower and the Lenders to sell any of the Pledged Policies, (III) if the making of an Ongoing Maintenance Advance by the Lenders hereunder would cause the aggregate principal amount of all Advances outstanding under this Loan Agreement to exceed the Borrowing Base, and the Portfolio Manager reasonably determines in good faith that the sale of one or more Pledged Policies would (through the application of the proceeds thereof) be sufficient to pay scheduled Premiums previously approved in writing by the Required Lenders or (IV) if a Lender Default has occurred and is continuing and the Portfolio Manager reasonably determines in good faith that the sale of one or more Pledged Policies would (through the application of the proceeds thereof) be sufficient to pay Expenses and scheduled Premiums each as previously approved in writing by the Required Lenders then, in each case, the Borrower may sell such Pledged Policies pursuant to the terms of this Section 2.7(a). Any sale of one or more Pledged Policies pursuant to clause (I) of the immediately preceding sentence or any sale while an Unmatured Event of Default has occurred and is continuing shall be subject to the Required Lenders' consent in their sole and absolute discretion, and any other sale (other than a sale pursuant to clause (IV) of the immediately preceding sentence) shall be subject to the Required Lender's consent, exercised in a commercially reasonable manner. The Pledged Policies sold pursuant to clause (I) of the first sentence of this Section 2.7(a)(i) shall be limited to the relevant Pledged Policies which caused the related Unmatured Event of Default or Pledged Policies the proceeds of which will be in an amount necessary to generate sufficient proceeds to cure the related Unmatured Event of Default. The number of Pledged Policies sold pursuant to clause (III) of the first sentence of this Section 2.7(a)(i) shall be limited to an amount necessary to generate sufficient proceeds to pay scheduled Premiums previously approved in writing by the Required Lenders. The number of Pledged Policies sold pursuant to clause (IV) of the first sentence of this Section 2.7(a)(i) shall be limited to an amount necessary to generate sufficient proceeds to pay scheduled Premiums previously approved in writing by the Required Lenders and Expenses.

(ii) [*]

(iii) Notwithstanding the foregoing, no sale of Pledged Policies shall be consummated pursuant to sub-clause (I), (II) or (III) of the first sentence of Section 2.7(a)(i), if after the distribution of the related Net Proceeds and the release of the related Pledged Policies sold pursuant to such sale, the LTV immediately after such distribution and release will be higher than the LTV immediately prior to the related sale of Pledged Policies.

(iv) In each instance, the Net Proceeds of a sale of a Pledged Policy pursuant to this Section 2.7(a) shall be (x) prior to the Permitted Sale Cashflow Date, (A) if such

sale is pursuant to sub-clause (I) of the first sentence of Section 2.7(a)(i) or if such sale was consummated during the continuance of an Unmatured Event of Default, deposited into the Administrative Agent's Account to repay Advances and other outstanding Obligations and (B) if such sale is pursuant to sub-clause (II), (III) or (IV) of the first sentence of Section 2.7(a)(i) and so long as such sale was not consummated during the continuance of an Unmatured Event of Default, deposited into the Collection Account and distributed in accordance with the Priority of Payments or as otherwise permitted in writing by the Administrative Agent for the purposes set forth in sub-clause (III) or (IV) of the first sentence of Section 2.7(a)(i), as applicable, (y) on and after the Permitted Sale Cashflow Date but prior to the Partial Repayment Date, deposited into the Administrative Agent's Account to repay Advances and other outstanding Obligations and otherwise, deposited into the Collection Account and distributed in accordance with the Priority of Payments or as otherwise permitted in writing by the Administrative Agent for the purposes set forth in sub-clause (III) or (IV) of the first sentence of Section 2.7(a)(i), as applicable, and (z) on and after the Partial Repayment Date, deposited into the Collection Account and distributed in accordance with Section 5.2(e).

(v) For the avoidance of doubt, any such sale of one or more Pledged Policies that results in the elimination of the relevant condition or circumstance that comprised the Unmatured Event of Default (by removal of relevant Pledged Policies or use of proceeds of such sale to eliminate any default in the performance of any economic, financial or payment covenant hereunder), as determined by the Required Lenders in their discretion (exercised in a commercially reasonable manner), will comprise the cure of such Unmatured Event of Default. Notwithstanding the foregoing, the Borrower shall be permitted to transfer a Pledged Policy (i) if such Pledged Policy was initially transferred to the Borrower pursuant to the Predecessor Parent Pledgor Contribution Agreement, to the Predecessor Parent Pledgor pursuant to Section 6.3 of the Predecessor Parent Pledgor Contribution Agreement and (ii) if such Pledged Policy was initially transferred to the Borrower pursuant to the LP Parent Contribution Agreement, to the LP Parent pursuant to Section 6.3 of the LP Parent Contribution Agreement.

(b) Should the Required Lenders determine that Advances should no longer be made in order to pay Premiums on a Pledged Policy or group of Pledged Policies or the Portfolio Manager on behalf of the Borrower determines that Premiums on a Pledged Policy or group of Pledged Policies should no longer be paid (such determining party, the "Determining Party"), whether before or after the Partial Repayment Date, the Determining Party shall deliver written notice of such determination to the other party (the "Non-Determining Party") in the form attached hereto as Exhibit G (an "Abandonment Notice") and if the Determining Party is the Required Lenders or if the Determining Party is the Portfolio Manager and the related Abandonment Notice does not indicate that the Borrower or the Portfolio Manager wishes to permit the Required Lenders or their designee the right to assume ownership of the Pledged Policies set forth in such Abandonment Notice pursuant to this Section 2.7(b) without engaging in the Abandonment Sale Process (such Pledged Policies, the "Direct Assumption Policies"), Non-Determining Party in its reasonable discretion shall designate an unrelated third-party experienced in marketing the sale of life insurance policies on the secondary and tertiary market (the "Broker") to market and sell such Pledged Policies (such marketing and sale process, the "Abandonment Sale Process"). The Non-Determining Party shall request the Broker, based on the Broker's experience, to propose a minimum sale price in respect of each such Pledged Policy (the "Abandonment Price"). The Determining Party shall then have two (2)

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Business Days after the Broker proposes such Abandonment Price to rescind the Abandonment Notice in respect of the related Pledged Policy by delivering written notice of such rescission to the Non-Determining Party. Upon the delivery of such written notice to the Non-Determining Party, such Pledged Policy shall no longer be subject to this Section 2.7(b). [*] Proceeds of any sale pursuant to this Section 2.7(b) shall be deposited (i) if the Determining Party was the Borrower or the Portfolio Manager, pursuant to Section 2.7(a)(iv) and (ii) otherwise, into the Collection Account. For the avoidance of doubt, after a Pledged Policy has been set forth in an Abandonment Notice but prior to the consummation of the sale of such Pledged Policy in accordance with this Section 2.7(b), the Lenders in their sole and absolute discretion may make one or more Protective Advances in respect of such Policy and the Borrower may make premium payments in respect of such Pledged Policy so long as such payments by the Borrower are not made using proceeds of any Advances. Each Pledged Policy set forth in an Abandonment Notice shall cease to be a Pledged Policy on the date that is the earlier of (A) the date on which the Non-Determining Party has assumed ownership of such Pledged Policy in accordance with this Section 2.7(b), (B) the date on which such Pledged Policy lapses or (C) the date on which such Pledged Policy is sold in accordance with this Section 2.7(b). If any Pledged Policy set forth in an Abandonment Notice is not sold within ninety (90) days after such Abandonment Notice was delivered to the Non-Determining Party or if the Determining Party was the Borrower or the Portfolio Manager and the related Abandonment Notice indicated that the Borrower or the Portfolio Manager wished to permit the Required Lenders or their designee the right to assume ownership of the Pledged Policies set forth in such Abandonment Notice pursuant to this Section 2.7(b) without engaging in the Abandonment Sale Process, (i) if the Non-Determining Party is the Required Lenders, then the Administrative Agent on behalf of the Required Lenders or, at the option of the Required Lenders, another Person designated by the Required Lenders, shall have the right to assume ownership of such Policies, or any subset thereof, prior to their lapse, from the Borrower through the Securities Intermediary at no cost to the Non-Determining Party and (ii) if the Non-Determining Party is the Borrower, then the Borrower shall have the right to designate an Affiliate to assume ownership of such Policies, or any subset thereof, prior to their lapse, from the Borrower through the Securities Intermediary at no cost to the Non-Determining Party. Such assumption of ownership by the Non-Determining Party (or its Affiliate or designee, as applicable) shall be free and clear of (i) any ownership claim to any right, title or interest by or through the Determining Party (arising hereunder or otherwise) or (ii) any Adverse Claims arising under or in relation to the Transaction Documents and transactions contemplated thereby, and all without payment to the Determining Party or any other Person. In connection therewith, the Determining Party agrees to provide reasonable cooperation and assistance to effectuate such transfer, including by providing appropriate instructions to the Administrative Agent, Securities Intermediary, Custodian and Servicer concerning the release of Liens created hereby, appropriate Entitlement Orders (as defined in the Account Control Agreement) removing related Securities Entitlements (as defined in the Account Control Agreement) out of the Policy Account and delivery of related documents and information to or as instructed by the Non-Determining Party (or its Affiliate or designee, as applicable). For the avoidance of doubt, (I) the occurrence of a Lender Default shall not constitute

SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT, AMONG WHITE EAGLE ASSET PORTFOLIO, LP, IMPERIAL FINANCE & TRADING, LLC, LAMINGTON ROAD BERMUDA LTD., LNV CORPORATION AND CLMG CORP.

a determination on the part of the Required Lenders that Advances should no longer be made in order to pay Premiums on a Pledged Policy or group of Pledged Policies and that the Required Lenders or the Portfolio Manager on behalf of the Borrower shall only become the Determining Party for the purposes of this Section 2.7(b) upon delivering written notice in the form attached hereto as Exhibit G to the other party, (II) failure by any Lender to make an Advance relating to a Pledged Policy in respect of which any Determining Party has delivered or thereafter delivers an Abandonment Notice shall not constitute a Lender Default, regardless of whether any Lender or the Administrative Agent has received any notice of a Lender Default, and (III) no party shall be obligated to pay Premiums on a Pledged Policy in respect of which any Determining Party has delivered an Abandonment Notice.

(c) At any time during the term of this Loan Agreement, the Administrative Agent acting at the direction of the Required Lenders, may direct the Borrower in writing to sell any or all of the Pledged Policies that are Retained Death Benefit Policies. Upon receipt of such written direction, such Pledged Policies shall be made available by the Borrower and the Portfolio Manager for sale through normal market channels for cash and the Administrative Agent, the Portfolio Manager, any Lender or any of their respective Affiliates may participate as a bidder in any such sale; provided that prior to consummating any sale pursuant to this Section 2.7(c), the related sale price shall be subject to the approval of the Required Lenders in their sole and absolute discretion. The Borrower shall consummate any such sale within twelve (12) months after the related written direction was delivered by the Administrative Agent to the Borrower pursuant to the first sentence of this Section 2.7(c).

Section 2.8 Permitted Purposes.

(a) The Borrower hereby agrees that it has not used and it shall not use the proceeds of any Advance made hereunder, under the Original Loan Agreement or under the Original Amended and Restated Loan Agreement except for the following purposes:

(i) with respect to the Initial Advance or an Additional Policy Advance, to acquire Policies that became Pledged Policies on the Initial Closing Date or will become Pledged Policies on the related Subsequent Advance Date and for any legally permissible payments approved by the Required Lenders in their sole discretion and specified in the Proposed Initial Advance Notice or Proposed Additional Policy Advance Notice and related instructions delivered to the Securities Intermediary under the Account Control Agreement, including distributions to Imperial, payment of the Up-Front Fee, reimbursement to the Predecessor Parent Pledgor, the Parent Pledgors, Imperial or Affiliates thereof of any funds remitted in respect of the Initial Expense Deposit, the reasonable attorneys' fees of the Borrower and the Lenders incurred in connection with the negotiation and preparation of the Transaction Documents, the payment of certain obligations owed by an Affiliate of the Borrower to Lexington Insurance Company and approved by the Administrative Agent and the related Expense Deposit (it being understood that \$65,078,665.46 of the proceeds of the Additional Policy Advance that was made on December 29, 2016 was used by the Borrower solely to (i) pay interest accrued in connection with the Red Falcon Credit Facility, and (ii) prepay all of the aggregate outstanding balance of Advances and all other Obligations (each as defined under the loan agreement related to the Red Falcon Credit Facility); it being further understood that after the making of such payments, the Red Falcon Credit Facility

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was terminated in accordance with a master termination agreement that was entered into on December 29, 2016).

(ii) with respect to an Ongoing Maintenance Advance, (A) to pay Ongoing Maintenance Costs; (B) prior to November 9, 2015 only, to pay Debt Service; (C) to pay the Administrative Agent Fee and/or (D) to make any other payments or distributions, as approved in writing by the Required Lenders in their sole discretion.

(b) For the avoidance of doubt, all proceeds of Advances were, prior to the date hereof, deposited, and after the date hereof, shall be deposited by the Lenders into the Payment Account, other than the Initial Advance and the Additional Policy Advance that was made on December 29, 2016. The Borrower has caused and shall cause any amounts on deposit in the Payment Account to be distributed by the Securities Intermediary in accordance with the terms of the Account Control Agreement, which amounts shall be used for the purposes set forth in Section 2.8(a) and as specified in the related Borrowing Request.

(c) For the avoidance of doubt, (i) prior to November 9, 2015, no proceeds of any Advance were used for, and no Lender was obligated to make any Advance for, the purposes of paying any accrued interest due on any prior Advances that equals the Rate Floor, (ii) on and after November 9, 2015, no proceeds of any Advance shall be used for, and no Lender shall be obligated to make any Advance for, the purposes of paying any accrued interest due on any prior Advances, regardless of whether such interest equals the Rate Floor and (iii) [*].

ARTICLE III INTEREST; INTEREST PERIODS; FEES, ETC.

Section 3.1 Interest Rates. The Borrower hereby promises to pay interest on the unpaid principal amount of each Advance for the period commencing on the date such Advance is made until such Advance is paid in full. Interest will accrue on each outstanding Advance during each Interest Period at a rate per annum equal to the sum of (i) the greater of (A) (1) LIBOR or, if LIBOR is unavailable, (2) the Base Rate and (B) one and a half percent (1.5%) (the portion of interest related to clause (i), the "Rate Floor") plus (ii) the Applicable Margin; provided however that in the event that an Event of Default has occurred and is continuing and unwaived in writing by the Required Lenders, then for each day during any Interest Period on which such Event of Default remains uncured and unwaived in writing by the Required Lenders, each Advance shall bear interest at the Default Rate.

After the second (2nd) Business Day following the date on which any other monetary Obligation of the Borrower arising under this Loan Agreement shall become due and payable, the Borrower shall pay (to the extent permitted by law, if in respect of any unpaid amounts representing interest) interest (after as well as before judgment) on such amounts at a rate per annum equal to the

Default Rate. No provision of this Loan Agreement shall require the payment or permit the collection of interest in excess of the maximum permitted by Applicable Law.

Section 3.2 Interest Payment Dates. Interest accrued on all outstanding Advances shall be due and payable, without duplication:

(a) on each Interest Payment Date;

(b) on the date of any prepayment, in whole or in part, of principal of outstanding Advances, either from funds available for distribution to the Borrower pursuant to clause "Thirteenth" of Section 5.2(b) and/or from funds available to the Borrower from any capital contribution or other source of funding obtained by the Borrower that is not expressly prohibited by this Loan Agreement;

(c) on Advances accelerated pursuant to Section 10.2, immediately upon such acceleration; and

(d) on the Maturity Date.

Section 3.3 Computation of Interest and Fees. All interest and fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or fee is payable over a year comprised of 360 days.

Section 3.4 Participation Interest. With respect to each Pledged Policy, the Borrower shall pay the related Participation Interest to the Lenders pursuant to the terms of this Loan Agreement.

Section 3.5 Administrative Agent Fee. On each Distribution Date, the Borrower shall pay the related Administrative Agent Fee to the Administrative Agent, regardless of whether the then Available Amount is sufficient to pay such amount.

ARTICLE IV PAYMENTS; PREPAYMENTS

Section 4.1 Repayments and Prepayments. The Borrower shall repay in full the unpaid principal amount of all Advances on the Maturity Date. Prior thereto, the Borrower:

(a) may voluntarily prepay all or any portion of the aggregate outstanding Advances, either in whole or in part, from funds available for distribution to the Borrower pursuant to clause "Thirteenth" of Section 5.2(b) and/or from funds available to the Borrower from any capital contribution or other source of funding obtained by the Borrower that is not expressly prohibited by this Loan Agreement;

(b) shall repay principal of outstanding Advances, in the amounts set forth in, and pursuant to, the Priority of Payments on each Distribution Date;

(c) shall, upon any acceleration of the Maturity Date pursuant to Section 10.2, repay all such Advances within one (1) Business Day of the Administrative Agent's delivery of notice of such acceleration to the Borrower.

Section 4.2 Making of the Expense Deposit. Each Expense Deposit shall be deposited by the Borrower no later than 3:00 p.m. (New York City time), on the day when due in lawful money of the United States of America in same day funds to the account designated in writing by the Administrative Agent to the Borrower (the "Administrative Agent's Account"). Funds received by any Person after 3:00 p.m. (New York City time), on the date when due will be deemed to have been received by such Person on the next following Business Day.

Section 4.3 Due Date Extension. If any payment of principal or interest with respect to any Advance falls due on a day which is not a Business Day, then such due date shall be extended to the next following Business Day, and additional interest shall accrue at the applicable interest rate and be payable for the period of such extension.

ARTICLE V ACCOUNTS; DISTRIBUTION OF COLLECTIONS

Section 5.1 Accounts.

(a) Collection Account. The Borrower has established, continuously maintained and shall continue to maintain, in the name of the Borrower, an Eligible Account bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent, on behalf of the Secured Parties (the "Collection Account"), that at all times shall be subject to the Account Control Agreement.

(b) Payment Account. The Borrower has established, continuously maintained and shall continue to maintain, in the name of the Borrower, an Eligible Account bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent, on behalf of the Secured Parties (the "Payment Account"), that at all times shall be subject to the Account Control Agreement. All proceeds of Advances shall be deposited by the Lenders into the Payment Account other than the Initial Advance. The Borrower has caused and shall cause any amounts on deposit in the Payment Account to be distributed by the Securities Intermediary in accordance with the terms of the Account Control Agreement, which amounts were used and shall be used for the purposes set forth in Section 2.8(a) and as specified in the related Borrowing Request.

(c) Borrower Account. The Borrower has established, continuously maintained and shall continue to maintain, in the name of the Borrower, an Eligible Account bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent, on behalf of the Secured Parties (the "Borrower Account"), that at all times shall be subject to the Account Control Agreement. The Borrower hereby acknowledges and agrees that \$6,000,000 of the proceeds of the Additional Policy Advance that was made on December 29, 2016 was deposited into the Borrower Account, and \$388,069.36 of such proceeds was used on December 29, 2016 to pay certain cost and expenses incurred in connection with the transactions

contemplated by the Second Amendment. The Borrower hereby agrees that the remaining amount of such proceeds was used and shall be used solely to pay Debt Service and Ongoing Maintenance Costs, and the Borrower shall not withdraw any such proceeds for any other purpose (it being understood that a breach of any of the foregoing use of proceeds requirements shall constitute a breach of Section 9.1(e)). The Borrower shall be entitled to withdraw any other amounts on deposit in the Borrower Account for any purpose, including, without limitation, the payment of Premiums or Expenses.

(d) Escrow Account. The Borrower has established, continuously maintained and shall continue to maintain, in the name of the Borrower, an Eligible Account bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent, on behalf of the Secured Parties (the "Escrow Account"), that at all times shall be subject to the Account Control Agreement.

(e) Administrative Agent Action. The Administrative Agent may, at any time after an Event of Default has occurred and is continuing, give written notice to the Securities Intermediary and to the Borrower of the occurrence of such event and specifying whether the Administrative Agent is exercising its rights and remedies in relation thereto in accordance with this Loan Agreement and the Account Control Agreement, and will do any or all of the following: (i) exercise exclusive dominion and control over the funds deposited in the Accounts, (ii) have amounts that are sent to the Accounts redirected pursuant to its instructions, and (iii) take any or all other actions the Administrative Agent is permitted to take under this Loan Agreement and the Account Control Agreement for the benefit of the Secured Parties. If at any time, any Account shall cease to be an Eligible Account, the Borrower shall as promptly as reasonably practicable (but in no event more than twenty (20) Business Days) establish a replacement Eligible Account.

(f) Collections Held In Trust. If at any time the Borrower, the Portfolio Manager, the Servicer (if an Affiliated Entity), the Initial Servicer, the Guarantor, the Initial Portfolio Manager, the Securities Intermediary or any of their Affiliates or any Affiliate of Imperial, as the case may be, shall receive any Collections or other proceeds of any Collateral other than through payment into the Collection Account, the Borrower, the Portfolio Manager, the Guarantor, the Initial Portfolio Manager, the Servicer (if an Affiliated Entity) or the Initial Servicer, as applicable, shall promptly (but in any event within two (2) Business Days of receipt thereof) remit or cause to be remitted all such Collections or other proceeds to the Collection Account. If the Servicer is not an Affiliated Entity, the Borrower will instruct and shall exercise all remedies available to it under the Servicing Agreement to cause the Servicer to remit to the Collection Account all Collections or other proceeds of any Collateral received by the Servicer within two (2) Business Days of Servicer's receipt thereof, and failure of the Servicer timely to make any such remittance shall be deemed to be a breach by the Borrower of its duties under this Section 5.1(f) and Section 9.1(ee). All Collections received by the Borrower, the Portfolio Manager, the Initial Portfolio Manager, the Guarantor or the Initial Servicer shall be held by such Person in trust for the exclusive benefit of the Administrative Agent (on behalf of the Secured Parties). The outstanding principal amount of the Advances shall not be deemed repaid by any amount of the Collections held in trust by any Person, unless such amount is finally paid to the Administrative Agent in accordance with Section 5.2.

Section 5.2 Application of Available Amounts.

(a) If no Unmatured Event of Default or Event of Default has occurred and is continuing or is waived in writing by the Required Lenders, the Administrative Agent and the Borrower, and otherwise, the Administrative Agent acting alone, shall instruct the Securities Intermediary to distribute Collections deposited in the Collection Account, and all other amounts deposited in the Collection Account, in accordance with this Section 5.2. In delivering the instructions required under Section 5.2(b), Section 5.2(c) and Section 5.2(e), the Administrative Agent shall have the right to rely absolutely upon the information in the Calculation Date Reports, unless the Administrative Agent or the Required Lenders provide alternative information to the Borrower by notice in writing (such notice an "Alternative Information Notice") not more than five (5) Business Days after receipt of the related Calculation Date Report by the Administrative Agent, in which case, provided that the Borrower shall not have objected to such Alternative Information Notice in writing within one (1) Business Day of its receipt thereof, the Administrative Agent shall have the absolute right to act in accordance with such Alternative Information Notice. In the event that the Borrower shall have objected to such Alternative Information Notice, then the Borrower and the Administrative Agent shall negotiate in good faith to resolve such objection within five (5) days, the amount subject to such objection shall be retained in the Collection Account during the pendency of such negotiations and the amount not subject to such objection shall be distributed pursuant to such Alternative Information Notice. The amount subject to such objection shall be distributed in accordance with Section 5.2(b), Section 5.2(c) or Section 5.2(e), as applicable, (i) if such objection is resolved, on the Business Day following the date on which such objection is resolved, in which case such amounts shall be distributed in accordance with such resolution or (ii) if such objection is not resolved, on the first Business Day following the day that is five (5) days following the date on which the Borrower objects to such Alternative Information Notice, in which case such amounts shall be distributed in accordance with the relevant Alternative Information Notice. Notwithstanding the foregoing, if the Borrower fails to deliver the related Calculation Date Report or the related Payment Instructions on or prior to the related Calculation Date, then the Administrative Agent acting alone, based on information in the Administrative Agent's possession, shall be entitled to prepare such Calculation Date Report and Payment Instructions and thereby instruct the Securities Intermediary to distribute Collections deposited in the Collection Account, and all other amounts deposited in the Collection, to be distributed in accordance with this Section 5.2, and the Administrative Agent shall have no liability whatsoever in respect of such instructions (the procedures set forth in this sentence if the Borrower fails to deliver the related Calculation Date Report or the related Payment Instructions on or prior to the related Calculation Date, the "Borrower Failure Procedures").

(b) On or prior to each Calculation Date, the Borrower shall prepare and deliver or cause to be prepared and delivered to the Administrative Agent a quarterly calculation report substantially in the form attached hereto as Exhibit D (the "Calculation Date Report") with respect to the related Distribution Date, and the Borrower shall simultaneously deliver or cause to be delivered to the Securities Intermediary the payment instructions necessary to make the payments indicated in such Calculation Date Report (the "Payment Instructions"). If no Unmatured Event of Default or Event of Default has occurred and is continuing or is waived in writing by the Required Lenders, on each Distribution Date, the Administrative Agent and the Borrower shall jointly instruct the Securities Intermediary to distribute from the Available Amount then on deposit in the Collection

Account, in accordance with the Payment Instructions related to the Calculation Date Report for such Distribution Date, subject to the delivery of an Alternative Information Notice, and the procedures set forth in Section 5.2(a) for the resolution of any objections of the Borrower in respect of such Alternative Information Notice, or if the Borrower has failed to deliver the related Calculation Date Report or the related Payment Instructions on or prior to the related Calculation Date, the Administrative Agent acting alone shall instruct the Securities Intermediary to distribute from the Available Amount then on deposit in the Collection Account, in accordance with the Borrower Failure Procedures, and in either case, the following amounts in the following order of priority unless otherwise agreed in writing by the parties hereto (and, with respect to any payment to the Securities Intermediary or the Custodian, as consented to by such Person in writing):

- First, to the extent not paid from the proceeds of one or more Advances, to the Custodian and the Securities Intermediary, as applicable, the fees, and expenses due and payable thereto in accordance with the Account Control Agreement including, but not limited to, any Claims of any Indemnified Bank Person due and payable in accordance with the Account Control Agreement; provided that (i) the aggregate amount of Claims payable under this clause "First" shall not exceed \$10,000 on any Distribution Date and (ii) the aggregate amount of Claims payable under this clause "First" and under clause "First" of Section 5.2(c) shall not, in aggregate, exceed \$250,000 during the term of this Loan Agreement;
- Second, to the extent not paid from the proceeds of one or more Advances, to the Borrower, an amount equal to the Ongoing Maintenance Costs Reimbursable Amount payable to the Borrower and not previously paid to the Borrower, if any;
- Third, to the Administrative Agent for the account of the Lenders, the then outstanding principal balance of all Protective Advances;
- Fourth to the Administrative Agent, the Administrative Agent Fee;
- Fifth, to the Administrative Agent for the account of the Lenders, an amount equal to any accrued and unpaid interest on all Advances through such date;
- Sixth, (a) if no Lender Default is continuing, to the Administrative Agent for the account of the Lenders, the Required Amortization or (b) if a Lender Default has occurred and is continuing, in the following order of priority:
- (i) to the applicable Issuing Insurance Company, the payment of scheduled Premiums which are due and payable prior to the following Distribution Date as set forth in the related Premium Payment Schedule;
 - (ii) (a) to the Servicer, the Servicing Fee and costs and other amounts reimbursable to the Servicer pursuant to the Servicing Agreement and (b) to the Portfolio Manager, the Portfolio Manager Fee;

(iii) to the Borrower by deposit to the Borrower Account, the amounts described in clauses (iii) and (v) of the definition of Expenses which are then due and payable; and

(iv) to the Administrative Agent for the account of the Lenders, the Required Amortization;

Seventh, to the Administrative Agent for the account of the Lenders, an amount equal to the aggregate unpaid Amortization Shortfall Amounts for all of the Shortfall Pledged Policies, if any, and any Amortization Shortfall Amounts due on any prior Distribution Date that remain unpaid; provided, that the aggregate amount payable under this clause "Seventh", under clause "Tenth" of this Section 5.2(b) and under clauses "Ninth" and "Fourteenth" set forth under Section 5.2(c), shall be in an amount up to the Aggregate Shortfall Amount Limit;

Eighth, to the Administrative Agent for the account of the Lenders by deposit to the Participation Interest Account, an amount equal to the Participation Interest Percentage of any amounts paid to the Administrative Agent for the account of the Lenders pursuant to clause "Seventh" of this Section 5.2(b) on such Distribution Date; provided, that any such amount received by the Lenders under this clause "Eighth" shall not reduce the outstanding principal balance of the Advances or any accrued interest thereon;

Ninth, Reserved;

Tenth, to the Administrative Agent for the account of the Lenders by deposit to the Participation Interest Account, an amount equal to the aggregate unpaid Participation Interest Shortfall Amounts for all of the Shortfall Pledged Policies, if any, and any Participation Interest Shortfall Amounts due on any prior Distribution Date that remain unpaid; provided, that any such amount received by the Lenders under this clause "Tenth" shall not reduce the outstanding principal balance of the Advances or any accrued interest thereon; provided further, the aggregate amount payable under this clause "Tenth", under clause "Seventh" of this Section 5.2(b) and under clauses "Ninth" and "Fourteenth" set forth under Section 5.2(c), shall be in an amount up to the Aggregate Shortfall Amount Limit;

Eleventh, to the Administrative Agent for the account of the Lenders by deposit to the Participation Interest Account, the aggregate of (i) the Participation Interest Percentage of the remaining Available Amount after giving effect to all distributions on such Distribution Date pursuant to clauses "First" through "Tenth" of this Section 5.2(b) and (ii) the Participation Interest Percentage of any amount actually paid to the Participation Interest Account pursuant to clause "Tenth" of this Section 5.2(b) on such Distribution Date; provided, that any such amount received by the Lenders under this clause "Eleventh" shall not reduce the outstanding principal balance of the Advances or any accrued interest thereon;

Twelfth, to the Custodian and the Securities Intermediary, as applicable, any fees and expenses due and payable thereto that remain unpaid (including such fees and expenses not paid pursuant to clause "First" of this Section 5.2(b)); and

Thirteenth, to the Borrower, any remaining Available Amount after giving effect to all distributions on such Distribution Date pursuant to clauses "First" through "Twelfth" of this Section 5.2(b) by deposit to the Borrower Account.

(c) Prior to the Partial Repayment Date, if an Unmatured Event of Default or Event of Default has occurred and is continuing and is not waived in writing by the Required Lenders, on each Distribution Date, the Administrative Agent shall instruct the Securities Intermediary to distribute from the Available Amount then on deposit in the Collection Account and amounts on deposit in the Escrow Account (which may be distributed directly from the Escrow Account or by first transferring such amounts to the Collection Account, as determined by the Administrative Agent), in accordance with the Payment Instructions related to the Calculation Date Report for such Distribution Date, subject to the delivery of an Alternative Information Notice, and the procedures set forth in Section 5.2(a) for the resolution of any objections of the Borrower in respect of such Alternative Information Notice, or if the Borrower has failed to deliver the related Calculation Date Report or the related Payment Instructions on or prior to the related Calculation Date, the Administrative Agent acting alone shall instruct the Securities Intermediary to distribute from the Available Amount then on deposit in the Collection Account and amounts on deposit in the Escrow Account (which may be distributed directly from the Escrow Account or by first transferring such amounts to the Collection Account, as determined by the Administrative Agent), in accordance with the Borrower Failure Procedures, and in either case, the following amounts in the following order of priority unless otherwise agreed in writing by the parties hereto (and, with respect to any payments to the Securities Intermediary or the Custodian, as consented to by such Person in writing):

First, to the extent not paid from the proceeds of one or more Advances, to the Custodian and the Securities Intermediary, as applicable, the fees, and expenses due and payable thereto in accordance with the Account Control Agreement, including, but not limited to, any Claims of any Indemnified Bank Person due and payable in accordance with the Account Control Agreement; provided that (i) the aggregate amount of Claims payable under this clause "First" shall not exceed \$10,000 on any Distribution Date and (ii) the aggregate amount of Claims payable under this clause "First" and under clause "First" of Section 5.2(b) shall not, in aggregate, exceed \$250,000 during the term of this Loan Agreement;

Second, to the extent not paid from the proceeds of one or more Advances, to the Escrow Account, an amount equal to the Ongoing Maintenance Costs Reimbursable Amount payable to the Borrower and not previously paid to the Borrower, if any;

Third, to the Administrative Agent for the account of the Lenders, the then outstanding principal balance of all Protective Advances;

- Fourth, to the applicable Issuing Insurance Company, the payment of scheduled Premiums which are due and payable prior to the following Distribution Date as set forth in the related Premium Payment Schedule;
- Fifth, so long as the Servicer is not Imperial or an Affiliate of Imperial or the Borrower, to the Servicer, the Servicing Fee and costs and other amounts reimbursable to the Servicer pursuant to the Servicing Agreement and approved in writing by the Administrative Agent;
- Sixth, to the Administrative Agent, the Administrative Agent Fee;
- Seventh, to the Administrative Agent for the account of the Lenders, an amount equal to any accrued and unpaid interest on all Advances through such date;
- Eighth (a) to the Portfolio Manager, the Portfolio Manager Fee and (b) if the Servicer is Imperial or an Affiliate of Imperial or the Borrower, the Servicing Fee and costs and other amounts reimbursable to the Servicer pursuant to the Servicing Agreement;
- Ninth, to the Administrative Agent for the account of the Lenders, an amount equal to the aggregate unpaid Amortization Shortfall Amounts for all of the Shortfall Pledged Policies, if any, and any Amortization Shortfall Amounts due on any prior Distribution Date that remain unpaid; provided, that the aggregate amount payable under this clause "Ninth", under clause "Fourteenth" of this Section 5.2(c) and under clauses "Seventh" and "Tenth" set forth under Section 5.2(b), shall be in an amount up to the Aggregate Shortfall Amount Limit;
- Tenth, to the Administrative Agent for the account of the Lenders, an amount equal to all outstanding Advances and any other amounts with respect to the Advances or Lender Notes;
- Eleventh, to the Administrative Agent for the account of the Lenders by deposit in the Participation Interest Account, an amount equal to the Participation Interest Percentage of any amount paid to the Administrative Agent for the account of the Lenders pursuant to clause "Ninth" of this Section 5.2(c) on such Distribution Date; provided, that any such amount received by the Lenders under this clause "Eleventh" shall not reduce the outstanding principal balance of the Advances or any accrued interest thereon;
- Twelfth, to the Escrow Account, the amounts described in clauses (iii) and (v) of the definition of Expenses which are then due and payable;
- Thirteenth, Reserved;
- Fourteenth, to the Administrative Agent for the account of the Lenders by deposit to the Participation Interest Account, an amount equal to the aggregate unpaid Participation Interest Shortfall Amounts for all of the Shortfall Pledged Policies, if any, and any

Participation Interest Shortfall Amounts due on any prior Distribution Date that remain unpaid; provided, that any such amount received by the Lenders under this clause "Fourteenth" shall not reduce the outstanding principal balance of the Advances or any accrued interest thereon; provided further, the aggregate amount payable under this clause "Fourteenth", under clause "Ninth" of this Section 5.2(c) and under clauses "Seventh" and "Tenth" set forth under Section 5.2(b), shall be in an amount up to the Aggregate Shortfall Amount Limit;

Fifteenth, to the Administrative Agent for the account of the Lenders by deposit to the Participation Interest Account, the aggregate of (i) the Participation Interest Percentage of the remaining Available Amount after giving effect to all distributions on such Distribution Date pursuant to clauses "First" through "Fourteenth" of this Section 5.2(c), and (ii) the Participation Interest Percentage of any amount actually paid to the Participation Interest Account pursuant to clause "Fourteenth" of this Section 5.2(c) on such Distribution Date; provided, that any such amount received by the Lenders under this clause "Fifteenth" shall not reduce the outstanding principal balance of the Advances or any interest thereon;

Sixteenth, to the Custodian and the Securities Intermediary, as applicable, any fees and expenses due and payable thereto that remain unpaid (including such fees and expenses not paid pursuant to clause "First" of this Section 5.2(c)); and

Seventeenth, to the Escrow Account, any remaining Available Amount after giving effect to all distributions on such Distribution Date pursuant to clauses "First" through "Sixteenth" of this Section 5.2(c).

(d) Except as set forth in this Section 5.2(d), all amounts on deposit in the Escrow Account shall remain in the Escrow Account until the second Business Day after the earlier of (i) the date as of which all existing Events of Default are cured by the Borrower or waived in writing by the Required Lenders in their sole and absolute discretion and so long as no Unmatured Event of Default has occurred and is continuing and no Protective Advances remain outstanding or (ii) the date that is the later of (x) six (6) months after the Partial Repayment Date and (y) six (6) months after all outstanding Protective Advances have been repaid, on which date the Administrative Agent shall instruct the Securities Intermediary to distribute all amounts on deposit in the Escrow Account to the Borrower Account. Amounts on deposit in the Escrow Account may be used by the Administrative Agent, acting at the written direction of the Required Lenders, to cure Event(s) of Default or Unmatured Event(s) of Default and to repay outstanding Protective Advances. If the related Event of Default has occurred and continues for a year or if the Administrative Agent has foreclosed on or exercised any of its other rights and remedies in respect of the Pledged Policies, amounts on deposit in the Escrow Account may be used by the Administrative Agent to pay the outstanding principal balances of the Advances, any other Obligations owing to the Lenders and Ongoing Maintenance Costs.

(e) On and after the Partial Repayment Date, on each Distribution Date, the Administrative Agent and the Borrower jointly shall (if no Unmatured Event of Default or Event of Default has occurred and is continuing) or the Administrative Agent alone shall (if an Unmatured

Event of Default or Event of Default has occurred and is continuing) instruct the Securities Intermediary to distribute from the Available Amount then on deposit in the Collection Account and amounts on deposit in the Escrow Account (which may be distributed directly from the Escrow Account or by first transferring such amounts to the Collection Account, as determined by the Administrative Agent), in accordance with the Payment Instructions related to the Calculation Date Report for such Distribution Date, subject to the delivery of an Alternative Information Notice, and the procedures set forth in Section 5.2(a) for the resolution of any objections of the Borrower in respect of such Alternative Information Notice, or if the Borrower has failed to deliver the related Calculation Date Report or the related Payment Instructions on or prior to the related Calculation Date, the Administrative Agent acting alone shall instruct the Securities Intermediary to distribute from the Available Amount then on deposit in the Collection Account and amounts on deposit in the Escrow Account (which may be distributed directly from the Escrow Account or by first transferring such amounts to the Collection Account, as determined by the Administrative Agent), in accordance with the Borrower Failure Procedures, and in either case, the following amounts in the following order of priority unless otherwise agreed in writing by the parties hereto (and, with respect to any payments to the Securities Intermediary or the Custodian, as consented to by such Person in writing):

- First, to the extent not paid from the proceeds of one or more Protective Advances, to the Custodian and the Securities Intermediary, as applicable, the fees, and expenses due and payable thereto in accordance with the Account Control Agreement, including, but not limited to, any Claims of any Indemnified Bank Person due and payable in accordance with the Account Control Agreement; provided that (i) the aggregate amount of Claims payable under this clause (i) shall not exceed \$10,000 on any Distribution Date and (ii) the aggregate amount of Claims payable under this clause (i), under clause "First" of Section 5.2(b) and under clause "First" of Section 5.2(c) shall not, in aggregate, exceed \$250,000 during the term of this Loan Agreement;
- Second, to the applicable Issuing Insurance Company, the payment of scheduled Premiums which are due and payable prior to the following Distribution Date as set forth in the related Premium Payment Schedule;
- Third, to the Administrative Agent for the account of the Lenders, the then outstanding principal balance of all Protective Advances plus accrued and unpaid interest thereon;
- Fourth, to the Administrative Agent, the Administrative Agent Fee;
- Fifth, (a) to the Portfolio Manager, the Portfolio Manager Fee and (b) to the Servicer, the Servicing Fee and costs and other amounts reimbursable to the Servicer pursuant to the Servicing Agreement;
- Sixth, to the Borrower, any amounts actually paid by the Borrower to pay scheduled Premiums and Expenses, and in each case, as previously approved by the Required Lenders in writing and not previously reimbursed;
- Seventh, to the Collection Account, to be held in reserve to fund (i) Premiums on Pledged Policies in accordance with the schedule of Premiums approved by the Required

Lenders in accordance with Section 9.1(d)(vii), an amount equal to up to the difference of (A) the aggregate amount of Premiums projected by the Portfolio Manager to be payable on all Pledged Policies during the succeeding twenty four calendar months (determined using methodology consistent with the methodology used for projecting Premium payments prior to the Partial Repayment Date and approved in writing by the Required Lenders) minus (B) the amounts then held in the Collection Account in reserve to fund such Premiums as previously reserved pursuant to the immediately preceding sub-clause (A), (ii) the fees and expenses of the Custodian and the Securities Intermediary which will be due and payable thereto in accordance with the Account Control Agreement during the succeeding twenty four calendar months and (iii) the Portfolio Management Fees, the Servicing Fees and costs and other amounts reimbursable to the Servicer which will be due and payable thereto in accordance with the Servicing Agreement during the succeeding twenty four calendar months;

Eighth, Reserved;

Ninth, to the Administrative Agent for the account of the Lenders by deposit to the Participation Interest Account, an amount equal to the aggregate unpaid Participation Interest Shortfall Amounts for all of the Shortfall Pledged Policies, if any, and any Participation Interest Shortfall Amounts due on any prior date that remain unpaid; provided, that the aggregate amount payable under this clause (viii), under clauses "Seventh" and "Tenth" set forth under Section 5.2(b) and under clauses "Ninth" and "Fourteenth" set forth under Section 5.2(c), shall be in an amount up to the Aggregate Shortfall Amount Limit;

Tenth, to the Administrative Agent for the account of the Lenders by deposit to the Participation Interest Account, the aggregate of (i) the Participation Interest Percentage of the remainder of such Collections and (ii) the Participation Interest Percentage of any amount paid to the Participation Interest Account pursuant to Clause "Eighth" of this Section 5.2(e) on such date;

Eleventh, to the Custodian and the Securities Intermediary, as applicable, any fees and expenses due and payable thereto that remain unpaid (including such fees and expenses not paid pursuant to Clause "First" of this Section 5.2(d)); and

Twelfth, to the Borrower Account or the Escrow Account, as applicable, any remaining Available Amount after giving effect to all distributions on such Distribution Date pursuant to clauses "First" through "Eleventh" of this Section 5.2(e).

(f) After a Pledged Policy becomes a Shortfall Pledged Policy, if the Borrower subsequently obtains a favorable judgment, ruling or verdict in an appeal or otherwise such that the related Issuing Insurance Company actually pays all or a portion of the face amount of such Shortfall Pledged Policy plus any applicable statutory interest (such Shortfall Pledged Policy, a "Recovered Pledged Policy"), and (i) if there are any unpaid Participation Interest Shortfall Amounts or Amortization Shortfall Amounts for any other Shortfall Pledged Policy or if an Event of Default has occurred and is continuing, then Collections in respect of such Recovered Pledged Policy shall

be distributed pursuant to Section 5.2(b), Section 5.2(c), or Section 5.2(e), as applicable and (ii) if there are no unpaid Participation Interest Shortfall Amounts or Amortization Shortfall Amounts for any other Shortfall Pledged Policy and so long as no Event of Default has occurred and is continuing, then first, if amounts were distributed from the Collection Account to fund Amortization Shortfall Amounts or Participation Interest Shortfall Amounts, in each case, with respect to such Recovered Pledged Policy, on any prior date pursuant to Section 5.2(b) Clauses “Seventh”, “Eighth” or “Tenth”, Section 5.2(c) Clauses “Ninth”, “Eleventh” or “Fourteenth” or Section 5.2(e) Clause “Ninth”, or were withdrawn from the Escrow Account on any prior date to fund Amortization Shortfall Amounts or Participation Interest Shortfall Amounts, in each case, with respect to such Recovered Pledged Policy, then Collections in respect of such Recovered Pledged Policy shall be distributed to the Borrower Account up to the aggregate of such amounts so funded, and, second the Borrower and the Lenders shall cooperate in good faith in order to equitably distribute any remaining Collections in respect of such Recovered Pledged Policy and if the Lender and the Borrower cannot reach an agreement on the distribution of such remaining Collections within thirty (30) days of the date such Shortfall Pledged Policy became a Recovered Pledged Policy, then such remaining Collections shall be distributed pursuant to the instructions of the Administrative Agent prepared in good faith and acting at the direction of the Required Lenders.

(g) With respect to any Distribution Date occurring on or after the Partial Repayment Date, if amounts on deposit in the Collection Account less any amounts held in reserve pursuant to Clause “Seventh” of Section 5.2(e) will be insufficient to pay the amounts set forth under Clauses “First”, “Second” and “Fifth” of Section 5.2(e) on such Distribution Date, then, in lieu of the Lenders making a Protective Advance therefor, the Borrower shall instruct the Securities Intermediary to apply such amounts held in reserve to pay such amounts set forth under Clauses “First”, “Second” and “Fifth” of Section 5.2(e) by reflecting such application in the related Calculation Date Report and Payment Instructions.

(h) For the avoidance of doubt and notwithstanding Section 9.1(d)(vii), on and after the Partial Repayment Date, Premiums may be funded in accordance with an Alternative Information Notice delivered by the Administrative Agent pursuant to Section 5.2(e). If Premiums are funded in accordance with an Alternative Information Notice delivered by the Administrative Agent pursuant to Section 5.2(b), Section 5.2(c) or Section 5.2(e), and the amount of Premiums funded is less than the amount set forth in the Calculation Date Report in respect of which such Alternative Information Notice was delivered, and as a result a Pledged Policy lapses, such lapse shall not constitute an Event of Default and such Pledged Policy shall not be a “Lapse/Grace Policy” for purposes of Section 10.1(p) so long as the Borrower has provided at least fifteen (15) Business Days prior written notice of such lapse to the Administrative Agent.

Section 5.3 Permitted Investments.

(a) Funds at any time held in the Collection Account may be invested and reinvested at the direction of the Borrower (unless an Event of Default shall have occurred and be continuing, in which case at the written direction of the Administrative Agent) in one or more Permitted Investments in a manner provided in Section 5.3(c). In the absence of any such direction, funds held in the Collection Account shall be invested in Permitted Investments described in clause

(a) of the definition thereof. Funds at any time held in the Escrow Account shall be invested and reinvested at the direction of the Borrower in one or more Permitted Investments. In the absence of any such direction, funds held in the Escrow Account shall be invested in Permitted Investments described in clause (a) of the definition thereof.

(b) Each investment made pursuant to this Section 5.3 on any date with respect to the Collection Account shall mature or be available not later than the Business Day preceding the Distribution Date after the day on which such investment is made, except that any investment made on the day preceding a Distribution Date shall mature on such Distribution Date.

(c) Any investment of funds in the Collection Account shall be made in Permitted Investments in which the Administrative Agent has a first priority, perfected Lien.

(d) The Administrative Agent shall not be liable in any manner by reason of any insufficiency in the Collection Account resulting from any loss on any Permitted Investment included therein.

Section 5.4 Shortfall Exclusion Election. Notwithstanding anything in this Loan Agreement to the contrary, if a Pledged Policy becomes a Shortfall Pledged Policy during a calendar year in which neither the Annual Policy Limit nor the Annual NDB Limit have been reached, and so long as neither the Aggregate Policy Limit nor the Aggregate NDB Limit have been reached (assuming that such Pledged Policy shall be treated as a Lapsed/Grace Policy), then, within two (2) Business Days after such Pledged Policy becomes a Shortfall Pledged Policy, the Borrower at its option may provide written notice to the Administrative Agent of the Borrower's election (the "Shortfall Exclusion Election") to treat such Pledged Policy as a Lapsed/Grace Policy. The Borrower may make only one Shortfall Exclusion Election during each calendar year. If (i) the Borrower makes a Shortfall Exclusion Election with respect to a Shortfall Pledged Policy during a calendar year and (ii) no Pledged Policy otherwise becomes a Lapsed/Grace Policy during the remainder of the calendar year in which such Shortfall Exclusion Election is made, then such Shortfall Pledged Policy shall not be included in calculating the Amortization Shortfall Amount and the Participation Interest Shortfall Amount. If (i) the Borrower makes a Shortfall Exclusion Election with respect to a Shortfall Pledged Policy during a calendar year and (ii) at least one other Pledged Policy becomes a Lapsed/Grace Policy during the remainder of the calendar year in which such Shortfall Exclusion Election is made, then such Shortfall Pledged Policy shall thereafter be included in calculating the Amortization Shortfall Amount and the Participation Interest Shortfall Amount, and an Event of Default under Section 10.1(p) shall be deemed to have occurred.

Section 5.5 Lender Valuation. With respect to each Distribution Date, the Administrative Agent shall, within three (3) Business Days prior to the related Calculation Date, provide the Borrower with the Lender Valuation of the Pledged Policies as of such Calculation Date.

ARTICLE VI
INCREASED COSTS, ETC.

Section 6.1 Increased Costs. If any change in Regulation D of the Board of Governors of the Federal Reserve System, or any Regulatory Change, in each case occurring after the Initial Closing Date:

(A) shall subject any Affected Party to any Tax, duty or other charge with respect to any Advance made or funded by it, or shall change the basis of the imposition of any Tax on payments to such Affected Party of the principal of or interest on any Advance owed to or funded by it or any other amounts due under this Loan Agreement in respect of any Advance made or funded by it (except for changes in the rate of Tax on the overall net income of such Affected Party imposed by any applicable jurisdiction in which such Affected Party has an office); or

(B) shall impose, modify or deem applicable any reserve (including, without limitation, any reserve imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve included in the determination of interest rates pursuant to Section 3.1), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Affected Party;

(C) shall change the amount of capital maintained or required or requested or directed to be maintained by any Affected Party; or

(D) shall impose on any Affected Party any other condition affecting any Advance made or funded by any Affected Party;

and the result of any of the foregoing is or would be to (i) increase the cost to or impose a cost on an Affected Party funding or making or maintaining any Advance (including any commitment of such Affected Party with respect to any of the foregoing), (ii) to reduce the amount of any sum received or receivable by an Affected Party under this Loan Agreement or the Lender Notes, or in the good faith determination of such Affected Party, to reduce the rate of return on the capital of an Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which such Affected Party could otherwise have achieved, then after demand by such Affected Party to the Borrower (which demand shall be accompanied by a written statement setting forth the basis of such demand), the Borrower shall pay such Affected Party such additional amount or amounts as will (in the reasonable determination of such Affected Party) compensate such Affected Party for such increased cost or such reduction. Such written statement (which shall include calculations in reasonable detail) shall, in the absence of manifest error, be rebuttably presumptive evidence of the subject matter thereof.

Section 6.2 Funding Losses. The Borrower hereby agrees that upon demand by any Affected Party (which demand shall be accompanied by a statement setting forth the basis for the calculations of the amount being claimed) the Borrower will indemnify such Affected Party against any net loss or actual expense which such Affected Party actually sustains or incurs (including, without limitation, any net loss or expense actually incurred by reason of the liquidation or

reemployment of deposits or other funds acquired by such Affected Party to fund or maintain any Advance made by any Lender to the Borrower), as reasonably determined by such Affected Party, as a result of (a) any payment or prepayment (including any mandatory prepayment) of any Advance on a date other than a Distribution Date, or (b) any failure of the Borrower to borrow any Advance on the date specified therefor in an Initial Advance Acceptance or an Additional Policy Advance Acceptance or with respect to an Ongoing Maintenance Advance, within five (5) Business Days after the Administrative Agent's receipt of the related Borrowing Request. Such written statement shall, in the absence of manifest error, be rebuttable presumptive evidence of the subject matter thereof.

Section 6.3 Withholding Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent or applicable Lender timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Lender or required to be withheld or deducted from a payment to such Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 6.3, the Borrower shall deliver to the Administrative Agent and relevant Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent and such Lender.

(e) Status of Lenders. (f) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Loan Agreement or the relevant Lender Note shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 6.3(e)(ii)(A), Section 6.3(e)(ii)(B) and Section 6.3(e)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower, the Securities Intermediary and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Loan Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Securities Intermediary or the Administrative Agent), executed originals (or copies if permitted by the Code and by the regulations promulgated by the Internal Revenue Service) of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower, the Securities Intermediary and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Loan Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Securities Intermediary or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party with respect to payments of interest under any Loan Document: executed originals (or copies if permitted by the Code and by the regulations promulgated by the Internal Revenue Service) of IRS Form W-8BEN (which for purposes of this Section 6.3 includes any successor forms such as IRS Form W-8BEN-E) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty; and in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party with respect to payments of any other applicable payments under any Loan Document: IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals (or copies if permitted by the Code and by the regulations promulgated by the Internal Revenue Service) of IRS Form W- 8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals (or copies if permitted by the Code and by the regulations promulgated by the Internal Revenue Service) of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals (or copies if permitted by the Code and by the regulations promulgated by the Internal Revenue Service) of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower, the Securities Intermediary and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Loan Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Securities Intermediary or the Administrative Agent), executed originals (or copies if permitted by the Code and by the regulations promulgated by the Internal Revenue Service) of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower, the Securities Intermediary or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under this Loan Agreement or a Lender Note issued hereunder would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower, the Securities Intermediary and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower, the Securities Intermediary or the Administrative Agent such documentation prescribed by Applicable Law (including, to the extent applicable, Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower, the Securities Intermediary or the Administrative Agent as may be necessary for the Borrower, the Securities Intermediary and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to

deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Loan Agreement.

(f) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 6.3 (including by the payment of additional amounts pursuant to this Section 6.3), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) Survival. Each party's obligations under this Section 6.3 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the commitments of the Lenders hereunder and the repayment, satisfaction or discharge of all obligations under this Loan Agreement.

Section 6.4 Designation of a Different Lending Office. If any Lender requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 6.3, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 6.3, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

ARTICLE VII
CONDITIONS TO BORROWING

The making of the Advances hereunder is subject to the following conditions precedent:

Section 7.1 Conditions Precedent to the Closing and the Initial Advance. The Administrative Agent and the Lenders had no obligation to consummate the transactions contemplated by the Original Loan Agreement and make the Initial Advance unless:

(a) Representations and Covenants. On and as of the date of the Initial Advance: (i) the representations of each of the Borrower, the Assignor, the Predecessor Parent Pledgor, Imperial, the Initial Portfolio Manager, the Initial Servicer, the Custodian and the Securities Intermediary set forth in the Transaction Documents shall be true and correct in all material respects with the same effect as if made on such date, and (ii) each of the Borrower, the Assignor, the Predecessor Parent Pledgor, Imperial, the Initial Portfolio Manager, the Initial Servicer, the Custodian and the Securities Intermediary were in compliance with the covenants set forth in the Transaction Documents to which it is a party.

(b) Closing Documents. The Administrative Agent received all of the following, each duly executed and dated as of the Initial Closing Date, in form and substance satisfactory to the Required Lenders:

(i) Transaction Documents. Duly executed and delivered counterparts of the Original Loan Agreement and each other Transaction Document (as defined in the Original Loan Agreement), which agreements were in full force and effect.

(ii) Resolutions; Organizational Documentation. Certified copies of resolutions for the Borrower, the Assignor, the Predecessor Parent Pledgor, Imperial, the Initial Portfolio Manager and the Initial Servicer authorizing or ratifying the execution, delivery and performance of each Transaction Document (as defined in the Original Loan Agreement) to which it was, or would be, a party, together with certified copies of the Borrower Organizational Documents and in the case of Imperial, the Assignor and the Predecessor Parent Pledgor, a certified copy of their respective articles or certificate of incorporation or formation and by-laws, trust agreement or limited liability company agreements, as applicable, of the Borrower, Imperial, the Initial Servicer, the Initial Portfolio Manager, the Assignor and the Predecessor Parent Pledgor.

(iii) Consents, etc. Certified copies of all documents evidencing any necessary consents and governmental approvals required by the Borrower, the Assignor, the Predecessor Parent Pledgor, Imperial, the Initial Portfolio Manager and the Initial Servicer with respect to each Transaction Document (as defined in the Original Loan Agreement) to which it was, or would be, a party (including, without limitation, any and all approvals required for the Borrower or the Servicer to service the Collateral).

(iv) Incumbency and Signatures. A certificate of each of the Borrower, the Assignor, the Predecessor Parent Pledgor, Imperial, the Initial Portfolio Manager and the Initial Servicer, certifying the names of its members, managers, directors or officers authorized

to sign each Transaction Document (as defined in the Original Loan Agreement) to which it was, or would be, a party.

(v) Good Standing Certificates. Good standing certificates or equivalent certificates for each of the Borrower, the Assignor, the Predecessor Parent Pledgor, Imperial, the Initial Portfolio Manager and the Initial Servicer issued as of a recent date acceptable to the Administrative Agent by: (i) the Secretary of State (or similar governmental authority) of the jurisdiction of such Person's formation, and (ii) the Secretary of State (or similar governmental authority) of the jurisdiction where such Person's chief executive office and principal place of business are located.

(vi) Financing Statements. Copies of UCC-1 financing statements, in form and substance satisfactory to Administrative Agent, to be filed on or before the Initial Closing Date, naming each of the Borrower, the Predecessor Parent Pledgor and the Assignor as debtor, and, as appropriate, Administrative Agent, for the benefit of the Secured Parties, as secured party.

(vii) Lien Search Report. Results of completed UCC and tax and judgment lien searches or their equivalent for the jurisdictions of formation and chief executive office of the Borrower, the Predecessor Parent Pledgor and the Assignor dated within two (2) weeks before the Initial Closing Date that named the Borrower, the Assignor and the Predecessor Parent Pledgor as debtor (none of which showed any of the Collateral or the Pledged Interests subject to any Liens other than those created pursuant to the Transaction Documents (as defined in the Original Loan Agreement)).

(viii) Payment of Fees. Evidence (which may be in the form of one or more wire instructions and/or confirmations) that all Fees payable under the Original Loan Agreement or under any other Transaction Document (as defined in the Original Loan Agreement) and all costs and expenses then due and payable had been paid or were paid out of the proceeds of the Initial Advance.

(ix) Opinions of Counsel. Opinions of counsel to the Borrower, the Assignor, the Predecessor Parent Pledgor, the Initial Servicer, Imperial, the Initial Portfolio Manager, the Custodian and the Securities Intermediary, in form and substance satisfactory to the Administrative Agent.

(x) Accounts. Evidence that the Accounts and the Policy Account had been established in accordance with the Transaction Documents (as defined in the Original Loan Agreement).

(xi) Collateral Packages. Copies of the complete Collateral Packages for the Subject Policies satisfactory to the Administrative Agent as of the Initial Closing Date, including evidence that all Premiums required to be funded prior to the Initial Closing Date in order to keep the Subject Policies in force and not in grace or lapse status through at least April 30, 2013 had been paid (except Subject Policies set forth on the Initial Advance Lexington Schedule, which may have had Premiums funded through a different date as set forth on such schedule).

(xii) Reserved.

(xiii) Insurance Consultant. Reports produced by the Insurance Consultant, in form and substance satisfactory to the Administrative Agent.

(xiv) Annual Budget. The Borrower shall have produced an Annual Budget with respect to the Subject Policies as of the Initial Closing Date, in form and substance reasonably acceptable to the Administrative Agent and the Insurance Consultant.

(xv) Solvency Certificate. A certificate of solvency executed by the chief financial officer of the Predecessor Parent Pledgor certifying that the Borrower was Solvent.

(xvi) Others. Such other documents as the Administrative Agent may have reasonably requested prior to the Initial Closing Date.

(c) Borrowing Base. The Initial Advance did not exceed the Borrowing Base as of the date of the Initial Advance.

(d) Transaction Documents. Each of the Transaction Documents (as defined in the Original Loan Agreement) were in form and substance satisfactory to the Required Lenders in their sole discretion, and all consents, waivers and approvals necessary for the consummation of the transactions contemplated thereby were obtained and were in full force and effect.

(e) Eligible Policies. Each of the Subject Policies as of the Initial Closing Date was an Eligible Policy, as determined by the Required Lenders in their sole discretion, it being understood that such determination shall not operate as a waiver by the Administrative Agent or any Lender of any right or remedy hereunder or under any other Transaction Document if it is subsequently discovered that any such Subject Policy was not an Eligible Policy as of the Initial Closing Date.

(f) Delivery of Policies to Custodian. All Subject Policies (except for Subject Policies set forth on Schedule 7.1(f)) were delivered to and were held by the Custodian and the Custodian has verified to the Administrative Agent in writing its receipt of all originals or copies certified by the applicable Issuing Insurance Companies of such Subject Policies by delivering the required certification pursuant to the terms of the Account Control Agreement.

(g) Security Interest. The Required Lenders were satisfied that the Liens and security interests created under and granted by the Transaction Documents (as defined in the Original Loan Agreement) were first priority perfected security interests and would not be subject to any other senior or pari passu Liens, security interests or any other Adverse Claims prior to or after the Initial Closing Date as determined in the Required Lenders' sole discretion.

(h) No Material Change in Laws. Since January 1, 2013, no material adverse change in any Applicable Law or any tax treatment of life insurance death benefits or proceeds had occurred or reasonably could have been expected to occur.

(i) Collateral Assignment. The Securities Intermediary or the Insurance Consultant had delivered to the related Issuing Insurance Companies a fully completed and executed collateral assignment in respect of each Subject Policy on the Initial Closing Date (except for Subject Policies set forth on the Initial Advance Lexington Schedule and the Subject Policy set forth on Schedule 7.1(a)(i)), naming the Administrative Agent, on behalf of the Lenders, as the collateral assignee and the Administrative Agent received verbal confirmation from each of the related Issuing Insurance Companies that all such collateral assignments had been received by such Issuing Insurance Companies.

(j) Acknowledgements. The Securities Intermediary delivered written confirmation to the Administrative Agent that it had received an Acknowledgement for each Subject Policy and had credited each Subject Policy to the Policy Account and the Securities Intermediary delivered copies of each such Acknowledgement to the Administrative Agent.

(k) Reserved.

(l) No Event of Default or Unmatured Event of Default. No Event of Default or Unmatured Event of Default which had not been waived in writing by the Required Lenders had occurred and was continuing or resulted from the making of the Initial Advance.

(m) Borrowing Request; etc. The Administrative Agent received a Borrowing Request (including (i) a confirmation that the Collateral Packages for the Subject Policies (taking into account the exceptions noted on Schedules V, VI, VII, VIII, IX, X and XI to the Account Control Agreement) had been uploaded to the FTP Site, and (ii) the Borrowing Base Certificate) for the Initial Advance (which may have been an electronic or facsimile transmission).

(n) Insurance Consultant. The Borrower had executed and delivered or caused all necessary third parties to execute and deliver, all documentation and authorizations necessary for the Insurance Consultant to communicate and receive verifications of coverage and obtain other information from the Issuing Insurance Companies related to the Subject Policies, as determined by the Administrative Agent in its sole and absolute discretion.

(o) Third Party Releases. The Borrower had executed and delivered or caused all necessary third parties to execute and deliver releases of Adverse Claims with respect to the Subject Policies, as determined by the Administrative Agent in its sole and absolute discretion and specified to the Borrower in writing prior to the Initial Closing Date.

Section 7.2 Conditions Precedent to each Ongoing Maintenance Advance. The making of each Ongoing Maintenance Advance is subject to the following further conditions precedent:

(a) Representations and Covenants. On and as of the date of such Ongoing Maintenance Advance: (i) the representations of each of the Borrower, the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, Imperial, the Portfolio Manager, the Servicer, the Guarantor, the Initial Servicer, the Initial Portfolio Manager, the Securities Intermediary and the Custodian set forth in the Transaction Documents shall be true and correct in all material respects with the same effect as if made on such date, and (ii) each of the Borrower, the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, Imperial, the Portfolio Manager, the Servicer, the Initial Servicer, the Initial Portfolio Manager, the Guarantor, the Securities Intermediary and the Custodian shall be in compliance with the covenants set forth in the Transaction Documents to which it is a party.

(b) No Event of Default or Unmatured Event of Default. No Event of Default or Unmatured Event of Default which has not been waived in writing by the Required Lenders shall have occurred and be continuing or will result from the making of such Ongoing Maintenance Advance under any of the Transaction Documents.

(c) Borrowing Request; etc. The Administrative Agent shall have received a Borrowing Request (including the Borrowing Base Certificate) for such Ongoing Maintenance Advance.

(d) Commitment Termination Date. The Commitment Termination Date shall not have occurred.

(e) Material Adverse Effect. No event has occurred during the shorter of (i) the three (3) year period preceding the date of such Ongoing Maintenance Advance and (ii) the period of time commencing on the Initial Closing Date and ending on the date of such Ongoing Maintenance Advance, that could reasonably be expected to have a Material Adverse Effect.

(f) Borrowing Base. The Ongoing Maintenance Advance shall not exceed an amount such that the Ongoing Maintenance Advance, when taken together with the outstanding balance of all previous Advances, would cause the aggregate outstanding balance of the Advances to exceed the Borrowing Base as of the date of such Ongoing Maintenance Advance.

(g) No Liens; First Priority Security Interest. There shall be no encumbrance or Lien on any of the Collateral or the Pledged Interests other than Liens or encumbrances created or expressly permitted under the Transaction Documents.

(h) Transaction Documents. Each of the Transaction Documents shall be in full force and effect.

(i) No Material Change in Laws. Since the shorter of (i) the three (3) year period preceding the date of such Ongoing Maintenance Advance and (ii) the period of time commencing on the Initial Closing Date and ending on the date of such Ongoing Maintenance Advance, no material adverse change in any Applicable Law or any tax treatment of life insurance death benefits or proceeds has occurred or reasonably could be expected to occur that would in the reasonable judgment of the Required Lenders (i) materially impair the collectability of a Pledged

Policy for which the Premiums will be funded with the proceeds of such Ongoing Maintenance Advance or (ii) make such Ongoing Maintenance Advance or any of the outstanding Advances illegal.

(j) Fees. All Fees due and payable shall have been paid.

(k) Cash Interest Coverage Ratio Reporting Requirements. The Borrower shall have delivered to the Administrative Agent a certification from a director or officer of EMG that includes a calculation of the Cash Interest Coverage Ratio as of the date of the making of such Ongoing Maintenance Advance (which certification shall include, without limitation, all information necessary in order to enable the Administrative Agent to independently make such calculation) and identifies the lowest amount the Cash Interest Coverage Ratio has ever been since the date of the making of the most recent Ongoing Maintenance Advance.

Section 7.3 Conditions Precedent to each Additional Policy Advance. The making of each Additional Policy Advance is subject to the following further conditions precedent:

(a) Representations and Covenants. On and as of the date of such Additional Policy Advance: (i) the representations of each of the Borrower, the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, Imperial, the Portfolio Manager, the Servicer, the Initial Servicer, the Initial Portfolio Manager, the Guarantor, the Custodian and the Securities Intermediary set forth in the Transaction Documents shall be true and correct in all material respects with the same effect as if made on such date, and (ii) each of the Borrower, the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, Imperial, the Portfolio Manager, the Servicer, the Initial Servicer, the Initial Portfolio Manager, the Guarantor, the Custodian and the Securities Intermediary shall be in compliance with the covenants set forth in the Transaction Documents to which it is a party.

(b) No Event of Default or Unmatured Event of Default. No Event of Default or Unmatured Event of Default which has not been waived in writing by the Required Lenders shall have occurred and be continuing or will result from the making of such Additional Policy Advance under any of the Transaction Documents.

(c) Borrowing Request, etc. The Administrative Agent shall have received a Borrowing Request (including (i) a confirmation that the Collateral Packages for the Subject Policies have been uploaded to the FTP Site and (ii) the Borrowing Base Certificate) for such Additional Policy Advance (which may be an electronic or facsimile transmission followed by actual delivery of the original Custodial Packages to the Custodian).

(d) Commitment Termination Date. The Commitment Termination Date shall not have occurred.

(e) Material Adverse Effect. No event has occurred during the shorter of (i) the three (3) year period preceding the date of such Additional Policy Advance and (ii) the period of time commencing on the Initial Closing Date and ending on the date of such Additional Policy Advance, that could reasonably be expected to have a Material Adverse Effect with respect to the

Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor or Imperial or any of the Collateral or the Pledged Interests.

(f) Borrowing Base. The Additional Policy Advance shall not exceed an amount such that the Additional Policy Advance, when taken together with the outstanding balance of all previous Advances, would cause the aggregate outstanding balance of the Advances to exceed the Borrowing Base as of the date of such Additional Policy Advance, and the calculation of the Lender Valuation shall include the Subject Policies.

(g) No Liens; First Priority Security Interest. There shall be no encumbrance or Lien on any of the Collateral, the Additional Policies or the Pledged Interests other than Liens or encumbrances created or permitted under the Transaction Documents. Furthermore, from and after the related Subsequent Advance Date, the Administrative Agent, for the benefit of the Secured Parties, shall have a first priority perfected security interest in, and assignment of, all of the Borrower's rights, titles and interests (through the Securities Intermediary) in, to and under the Additional Policies.

(h) Transaction Documents. Each of the Transaction Documents shall be in full force and effect.

(i) Insurance Consultant Report. The Administrative Agent shall have received a report from the Insurance Consultant, in form and substance satisfactory to the Required Lenders in their sole discretion, regarding the value of the Collateral.

(j) Annual Budget. The Borrower shall have produced an Annual Budget with respect to the Additional Policies, in form and substance reasonably acceptable to the Administrative Agent and the Insurance Consultant.

(k) No Material Change in Laws. Since the shorter of (i) the three (3) year period preceding the date of such Additional Policy Advance and (ii) the period of time commencing on the Initial Closing Date and ending on the date of such Additional Policy Advance, no material adverse change in any Applicable Law or any tax treatment of life insurance death benefits or proceeds has occurred or reasonably could be expected to occur that would in the reasonable judgment of the Required Lenders (i) materially impair the collectability of any Subject Policy or (ii) make such Additional Policy Advance or any of the outstanding Advances illegal.

(l) Eligible Policies. Each of the Additional Policies being funded on the related Subsequent Advance Date shall be an Eligible Policy, as determined by the Required Lenders in their sole discretion.

(m) Fees. All Fees due and payable shall have been paid.

(n) Lender Approval. Each Lender's executive loan committee or similar governing body shall have approved such Additional Policy Advance, which approval may be withheld or granted in such executive loan committee's or similar governing body's sole discretion; provided however, that each Lender's funding of such Additional Policy Advance shall be deemed

to demonstrate approval of such Additional Policy Advance by such Lender's executive loan committee or similar governing body.

(o) Collateral Assignment. The Borrower shall have delivered to the Securities Intermediary a fully completed and executed collateral assignment in respect of each Additional Policy on such Advance Date, naming the Administrative Agent, on behalf of the Lenders, as the collateral assignee.

(p) Delivery of Policies to Custodian. All Additional Policies, and all documents comprising the related Custodial Packages (including all originals thereof), have been delivered to and are held by the Custodian, including evidence that all Premiums necessary to keep such Additional Policies in force have been paid through the period of time commencing on the proposed Subsequent Advance Date and ending thirty (30) days thereafter, and the Custodian has verified to the Administrative Agent in writing its receipt of all documents required to be contained in the related Custodial Package by delivering the required certification pursuant to the terms of the Account Control Agreement.

(q) Acknowledgements. The Securities Intermediary shall have delivered written confirmation to the Administrative Agent that it has received an Acknowledgement for each Subject Policy and has credited each Subject Policy to the Policy Account and the Securities Intermediary shall have delivered copies of each such Acknowledgement to the Administrative Agent.

(r) Change Forms. The Securities Intermediary shall confirm to the Administrative Agent in writing that it is holding completed Change Forms with respect to the Subject Policies executed by the Securities Intermediary in blank and the Administrative Agent shall have received copies of such Change Forms.

(s) Insurance Consultant. The Borrower shall have executed and delivered or caused all relevant third parties to execute and deliver all documentation and authorizations necessary for the Insurance Consultant to communicate and receive verifications of coverage and obtain other information from the Issuing Insurance Companies related to the Subject Policies, as determined by the Administrative Agent in its sole and absolute discretion.

(t) Third Party Releases. The Borrower shall have executed and delivered or caused all relevant third parties to execute and deliver all necessary releases of Adverse Interests with respect to the Subject Policies, as determined by the Administrative Agent in its sole and absolute discretion and specified to the Borrower in writing prior to the relevant Advance Date.

(u) Opinions of Counsel. Opinions of Counsel related to certain bankruptcy matters with respect to the transactions contemplated by the LP Parent Contribution Agreement and the Predecessor Parent Pledgor LP Contribution Agreement, including, without limitation, true sale and non-consolidation matters.

Section 7.4 Conditions Precedent to First Advance Following the Original Amended and Restated Closing Date. In addition to the conditions precedent set forth in Section 7.2 and Section 7.3, as applicable, the making of the first Advance following the Original Amended and Restated Closing Date was subject to the following further conditions precedent:

(a) Closing Documents. The Administrative Agent received all of the following, each duly executed and dated as of the Original Amended and Restated Closing Date, in form and substance satisfactory to the Required Lenders:

(i) Transaction Documents. Duly executed and delivered counterparts of the Original Amended and Restated Loan Agreement and each other Transaction Document (as defined in the Original Amended and Restated Loan Agreement), which agreements were in full force and effect.

(ii) Resolutions; Organizational Documentation. Certified copies of resolutions for the Borrower, the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, the Portfolio Manager, the Guarantor, the Initial Servicer, the Initial Portfolio Manager and the Servicer authorizing or ratifying the execution, delivery and performance of each Transaction Document (as defined in the Original Amended and Restated Loan Agreement) to which it was, or would be, a party, together with certified copies of the Borrower Organizational Documents and in the case of the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, the Portfolio Manager, the Guarantor, the Initial Servicer, the Initial Portfolio Manager and the Servicer, certified copies of their respective certificates of formation and limited liability company agreements or limited partnership agreements, as applicable.

(iii) Consents, etc. Certified copies of all documents evidencing any necessary consents and governmental approvals required by the Borrower, the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, Imperial, the Portfolio Manager, the Guarantor, the Initial Servicer, the Initial Portfolio Manager and the Servicer with respect to each Transaction Document (as defined in the Original Amended and Restated Loan Agreement) to which it was, or would be, a party (including, without limitation, any and all approvals required for the Borrower, the Portfolio Manager, the Initial Servicer, the Initial Portfolio Manager or the Servicer to service the Collateral).

(iv) Incumbency and Signatures. A certificate of each of the Borrower, the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, the Portfolio Manager, the Guarantor, the Initial Servicer, the Initial Portfolio Manager and the Servicer, certifying the names of its members, managers, directors or officers authorized to sign each Transaction Document (as defined in the Original Amended and Restated Loan Agreement) to which it is, or will be, a party.

(v) Good Standing Certificates. Good standing certificates or equivalent certificates for each of the Borrower, the Assignor, the Predecessor Parent Pledgor, the Parent Pledgors, the Portfolio Manager, the Guarantor, the Initial Servicer, the Initial Portfolio Manager and the Servicer issued as of a recent date acceptable to the Administrative Agent by: (i) the Secretary of State (or similar governmental authority) of the jurisdiction of such Person's

formation, and (ii) the Secretary of State (or similar governmental authority) of the jurisdiction where such Person's chief executive office and principal place of business are located.

(vi) Financing Statements. Copies of UCC-1 financing statements and any UCC-3 financing statement amendments, as applicable, and a form C-1 suitable for filing with the Irish Register of Companies, in form and substance satisfactory to Administrative Agent, to be filed on or before the Original Amended and Restated Closing Date, naming each of the Borrower, the Assignor, the Predecessor Parent Pledgor and the Parent Pledgors as debtor, and, as appropriate, the Administrative Agent, for the benefit of the Secured Parties, as secured party.

(vii) Lien Search Report. Results of completed UCC and tax and judgment lien searches or their equivalent for the jurisdictions of formation and chief executive office of the Borrower, the Assignor, each Parent Pledgor and the Predecessor Parent Pledgor dated within two (2) weeks before the Original Amended and Restated Closing Date that named the Borrower, the Assignor, each Parent Pledgor and the Predecessor Parent Pledgor as debtor (none of which showed any of the Collateral or the Pledged Interests subject to any Liens other than those created pursuant to the Transaction Documents (as defined in the Original Amended and Restated Loan Agreement)).

(viii) Payment of Fees. Evidence (which may be in the form of one or more wire instructions and/or confirmations) that all Fees and other costs and expenses then due and payable under the Original Amended and Restated Loan Agreement or under any other Transaction Document (as defined in the Original Amended and Restated Loan Agreement) had been paid or were to be paid out of the proceeds of the first Advance following the Original Amended and Restated Closing Date.

(ix) Opinions of Counsel. Opinions of counsel to the Borrower, the Assignor, the Parent Pledgors, the Predecessor Parent Pledgor, the Servicer, the Portfolio Manager, the Guarantor, the Initial Servicer, the Initial Portfolio Manager, the Custodian and the Securities Intermediary, in form and substance satisfactory to the Administrative Agent.

(x) Accounts. Evidence that the Accounts and the Policy Account had been established in accordance with the Transaction Documents.

(xi) Solvency Certificate. A certificate of solvency executed by the chief financial officer of the GP Parent or its managing member on behalf of the GP Parent certifying that the Borrower was Solvent.

(xii) Others. Such other documents as the Administrative Agent may have reasonably requested prior to the Original Amended and Restated Closing Date.

(b) Transaction Documents. Each of the Transaction Documents (as defined in the Original Amended and Restated Loan Agreement) were in form and substance satisfactory to the Required Lenders in their sole discretion, and all consents, waivers and approvals necessary for the consummation of the transactions contemplated thereby were obtained.

Section 7.5 Conditions Precedent to First Advance Following the Second Amended and Restated Closing Date. In addition to the conditions precedent set forth in Section 7.2 and Section 7.3, as applicable, the making of the first Advance following the Second Amended and Restated Closing Date is subject to the following further conditions precedent:

(a) Closing Documents. The Administrative Agent shall have received all of the following, each duly executed and dated as of the Second Amended and Restated Closing Date, in form and substance satisfactory to the Required Lenders:

(i) Transaction Documents. Duly executed and delivered counterparts of this Loan Agreement and the Account Control Agreement, which agreements shall be in full force and effect.

(ii) Resolutions; Organizational Documentation. Certified copies of resolutions for the Borrower, the Portfolio Manager, the Guarantor, the Initial Servicer and the Initial Portfolio Manager authorizing or ratifying the execution, delivery and this Loan Agreement and the Account Control Agreement, as applicable, together with certified copies of the Borrower Organizational Documents and in the case of the Portfolio Manager, the Guarantor, the Initial Servicer and the Initial Portfolio Manager, certified copies of their respective certificates of formation and limited liability company agreements or limited partnership agreements, as applicable.

(iii) Consents, etc. Certified copies of all documents evidencing any necessary consents and governmental approvals required by the Borrower, the Portfolio Manager, the Guarantor, the Initial Servicer and the Initial Portfolio Manager with respect to this Loan Agreement and the Account Control Agreement, as applicable (including, without limitation, any and all approvals required for the Borrower, the Portfolio Manager, the Initial Servicer or the Initial Portfolio Manager to service the Collateral).

(iv) Incumbency and Signatures. A certificate of each of the Borrower, the Portfolio Manager, the Guarantor, the Initial Servicer and the Initial Portfolio Manager, certifying the names of its members, managers, directors or officers authorized to sign each of this Loan Agreement and the Account Control Agreement, as applicable.

(v) Good Standing Certificates. Good standing certificates or equivalent certificates for each of the Borrower, the Portfolio Manager, the Guarantor, the Initial Servicer and the Initial Portfolio Manager issued as of a recent date acceptable to the Administrative Agent by: (i) the Secretary of State (or similar governmental authority) of the jurisdiction of such Person's formation, and (ii) the Secretary of State (or similar governmental authority) of the jurisdiction where such Person's chief executive office and principal place of business are located.

(vi) Lien Search Report. Results of completed UCC and tax and judgment lien searches or their equivalent for the jurisdictions of formation and chief executive office of the Borrower dated within two (2) weeks before the Second Amended and Restated Closing Date that name the Borrower as debtor (none of which shall show any of the Collateral or the Pledged Interests subject to any Liens other than those created pursuant to the Transaction Documents).

(vii) Payment of Fees. Evidence (which may be in the form of one or more wire instructions and/or confirmations) that all Fees and other costs and expenses then due and payable hereunder or under any other Transaction Document have been paid or will be paid out of the proceeds of the first Advance following the Second Amended and Restated Closing Date.

(viii) Opinions of Counsel. Opinions of counsel to the Borrower the Portfolio Manager, the Guarantor, the Initial Servicer, the Initial Portfolio Manager, the

Custodian and the Securities Intermediary, in form and substance satisfactory to the Administrative Agent.

(ix) Accounts. Evidence that the Accounts and the Policy Account have been established in accordance with the Transaction Documents.

(x) Solvency Certificate. A certificate of solvency executed by the chief financial officer of the GP Parent or its managing member on behalf of the GP Parent certifying that the Borrower is Solvent.

(xi) Others. Such other documents as the Administrative Agent may reasonably request prior to the Second Amended and Restated Closing Date.

(b) Transaction Documents. Each of the Transaction Documents shall be in form and substance satisfactory to the Required Lenders in their sole discretion, and all consents, waivers and approvals necessary for the consummation of the transactions contemplated thereby shall have been obtained and shall be in full force and effect.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES

Section 8.1 Representations and Warranties of the Borrower. The Borrower makes the following representations and warranties to the Administrative Agent and each Lender:

(a) Organization, etc. The Borrower has been duly organized and is validly existing and in good standing under the laws of the State of Delaware (and is not organized under the laws of any other jurisdiction or Governmental Authority) with the requisite power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted. The Borrower is duly licensed or qualified to do business as a foreign entity in good standing in each jurisdiction in which the failure to be so licensed or qualified would be reasonably likely to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of the Borrower or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(b) Power and Authority; Due Authorization. The Borrower has (a) all necessary power, authority and legal right to (i) execute, deliver and perform its obligations under this Loan Agreement and each of the other Transaction Documents to which it is a party, and (ii) to borrow moneys on the terms and subject to the conditions herein provided, and (b) duly authorized, by all necessary action, the execution, delivery and performance of this Loan Agreement and the other Transaction Documents to which it is a party, the borrowing hereunder on the terms and conditions of this Loan Agreement and the granting of security therefor on the terms and conditions provided herein.

(c) No Violation. The consummation of the transactions contemplated by this Loan Agreement and the other Transaction Documents and the fulfillment of the terms hereof and thereof will not and do not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (i) the Borrower Organizational Documents, or (ii) any material agreement or instrument to which the Borrower is a party or by which it or any of its properties is bound, (b) result in or require the creation or imposition of any Adverse Claim upon any of its properties pursuant to the terms of any such material agreement or instrument or (c) violate any Applicable Law.

(d) Validity and Binding Nature. This Loan Agreement is, and the other Transaction Documents to which it is a party when duly executed and delivered by the Borrower and the other parties thereto will be, the legal, valid and binding obligation of the Borrower, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body required for the due execution, delivery or performance by the Borrower of any Transaction Document to which it is a party, remains or remained unobtained or unfiled.

(f) Solvency. As of each Advance Date, after giving effect to each Advance made on such Advance Date, the Borrower was, is and will be Solvent and able to pay its debts as they come due, and had, has and will have adequate capital to conduct its business.

(g) Margin Regulations. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any Advances, directly or indirectly, will be used for a purpose that violates, or would be inconsistent with, Regulations T, U and X promulgated by the Federal Reserve Board from time to time.

(h) Quality of Title. As of each Advance Date, the Collateral, including, without limitation, the Pledged Policies, was and is owned by the Borrower (directly or through the Securities Intermediary) free and clear of any Adverse Claim. As of the date of any Additional Policy Advance made pursuant to a Borrowing Request, the Subject Policies are owned by the Borrower (directly or through the Securities Intermediary) free and clear of any Adverse Claim.

(i) No Rescission. As of each Advance Date, no prior seller of any Pledged Policy or Subject Policy (if applicable) had or has exercised or, to the knowledge of the Borrower after reasonable investigation, attempted to exercise the right to rescind any transfer of such Policy, except with respect to any Pledged Policy or Subject Policy identified on Schedule 8.1(i), in which case, such prior seller subsequently abandoned such exercise or attempt to exercise (in exchange for specific compensation or such prior seller litigated such attempt to exercise and an unfavorable judgment or verdict was rendered against such prior seller and is not subject to a pending appeal or dispute, as indicated on Schedule 8.1(i)).

(j) Perfection. This Loan Agreement, the Borrower Interest Pledge Agreement, the Account Control Agreement and the financing statements and form C-1 filed in connection with this Loan Agreement create a valid first priority security interest in favor of the Administrative Agent (for the benefit of the Secured Parties) in the Collateral (excluding each of the Subject Policies set forth on Eligibility Criteria Clause (a) Schedule until the Securities Intermediary is designated as the "owner" and "beneficiary" under such Pledged Policy by the related Issuing Insurance Company), which security interest has been perfected (free and clear of any Adverse Claim) as security for the Obligations. As of the Initial Closing Date, no effective financing statement or other instrument similar in effect covering any of the Collateral or any interest therein owned by the Borrower (directly or through the Securities Intermediary) was on file in any recording office except for financing statements in favor of the Administrative Agent (for the benefit of the Secured Parties) in accordance with the Original Loan Agreement and the other Transaction Documents (as defined in the Original Loan Agreement). As of the Original Amended and Restated Closing Date, no effective financing statement or other instrument similar in effect covering any of the Collateral or any interest therein owned by the Borrower (directly or through the Securities Intermediary) was on file in any recording office except for financing statements in favor of the Administrative Agent (for the benefit of the Secured Parties) in accordance with the Original Amended and Restated Loan Agreement and the other Transaction Documents (as defined in the Original Amended and Restated Loan Agreement). As of the Second Amended and Restated Closing Date, no effective financing statement or other instrument similar in effect covering any of the Collateral or any interest therein owned by the Borrower (directly or through the Securities Intermediary) is on file in any recording office except for financing statements in favor of the Administrative Agent (for the benefit of the Secured Parties) in accordance with this Loan Agreement and the other Transaction Documents. As of the date of any Additional Policy Advance made pursuant to a Borrowing Request, no effective financing statement or other instrument similar in effect covering any of the Subject Policies will be on file in any recording office except for financing statements in favor of the Administrative Agent (for the benefit of the Secured Parties) in accordance with this Loan Agreement and the other Transaction Documents.

(k) Offices. The principal place of business and chief executive office of the Borrower, the Assignor, the Predecessor Parent Pledgor, each Parent Pledgor and Imperial is located at the address set forth on Schedule 13.2 (or at such other locations, notified to the Administrative Agent in jurisdictions where all action required hereby has been taken and completed).

(l) Compliance with Applicable Laws; Licenses, etc

(i) The Borrower is in compliance with the requirements of all Applicable Laws, a breach of any of which, individually or in the aggregate, could reasonably be expected to have an adverse effect on any of the Pledged Policies, the business, assets, financial condition or operations of the Borrower or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(ii) The Borrower has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain could reasonably be expected to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of the Borrower or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(iii) The Borrower has complied with all licensure requirements in each state in which it is required to be specifically registered or licensed as a purchaser, owner or servicer of life insurance policies.

(iv) There has been no event or circumstance that could reasonably be expected to result in the revocation of any license, permit, franchise or other governmental authorization of the Borrower necessary to the ownership of its properties or to the conduct of its business.

(m) No Proceedings. Except as set forth on Schedule 8.1(m), there is no order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority to which the Borrower is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the actual knowledge of the Borrower, threatened, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against the Borrower that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of the Borrower or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document; and there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the actual knowledge of the Borrower, threatened, before or by any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Loan Agreement, the Lender Notes or any other Transaction Document, (B) seeking to prevent the issuance of the Lender Notes or the consummation of any of the other transactions contemplated by this Loan Agreement or any other Transaction Document, (C) seeking to adversely affect the federal income tax attributes of the Borrower or (D) asserting that any Pledged Policy or Policy to become a Pledged Policy is invalid, void or otherwise unenforceable for any reason.

(n) Investment Company Act, Etc. The Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, by virtue of an exemption other than pursuant to

Section 3(c)(1) or Section 3(c)(7) thereof. The Borrower is not a "covered fund" under Section 13 of the Bank Holding Company Act of 1956, as amended.

(o) Eligible Policies. As of the Initial Closing Date, each Pledged Policy was an Eligible Policy. As of December 29, 2016, each Additional Policy that became a Pledged Policy on such date was an Eligible Policy. As of the date of any Borrowing Request relating to any other Additional Policy Advance and the date of such Additional Policy Advance, each Additional Policy that will become a Pledged Policy on the relevant Advance Date is or will be an Eligible Policy.

(p) Accuracy of Information. To the best of the Borrower's knowledge and belief, after due inquiry, and in reliance on information provided by third parties (as to the accuracy or completeness of which the Borrower is not liable and has expressed no opinion or made any representation or warranty), all information furnished by, or on behalf of, the Borrower to the Administrative Agent or any other Secured Party in connection with any Transaction Document, or any transaction contemplated thereby, is or was as of the date it was furnished (if such information was furnished on an earlier date) true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(q) No Material Adverse Change. Except as set forth on Schedule 8.1(q), since March 27, 2013, there has been no material adverse change in (A) the Borrower's (i) financial condition, business, operations or prospects or (ii) ability to perform its obligations under any Transaction Document to which the Borrower is a party, (B) any of the Collateral or (C) any of the Pledged Interests.

(r) Trade Names and Subsidiaries. Other than the name White Eagle Asset Portfolio, LLC, the Borrower has not used any other names, trade names or assumed names for the five year period preceding the Original Amended and Restated Closing Date (and has not used any other names, trade names or assumed names since such date). The Borrower has no Subsidiaries and does not own or hold, directly or indirectly, any equity interest in any Person.

(s) Accounts. Set forth in Schedule 8.1(s) is a complete and accurate description, as of the Second Amended and Restated Closing Date, of the existing Accounts and the Policy Account. The Accounts and the Policy Account have each been validly and effectively collaterally assigned to the Administrative Agent, for the benefit of the Secured Parties, and shall be encumbered by the Lien created pursuant to this Loan Agreement and the Account Control Agreement. The Account Control Agreement is the legal, valid and binding obligation of the parties thereto, enforceable against such parties in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity). None of the Borrower, the Servicer (if an Affiliated Entity), the Guarantor, the Initial Servicer, the Initial Portfolio Manager or the Portfolio Manager has granted any interest in the Accounts or the Policy Account to any Person other than the Administrative Agent and the Administrative Agent has "control" of the Accounts and the Policy Account within the meaning of the applicable UCC. To the Borrower's actual knowledge, the Servicer (if not an Affiliated Entity) has not granted any interest in the Accounts or the Policy Account to any Person other than the Administrative Agent.

(t) Financial Statements. The financial statements required to be delivered pursuant to Section 9.1(d): (i) were, as of the date and for the periods referred to therein, complete and correct in all respects, (ii) presented fairly the financial condition and results of operations of the related Person as at such time and (iii) were prepared in accordance with GAAP, consistently applied, except as noted therein (subject as to interim statements to normal year-end adjustments).

(u) No Event of Default. Except as set forth on Schedule 8.1(u), no Event of Default or Unmatured Event of Default has occurred or is continuing, or, in relation to any Borrowing Request, will result from the funding of the Advance and use of funds specified therein.

(v) Foreign Assets Control Regulations, Etc.

(i) None of the Borrower, the Predecessor Parent Pledgor, the Parent Pledgors, the Portfolio Manager or the Guarantor nor any Affiliate of any of them or of Imperial is (A) a person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, U.S. Department of Treasury ("OFAC") (an "OFAC Listed Person") or (B) a department, agency or instrumentality of, or is otherwise controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program (each OFAC Listed Person and each other person, entity, organization and government of a country described in clause (B), a "Blocked Person").

(ii) No part of the proceeds from the Advances issued hereunder, under the Original Loan Agreement or under the Original Amended and Restated Loan Agreement constituted or constitutes or will constitute funds obtained on behalf of any Blocked Person or was used or will otherwise be used, directly or indirectly by the Borrower, the Parent Pledgors, the Predecessor Parent Pledgor, the Initial Servicer, the Portfolio Manager, the Initial Portfolio Manager, Imperial, the Guarantor or any Affiliate of any of them, in connection with any investment in, or, to the Borrower's actual knowledge, any transactions or dealings with, any Blocked Person.

(iii) To the Borrower's actual knowledge, none of the Borrower, the Parent Pledgors, the Predecessor Parent Pledgor, the Portfolio Manager, the Guarantor, Imperial or any Affiliate of any of them (A) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any Applicable Law (collectively, "Anti-Money Laundering Laws"), (B) has been assessed civil penalties under any Anti-Money Laundering Laws or (C) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Borrower has taken reasonable measures appropriate to the circumstances, to the extent, if any, required by Applicable Law, to ensure that the Borrower and each Affiliate thereof is and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws.

(iv) No part of the proceeds from Advances funded hereunder were used or will be used, directly or indirectly, for any improper payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity, in order to obtain,

retain or direct business or obtain any improper advantage. The Borrower has taken reasonable measures appropriate to the circumstances, to the extent, if any, required by Applicable Law, to ensure that the Borrower and each Affiliate thereof is and will continue to be in compliance with all applicable current and future anti-corruption laws and regulations.

(w) Retained Death Benefit Policies. As of the Second Amended and Restated Closing Date, all Pledged Policies that constitute Retained Death Benefit Policies are listed on Schedule 8.1(w) and the portion of the Net Death Benefit payable to any Person other than the Securities Intermediary does not exceed forty-five percent (45%) of the Net Death Benefit of any such Retained Death Benefit Policy. As of the date of any Additional Policy Advance made pursuant to a Borrowing Request, all Pledged Policies that are to be funded from such Advance that constitute Retained Death Benefit Policies are listed on Schedule 8.1(w), which also indicates the percentage of the Net Death Benefit of each such Retained Death Benefit Policy that is payable to any Person other than the Securities Intermediary.

(x) Transaction Documents. The Borrower has not entered into any agreements or instruments other than the Transaction Documents, except as approved in writing by the Required Lenders in their sole and absolute discretion.

(y) Ownership of Borrower. The Borrower is classified as either a disregarded entity or a partnership for United States federal income tax purposes. GP Parent is owned directly by LP Parent. LP Parent owns all of the limited partnership interests in the Borrower. GP Parent owns all of the general partnership interests in the Borrower. LP Parent is a resident of Ireland and a qualified person within the meaning of the double tax treaty between Ireland and the United States with respect to taxes on income and capital gains. Borrower will be treated as a fiscally transparent entity for Irish tax purposes with respect to at least 99.9% of its income, in that for Irish tax purposes LP Parent will be entitled to separately take into account on a current basis LP Parent's share of every item of income paid to the Borrower, whether or not distributed to LP Parent, and the character and source of the item in the hands of LP Parent are determined as if such item were realized directly by LP Parent from the source from which realized by the Borrower. LP Parent qualifies for the benefits of the double tax treaty between Ireland and the United States with respect to income from sources within the United States. LP Parent is the owner of not less than 99.9% of the interests in the Borrower that are limited partnership interests or general partnership interests. Neither Borrower nor LP Parent is engaged in a trade or business through a permanent establishment in the United States within the meaning of the double tax treaty between Ireland and the United States.

(z) Collections. At least 99.9% of all Collections are exempt from United States federal income tax under the double tax treaty between Ireland and the United States, both when paid to the Borrower and when paid by the Borrower to its partners.

(aa) Withholding Tax. As of the Original Amended and Restated Closing Date and any date prior to the date of any transfer or participation by the Initial Lender of any of its Advances, no amounts to be paid by the Borrower to the Administrative Agent or any Lender are or were subject to United States withholding tax so long as the representation of the Initial Lender made on the Original Amended and Restated Closing Date pursuant to Section 13.4 of the Original Amended and Restated Loan Agreement remains accurate.

(bb) Irish Withholding Tax. As of the Original Amended and Restated Closing Date and any date prior to the date of any transfer or participation by the Initial Lender of any of its Advances, no amounts to be paid by the Borrower to the Administrative Agent or the Initial Lender are or were subject to any withholding tax imposed by applicable authorities in Ireland so long as, with respect to the Initial Lender, the representation of the Initial Lender made on the Original Amended and Restated Closing Date pursuant to Section 13.4 of the Original Amended and Restated Loan Agreement would be accurate with respect to such Lender, and after any transfer or participation by the Initial Lender of any of its Advances, (i) no amounts to be paid by the Borrower to or for the benefit of the assignee or participant will be subject to any withholding tax imposed by applicable authorities in Ireland; provided that the Borrower shall not be in breach of the representation it makes pursuant to this clause (i) so long as (x) the Borrower is using reasonable commercial efforts to comply with the covenant set forth in Section 9.1(kk) hereof and compliance with such covenant will eliminate any withholding tax imposed by the applicable authorities in Ireland on any payments to be paid by the Borrower to or for the benefit of such assignee or participant and (y) the Borrower lists the Lender Notes related to such assignee or participant on the unregulated market of the Irish Stock Exchange plc or other appropriate stock exchange or takes such other actions described in Section 9.1(kk) within sixty (60) days after the date of the related transfer or participation and doing so eliminates any withholding tax imposed by the applicable authorities in Ireland on any payments to be paid by the Borrower to or for the benefit of such assignee or participant and (ii) no amounts to be paid by the Borrower to or for the benefit of the Initial Lender are subject to any withholding tax imposed by applicable authorities in Ireland so long as, with respect to the Initial Lender, the representation of the Initial Lender made on the Original Amended and Restated Closing Date pursuant to Section 13.4 of the Original Amended and Restated Loan Agreement would be accurate with respect to such Lender.

Section 8.2 Representations and Warranties of the Portfolio Manager. The Portfolio Manager makes the following representations and warranties to the Administrative Agent and each Lender:

(a) Organization, etc. The Portfolio Manager has been duly organized and is validly existing and in good standing under the laws of the Islands of Bermuda (and is not organized under the laws of any other jurisdiction or Governmental Authority) with the requisite power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted. The Portfolio Manager is duly licensed or qualified

to do business as a foreign entity in good standing in each jurisdiction in which the failure to be so licensed or qualified would be reasonably likely to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of the Portfolio Manager or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(b) Power and Authority; Due Authorization. The Portfolio Manager has (a) all necessary power, authority and legal right to execute, deliver and perform its obligations under this Loan Agreement and each of the other Transaction Documents to which it is a party, and (b) duly authorized, by all necessary action, the execution, delivery and performance of this Loan Agreement and the other Transaction Documents to which it is a party.

(c) No Violation. The consummation of the transactions contemplated by this Loan Agreement and the other Transaction Documents and the fulfillment of the terms hereof and thereof will not and do not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (i) the constitutional documents of the Portfolio Manager, or (ii) any material agreement or instrument to which the Portfolio Manager is a party or by which it or any of its properties is bound, (b) result in or require the creation or imposition of any Adverse Claim upon any of its properties pursuant to the terms of any such material agreement or instrument or (c) violate any Applicable Law.

(d) Validity and Binding Nature. This Loan Agreement is, and the other Transaction Documents to which it is a party when duly executed and delivered by the Portfolio Manager and the other parties thereto will be, the legal, valid and binding obligation of the Portfolio Manager, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body required for the due execution, delivery or performance by the Portfolio Manager of any Transaction Document to which it is a party, remains or remained unobtained or unfiled.

(f) Margin Regulations. The Portfolio Manager is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock.

(g) Offices. The principal place of business and chief executive office of the Portfolio Manager is located at the address set forth on Schedule 13.2 (or at such other locations, notified to the Administrative Agent in jurisdictions where all action required hereby has been taken and completed).

(h) Compliance with Applicable Laws; Licenses, etc

(i) The Portfolio Manager is in compliance with the requirements of all Applicable Laws, a breach of any of which, individually or in the aggregate, could reasonably be expected to have an adverse effect on any of the Pledged Policies, the business, assets, financial

condition or operations of the Portfolio Manager or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(ii) The Portfolio Manager has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain could reasonably be expected to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of the Portfolio Manager or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(iii) The Portfolio Manager has complied with all licensure requirements in each state in which it is required to be specifically registered or licensed as a purchaser, owner or servicer of life insurance policies.

(iv) There has been no event or circumstance that could reasonably be expected to result in the revocation of any license, permit, franchise or other governmental authorization of the Portfolio Manager necessary to the ownership of its properties or to the conduct of its business.

(i) No Proceedings. Except as set forth on Schedule 8.1(m), there is no order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority to which the Portfolio Manager is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the actual knowledge of the Portfolio Manager, threatened, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against the Portfolio Manager that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of the Portfolio Manager or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document; and there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the actual knowledge of the Portfolio Manager, threatened, before or by any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Loan Agreement or any other Transaction Document, (B) seeking to adversely affect the federal income tax attributes of the Portfolio Manager or (C) asserting that any Pledged Policy or Policy to become a Pledged Policy is invalid, void or otherwise unenforceable for any reason.

(j) Investment Company Act, Etc. The Portfolio Manager is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, by virtue of an exemption other than pursuant to Section 3(c)(1) or Section 3(c)(7) thereof.

(k) Accuracy of Information. To the best of the Portfolio Manager's knowledge and belief, after due inquiry, and in reliance on information provided by third parties (as to the accuracy or completeness of which the Portfolio Manager is not liable and has expressed no opinion or made any representation or warranty), all information furnished by, or on behalf of, the Portfolio Manager to the Administrative Agent or any other Secured Party in connection with any Transaction Document, or any transaction contemplated thereby, is or was as of the date it was furnished (if such information was furnished on an earlier date) true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(l) No Material Adverse Change. Since March 27, 2013, there has been no material adverse change in (A) the Portfolio Manager's (i) financial condition, business, operations or prospects or (ii) ability to perform its obligations under any Transaction Document to which the Portfolio Manager is a party, (B) any of the Collateral or (C) any of the Pledged Interests.

(m) Trade Names and Subsidiaries. The Portfolio Manager has not used any other names, trade names or assumed names for the five year period preceding the Original Amended and Restated Closing Date (and has not used any other names, trade names or assumed names since such date). The Portfolio Manager has no Subsidiaries and does not own or hold, directly or indirectly, any equity interest in any Person.

(n) Foreign Assets Control Regulations, Etc.

(i) The Portfolio Manager is not (A) an OFAC Listed Person or (B) a department, agency or instrumentality of, or is otherwise controlled by or acting on behalf of, directly or indirectly, any Blocked Person.

(ii) To the Portfolio Manager's actual knowledge, it (A) is not under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any Applicable Law, (B) has not been assessed civil penalties under any Anti-Money Laundering Laws or (C) has not had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Portfolio Manager has taken reasonable measures appropriate to the circumstances, to the extent, if any, required by Applicable Law, to ensure that the Portfolio Manager and each Affiliate thereof is and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws.

(iii) The Portfolio Manager has taken reasonable measures appropriate to the circumstances, to the extent, if any, required by Applicable Law, to ensure that the Portfolio Manager and each Affiliate thereof is and will continue to be in compliance with all applicable current and future anti-corruption laws and regulations.

Section 8.3 Representations and Warranties of the Guarantor, the Initial Servicer and the Initial Portfolio Manager. Imperial Finance, in its capacities as the Guarantor, the Initial Servicer and the Initial Portfolio Manager, makes the following representations and warranties to the Administrative Agent and each Lender:

(a) Organization, etc. Imperial Finance has been duly organized and is validly existing and in good standing under the laws of the State of Florida (and is not organized under the laws of any other jurisdiction or Governmental Authority) with the requisite power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted. Imperial Finance is duly licensed or qualified to do business as a foreign entity in good standing in each jurisdiction in which the failure to be so licensed or qualified would be reasonably likely to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of Imperial Finance or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(b) Power and Authority; Due Authorization. Imperial Finance has (a) all necessary power, authority and legal right to execute, deliver and perform its obligations under this Loan Agreement and each of the other Transaction Documents to which it is a party, and (b) duly authorized, by all necessary action, the execution, delivery and performance of this Loan Agreement and the other Transaction Documents to which it is a party.

(c) No Violation. The consummation of the transactions contemplated by this Loan Agreement and the other Transaction Documents and the fulfillment of the terms hereof and thereof will not and do not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (i) the organizational documents of Imperial Finance, or (ii) any material agreement or instrument to which Imperial Finance is a party or by which it or any of its properties is bound, result in or require the creation or imposition of any Adverse Claim upon any of its properties pursuant to the terms of any such material agreement or instrument or (c) violate any Applicable Law.

(d) Validity and Binding Nature. This Loan Agreement is, and the other Transaction Documents to which it is a party when duly executed and delivered by Imperial Finance and the other parties thereto will be, the legal, valid and binding obligation of Imperial Finance, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body required for the due execution, delivery or performance by Imperial Finance of any Transaction Document to which it is a party, remains or remained unobtained or unfiled.

(f) Margin Regulations. Imperial Finance is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock.

(g) Offices. The principal place of business and chief executive office of Imperial Finance is located at the address set forth on Schedule 13.2 (or at such other locations, notified to the Administrative Agent in jurisdictions where all action required hereby has been taken and completed).

(h) Compliance with Applicable Laws; Licenses, etc

(i) Imperial Finance is in compliance with the requirements of all Applicable Laws, a breach of any of which, individually or in the aggregate, could reasonably be expected to have an adverse effect on any of the Pledged Policies, the business, assets, financial condition or operations of Imperial Finance or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(ii) Imperial Finance has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain could reasonably be expected to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of Imperial Finance or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(iii) Imperial Finance has complied with all licensure requirements in each state in which it is required to be specifically registered or licensed as a purchaser, owner or servicer of life insurance policies.

(iv) There has been no event or circumstance that could reasonably be expected to result in the revocation of any license, permit, franchise or other governmental authorization of Imperial Finance necessary to the ownership of its properties or to the conduct of its business.

(i) No Proceedings. Except as set forth on Schedule 8.1(m), there is no order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority to which Imperial Finance is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the actual knowledge of Imperial Finance, threatened, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against Imperial Finance that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of Imperial Finance or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document; and there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the actual knowledge of Imperial Finance, threatened, before or by any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Loan Agreement or any other Transaction Document, (B) except as set forth on Schedule 8.3(i), seeking to adversely affect the federal income tax attributes of Imperial Finance or (C) asserting that any Pledged Policy or Policy to become a Pledged Policy is invalid, void or otherwise unenforceable for any reason.

(j) Investment Company Act, Etc. Imperial Finance is not an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, by virtue of an exemption other than pursuant to Section 3(c)(1) or Section 3(c)(7) thereof.

(k) Accuracy of Information. To the best of Imperial Finance’s knowledge and belief, after due inquiry, and in reliance on information provided by third parties (as to the accuracy or completeness of which Imperial Finance is not liable and has expressed no opinion or made any representation or warranty), all information furnished by, or on behalf of, Imperial Finance to the Administrative Agent or any other Secured Party in connection with any Transaction Document, or any transaction contemplated thereby, is or was as of the date it was furnished (if such information was furnished on an earlier date) true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(l) No Material Adverse Change. Except as set forth on Schedule 8.3(l), since March 27, 2013, there has been no material adverse change in (A) Imperial Finance’s (i) financial condition, business, operations or prospects or (ii) ability to perform its obligations under any Transaction Document to which Imperial Finance is a party, (B) any of the Collateral or (C) any of the Pledged Interests.

(m) Trade Names and Subsidiaries. Imperial Finance has not used any other names, trade names or assumed names for the five year period preceding the Original Amended and Restated Closing Date (and has not used any other names, trade names or assumed names since such date). Imperial Finance has no Subsidiaries and does not own or hold, directly or indirectly, any equity interest in any Person.

(n) Foreign Assets Control Regulations, Etc.

(i) Imperial Finance is not (A) an OFAC Listed Person or (B) a department, agency or instrumentality of, or is otherwise controlled by or acting on behalf of, directly or indirectly, any Blocked Person.

(ii) To Imperial Finance’s actual knowledge, it (A) is not under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any Applicable Law, (B) has not been assessed civil penalties under any Anti-Money Laundering Laws or (C) has not had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. Imperial Finance has taken reasonable measures appropriate to the circumstances, to the extent, if any, required by Applicable Law, to ensure that Imperial Finance and each Affiliate thereof is and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws.

(iii) Imperial Finance has taken reasonable measures appropriate to the circumstances, to the extent, if any, required by Applicable Law, to ensure that Imperial Finance and each Affiliate thereof is and will continue to be in compliance with all applicable current and future anti-corruption laws and regulations.

ARTICLE IX
COVENANTS

Section 9.1 Affirmative Covenants. Until the first day following the date on which all of the Obligations (including, without limitation, the Aggregate Participation Interest) are performed and paid in full and this Loan Agreement is terminated, the Borrower (and with respect to Section 9.1(i), the Portfolio Manager, the Guarantor, the Initial Servicer and the Initial Portfolio Manager, with respect to Section 9.1(w), the Portfolio Manager and with respect to Section 9.1(jj), the Initial Servicer and the Portfolio Manager) hereby covenants and agrees as follows:

(a) Compliance with Laws, Etc. The Borrower shall comply in all material respects with all Applicable Laws.

(b) Preservation of Existence. The Borrower shall preserve and maintain its existence, rights, franchises and privileges, and sole jurisdiction of formation, and qualify and remain qualified in good standing as a foreign entity in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications could have a material adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, the business, assets, financial condition or operations of the Borrower or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(c) Performance and Compliance with the Transaction Documents and Pledged Policies. The Borrower shall timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Transaction Documents and otherwise with respect to the Pledged Policies.

(d) Reporting Requirements. During the term of this Loan Agreement, the Borrower shall furnish or cause to be furnished to the Administrative Agent and each Lender:

(i) (A) with respect to the Borrower (x) as soon as available and in any event within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, a copy of the unaudited financial statements of the Borrower, and so long as such unaudited financial statements are on a consolidated basis and include the Borrower, those of the Predecessor Parent Pledgor or the Parent Pledgors, as of the end of such month, certified by an officer or director of the Borrower, the Predecessor Parent Pledgor or the Parent Pledgors (which certification shall state that the related balance sheets and statements fairly present the financial condition and results of operations for such fiscal quarter and, if financial statements are publicly filed by Imperial pursuant to applicable securities laws, such certification shall be in the same form and scope as the relevant certification delivered in connection with such filing), delivery of which financial statements shall be accompanied by a certificate of such officer to the effect that no Event of Default or Unmatured Event of Default has occurred and is continuing or, if an Event of Default or Unmatured Event of Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (y) as soon as available,

and in any event within two-hundred seventy (270) days after the end of each fiscal year of the Borrower (commencing with the fiscal year ending in 2014), a copy of the audited annual balance sheet for such fiscal year of the Borrower, and so long as such audited annual balance sheet is on a consolidated basis and includes the Borrower, those of the Predecessor Parent Pledgor or the Parent Pledgors, as at the end of such fiscal year, together with the related audited statements of earnings, stockholders' equity and cash flows for such fiscal year, certified by an officer or director of the Borrower, the Predecessor Parent Pledgor or the Parent Pledgors (which certification shall state that the related balance sheets and statements fairly present the financial condition and results of operations for such fiscal year, subject to year-end audit adjustments and, if financial statements are publicly filed by Imperial pursuant to applicable securities laws, such certification shall be in the same form and scope as the relevant certification delivered in connection with such filing), delivery of which balance sheets and statements shall be accompanied by a certificate of such officer to the effect that no Event of Default or Unmatured Event of Default has occurred and is continuing or, if an Event of Default or Unmatured Event of Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (B) if Imperial is no longer a Publicly Traded Company or if Imperial fails to timely make any necessary filings with the Securities and Exchange Commission, (x) as soon as available and in any event within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of Imperial, a copy of the unaudited financial statements of Imperial, as of the end of such month, certified by an officer or director of Imperial (which certification shall state that the related balance sheets and statements fairly present the financial condition and results of operations for such fiscal quarter and, if financial statements are publicly filed by Imperial pursuant to applicable securities laws, such certification shall be in the same form and scope as the relevant certification delivered in connection with such filing) and (y) as soon as available, and in any event within two-hundred seventy (270) days after the end of each fiscal year of Imperial, a copy of the audited annual balance sheet for such fiscal year of Imperial as at the end of such fiscal year, together with the related audited statements of earnings, stockholders' equity and cash flows for such fiscal year, certified by an officer or director of Imperial (which certification shall state that the related balance sheets and statements fairly present the financial condition and results of operations for such fiscal year, subject to year-end audit adjustments and, if financial statements are publicly filed by Imperial pursuant to applicable securities laws, such certification shall be in the same form and scope as the relevant certification delivered in connection with such filing);

(ii) as soon as possible and in any event within two (2) Business Days after any officer of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, the Portfolio Manager, the Servicer, the Guarantor, the Initial Servicer or the Initial Portfolio Manager or Imperial has actual knowledge of, (A) the occurrence of an Event of Default or an Unmatured Event of Default, an officer's certificate of the Borrower setting forth details of such event and the action that the Borrower proposes to take with respect thereto and (B) the downgrade, withdrawal or suspension of the financial strength rating of any Issuing Insurance Company, notice to the Administrative Agent thereof;

(iii) a copy of the Servicer Report on each Servicer Report Date and a copy of the Initial Servicer Report on each Initial Servicer Report Date;

(iv) promptly, from time to time, such other information, documents, records or reports respecting the Collateral, the Subject Policies or the condition or operations, financial or otherwise, of the Borrower as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent or any Lender under or as contemplated by this Loan Agreement and the other Transaction Documents, including but not limited to, upon each sale of a Pledged Policy, a report that shall include such information as the Administrative Agent shall reasonably request, calculated as of before such sale and after such sale, taking into account the application of the proceeds of such sale;

(v) as soon as possible upon learning of the death of any Insured, an email notification to the Administrative Agent of (A) the identity of such Insured, (B) the cost basis (purchase price paid by the first person that purchased such Pledged Policy that was an Affiliate of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor or Imperial or, if such Pledged Policy was acquired by such Affiliate in a foreclosure process, the amount of indebtedness allocated to such Pledged Policy by such Affiliate plus any additional accrued and unpaid interest thereon as of the date of foreclosure and, in each case, plus premiums paid thereon after the date of foreclosure or purchase, as applicable, and until the Initial Closing Date) of the Pledged Policy relating to such Insured, (C) the Net Death Benefit of the Pledged Policy relating to such Insured, (D) the two (2) Life Expectancy Reports delivered with respect to such Insured relating to the applicable Advance and the names of the Pre- Approved Medical Underwriters which provided such Life Expectancy Reports, (E) the date the Pledged Policy was first acquired by an Affiliate of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor or Imperial relating to such Insured and (F) the date of birth and date of death of such Insured;

(vi) no later than the Initial Closing Date, and thereafter on December 1 of each calendar year (including the current calendar year), an annual budget substantially in form of Exhibit E (each, an "Annual Budget"). Within five (5) Business Days of delivery of the first such Annual Budget, and thereafter within twenty (20) Business Days of delivery of each subsequent Annual Budget to the Administrative Agent and each Lender, the Required Lenders will specify to the Administrative Agent, and the Administrative Agent will advise the Borrower the amount they have approved in their sole discretion for funding through Advances and/or Collections in respect of Expenses and scheduled Premiums on the Pledged Policies for (a) in the case of the first such Annual Budget, the current calendar year, and (b) in the case of any subsequent Annual Budget the succeeding calendar year; provided that at any time, in their sole discretion, the Required Lenders may notify the Administrative Agent and Borrower that they approve increases in such amounts or direct decreases in such amounts; and

(vii) no later than five (5) Business Days following the Partial Repayment Date, and within five (5) Business Days prior to the end of each calendar quarter thereafter, a schedule of Premiums on the Pledged Policies for the immediately succeeding calendar quarter. Within ten (10) Business Days of delivery of each such schedule of Premiums, the Required Lenders will specify to the Administrative Agent, and the Administrative Agent will advise the Borrower whether they have approved such schedule of Premiums in their discretion, exercised in a commercially reasonable manner.

(e) Use of Advances. The Borrower shall use the proceeds of Advances in accordance with Section 2.8(a).

(f) Separate Legal Entity. The Borrower hereby acknowledges that each Lender and the Administrative Agent are entering into the transactions contemplated by this Loan Agreement and the other Transaction Documents in reliance upon the Borrower's identity as a legal entity separate from its Affiliates and from Affiliates of Imperial. Therefore, from and after the Initial Closing Date, the Borrower shall take all reasonable steps to continue the Borrower's identity as a separate legal entity and to make it apparent to third Persons that the Borrower is an entity with assets and liabilities distinct from those of any other Person, and is not a division of any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the covenant set forth in Section 9.1(b), the Borrower shall take such actions as shall be required in order that:

(i) The Borrower will be a limited partnership whose primary activities are restricted in the Borrower Organizational Documents to owning Policies and certain related assets and financing the acquisition thereof and conducting such other activities as it deems necessary or appropriate to carry out its primary activities;

(ii) At least one manager of the GP Parent (the Independent Manager) and at least one director of the LP Parent (the Independent Director) shall be an individual who (i) is not a present or former director, manager, officer, employee, supplier, customer or five percent (5%) beneficial owner of the outstanding equity interests of the Borrower, Parent Pledgors, Guarantor, Imperial or any Affiliate of any of them and (ii) has at least three years of employment experience with one or more entities with a national reputation and presence that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities, and is currently employed by such an entity; provided, however, that an individual shall not be deemed to be ineligible to be an Independent Manager or an Independent Director solely because such individual serves or has served in the capacity of an "independent director" or similar capacity for special purpose entities formed by any Affiliate of the Borrower or Imperial. The organizational documents of the GP Parent, the LP Parent and Borrower shall provide that (i) in the case of the GP Parent, the approval of all managers, including the Independent Manager, and in the case of the LP Parent, the approval of all directors, including the Independent Director, and in the case of the Borrower, all managers of the GP Parent including the Independent Manager, shall be required in order to approve of such partner of the Borrower or the Borrower taking any action to cause the filing of, a voluntary bankruptcy petition with respect to the Borrower, and shall indicate that no such action by such partner of the Borrower or the Borrower is valid unless the Independent Manager or Independent Director, as indicated above, shall approve the taking of such action in writing prior to the taking of such action, and (ii) such provisions and such delegation cannot be rescinded or amended without the prior written consent of the Independent Manager or Independent Director, as appropriate;

(iii) Any employee, consultant or agent of the Borrower will be compensated from funds of the Borrower, as appropriate, for services provided to the Borrower;

(iv) To the extent, if any, that the Borrower and any other Person share items of expenses such as legal, auditing and other professional services, such expenses will be allocated to each of them on a reasonable and fair basis;

(v) The Borrower shall hold itself out as a separate entity;

(vi) The Borrower will maintain books and records separately from those of any other Person, including all of its partners;

(vii) The Borrower shall pay its own material liabilities out of its own funds;

(viii) The Borrower shall not acquire any obligations or securities of its partners or shareholders;

(ix) All audited financial statements of any Person that are consolidated to include the Borrower will contain notes clearly and conspicuously indicating (in appropriate notes or otherwise) that (A) all of the Borrower's assets are owned by the Borrower, and (B) the Borrower is a separate entity;

(x) The Borrower's assets will be maintained in a manner that facilitates their identification and segregation from those of any other Person;

(xi) The Borrower will strictly observe appropriate formalities in its dealings with all other Persons, and funds or other assets of the Borrower will not be commingled with those of any other Person, other than temporary commingling in connection with servicing the Pledged Policies to the extent explicitly permitted by the other Transaction Documents;

(xii) The Borrower shall not, directly or indirectly, be named or enter into an agreement to be named, as a direct or contingent beneficiary or loss payee, under any insurance policy with respect to any amounts payable due to occurrences or events related to any other Person;

(xiii) The Borrower shall maintain an arm's length relationship with its partners and other Affiliates and Affiliates of Imperial;

(xiv) The Borrower will not hold itself out to be responsible for the debts of any other Person; and

(xv) The Borrower will not fail to maintain all policies and procedures or take or continue to take all actions necessary or appropriate to ensure that all factual assumptions set forth in opinions of counsel of the Borrower or its Affiliates delivered in connection herewith or the other Transaction Documents remain true and accurate at all times.

(g) Defense. The Borrower shall, in consultation with the Administrative Agent and at its own expense, defend the Collateral against all lawsuits and statutory claims and Liens of all Persons at any time claiming the same or any interest therein through the Borrower or any Affiliate of Imperial adverse to the Administrative Agent or the Secured Parties.

(h) Perfection. The Borrower shall, at the Borrower's expense, perform all acts and execute all documents requested in writing by the Administrative Agent at any time to evidence, perfect, maintain and enforce the security interest of the Administrative Agent in the Collateral and in the Pledged Interests and the priority thereof. The Borrower will, at the reasonable request of the Administrative Agent, deliver financing statements relating to the Collateral, and, where permitted by law, the Borrower hereby authorizes the Administrative Agent to file one or more financing statements covering all of the Collateral and other assets of the Borrower. The Borrower shall cause its primary electronic books and records relating to the Collateral to be marked, with a legend stating that the Pledged Policies and the other Collateral owned by the Borrower have been pledged to the Administrative Agent, for the benefit of the Secured Parties.

(i) Audit. The Borrower, the Portfolio Manager, the Initial Portfolio Manager, the Initial Servicer and the Guarantor shall, and shall cause each of the Parent Pledgors, the Assignor, the Predecessor Parent Pledgor and Servicer to permit each Lender, the Administrative Agent or their duly authorized representatives, attorneys, accountants or auditors during ordinary business hours and upon written notice given one (1) Business Day in advance, to visit the offices thereof and to inspect their accounts, records and computer systems, software and programs used or maintained by them in relation to the Collateral or their performance of duties under or in relation to the Transaction Documents to which they are party as such Lender or the Administrative Agent may reasonably request (a "Collateral Audit") and the Borrower shall enable the Insurance Consultant to seek and receive from the related Issuing Insurance Companies any verifications of coverage related to the Pledged Policies as often as the Administrative Agent may request the Insurance Consultant to do so. The Borrower shall promptly on demand reimburse the Administrative Agent and the Lenders for all costs and expenses incurred by or on behalf of the Administrative Agent and the Lenders in connection with any Collateral Audit and their ongoing review and the Insurance Consultant's ongoing review of the documents related to the Pledged Policies, including, without limitation, the documents on the FTP Site; provided, however, if no Event of Default or Unmatured Event of Default has occurred and is continuing, the total expenses incurred by or on behalf of Borrower, the Portfolio Manager, the Initial Portfolio Manager, the Initial Servicer, the Guarantor, each of the Parent Pledgors, the Assignor, the Predecessor Parent Pledgor and the Servicer related to Collateral Audits, the ongoing review of the documents related to the Pledged Policies by the Lenders, the Administrative Agent and the Insurance Consultant and delivering any verifications of coverage related to the Pledged Policies (including any reimbursements actually made by the Borrower, the Portfolio Manager, the Initial Portfolio Manager, the Initial Servicer, the Guarantor, each of the Parent Pledgors, the Assignor, the Predecessor Parent Pledgor and the Servicer to the Lenders and the Administrative Agent in connection therewith) shall be limited to no more than \$2,000 (as adjusted annually for inflation or such higher amount if such higher amount is the Insurance Consultant's reasonably determined prevailing market cost in the industry for such Collateral Audits or ongoing reviews of the type in question as adjusted for changes in audit standards) for each Pledged Policy during any twelve (12) month period. Upon written instructions from the Administrative

Agent, each of Borrower, the Portfolio Manager, the Initial Portfolio Manager, the Initial Servicer and the Guarantor shall, and shall cause the Servicer (and the Administrative Agent may cause the Custodian) to release any document related to any Collateral to the Administrative Agent. The Administrative Agent may conduct a Collateral Audit no more than once per calendar year at the Borrower's expense and no more frequently than once every two (2) calendar months at the Lenders' expense; provided, however, if an Event of Default or Unmatured Event of Default has occurred and is continuing, the Administrative Agent, at the Borrower's expense, shall have the right to conduct a Collateral Audit at any time and as often the Administrative Agent determines is necessary or desirable.

(j) Additional Assistance. The Borrower shall provide such cooperation, information and assistance, and prepare and supply the Administrative Agent with such data regarding the performance by the Issuing Insurance Companies of their obligations under the Pledged Policies and the performance by the Borrower of its obligations under the Transaction Documents, as may be reasonably requested by the Administrative Agent from time to time.

(k) Accounts. The Borrower shall not maintain any bank accounts other than the Accounts. The Borrower shall not close any of the Accounts unless the Required Lenders shall have consented thereto in their sole discretion.

(l) Keeping of Records and Books of Account. The Borrower shall maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate the documents relating to the Collateral in the event of the destruction thereof), and keep and maintain all records and other information, reasonably necessary or reasonably advisable for the collection of proceeds of the Pledged Policies.

(m) Deposit of the Collections. The Borrower shall deposit or cause to be deposited all Collections into the Collection Account in accordance with Section 5.1.

(n) Investment Company Act. The Borrower, the Assignor, the Predecessor Parent Pledgor and Parent Pledgors shall not become an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, by virtue of an exemption other than pursuant to Section 3(c)(1) or Section 3(c)(7) thereof. The Borrower shall take any and all actions to ensure that it is not a "covered fund" under Section 13 of the Bank Holding Company Act of 1956, as amended.

(o) [Reserved]

(p) Borrower Residence. Each of the GP Parent, the LP Parent, the Predecessor Parent Pledgor and the Assignor shall at all times maintain its registered office in the jurisdiction indicated in the notice provisions of the Transaction Documents to which it is party. The Borrower shall at all times maintain its principal place of business in the Commonwealth of Bermuda.

(q) Payment of Taxes. The Borrower shall pay and discharge, as they become due, all Taxes lawfully imposed upon it or incurred by it or its properties and assets, including, without limitation, lawful claims for labor, materials and supplies which, if unpaid might become a Lien or a charge upon any of the assets of the Borrower, including, without limitation, the Collateral, provided, however, that the Borrower shall have the right to contest any such taxes, assessments, debts, claims and other charges in good faith so long as adequate reserves are maintained in accordance with GAAP.

(r) Errors and Omissions. The Borrower shall maintain or be named as an additional insured under one or more errors and omissions policies maintained by an Affiliate, each with insurance companies rated A-, VII or higher by A.M. Best on all officers, employees or other Persons where the Borrower has the right to direct and control such individuals in any capacity with regard to the Pledged Policies to handle documents and papers related thereto. Each such policy shall insure against losses resulting from the errors, omissions and negligent acts of such officers, employees and other persons and shall be maintained in an aggregate amount of at least \$10,000,000 or such lower amount as the Administrative Agent may designate in writing to the Borrower from time to time, and in a form reasonably acceptable to the Administrative Agent. No provision of this Section 9.1(r) requiring such errors and omissions policy(ies) shall diminish or relieve the Borrower from its duties and obligations as set forth in this Loan Agreement. Upon the request of the Administrative Agent at any time subsequent to the Initial Closing Date, the Borrower shall cause to be delivered to the Administrative Agent a certification evidencing the Borrower's coverage under such errors and omissions policy(ies). Any such insurance policy shall contain a provision or endorsement providing that such policy may not be canceled or modified in a materially adverse manner without ten (10) days' prior written notice to the Administrative Agent.

(s) Pledged Policies. The Borrower shall maintain the Pledged Policies in full force and effect and not in a state of grace; provided that failure to do so solely as a result of (i) any uncured Lender Default, (ii) the failure by the Administrative Agent to apply amounts on deposit in the Escrow Account in accordance with Section 5.2(d) to fund the same, which amounts are sufficient to pay Premiums on the Pledged Policies or the election by the Administrative Agent to deliver an Alternative Information Notice pursuant to Section 5.2(h) and the amount of Premiums funded is less than the amount set forth in the Calculation Date Report in respect of which such Alternative Information Notice was delivered, or (iii) the abandonment of a Pledged Policy in accordance with Section 2.7(b), will not comprise a breach of this covenant; provided further that with respect to any Pledged Policy set forth on the Initial Advance Lexington Schedule, such Pledged Policy may have been in a state of grace on the Initial Closing Date but the Borrower caused such Pledged Policy to no longer be in state of grace by June 30, 2013.

(t) Further Assurances. The Borrower shall procure and deliver to the Administrative Agent and/or execute any security agreement, financing statement or other writing necessary to evidence, preserve, protect or enforce the Lenders' rights and interests to or in the Collateral or in any other collateral agreed to by the parties that is requested in writing by the Administrative Agent or any Lender.

(u) Litigation. The Borrower shall promptly notify the Administrative Agent of:

(i) any litigation, administrative proceedings, audits, actions, proceedings, claims or investigations pending or threatened in writing, conducted or to be conducted by any Person or Governmental Authority, actions, proceedings, claims or investigations pending or threatened in writing against the Borrower or the entry of any judgment against the Borrower, which in each case could reasonably be expected to involve or create a liability of the Borrower which exceeds \$50,000 per incident or \$200,000 in the aggregate, whether or not insured against;

(ii) the entry of any judgment against the Borrower or the creation of any Lien against any of the Collateral or the Pledged Interests; and

(iii) any actual or alleged violation by the Borrower of any Applicable Law which could reasonably be expected to have an adverse effect on any of the Pledged Policies, the business, assets, financial condition or operations of the Borrower or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(v) Insured Consent. The Borrower shall use commercially reasonable efforts to cause each Insured with respect to a Pledged Policy to consent to the release and delivery of its current and historical medical information and death certificate.

(w) In-Force Policy Illustrations. The Borrower shall or shall cause the Servicer to cause the applicable Issuing Insurance Companies to deliver to the Servicer an in- force Policy Illustration in respect of each Pledged Policy within 30 days of the anniversary of the issue date of each Policy, which the Portfolio Manager will upload to the FTP site as described in the Portfolio Management Agreement.

(x) Cooperation. The Borrower shall assist the Administrative Agent with, and take all actions reasonably requested by the Administrative Agent in connection with, the engagement of servicers, medical underwriters and tracking agents and the enabling of such parties to perform the services for which they have been retained by the Administrative Agent relating to the Pledged Policies.

(y) Collateral Assignment. Prior to the Second Amended and Restated Closing Date, in relation to each Policy comprising Collateral as of the Second Amended and Restated Closing Date, the Borrower has caused and, prior to each Additional Policy Advance Date, the Borrower shall cause, the Securities Intermediary or the Insurance Consultant to submit each collateral assignment in respect of each Policy pledged on such Advance Date to the applicable Issuing Insurance Company, naming the Administrative Agent, on behalf of the Lenders, as the collateral assignee.

(z) Other Information. The Borrower shall use commercially reasonable efforts to obtain any other information reasonably requested by the Administrative Agent with respect to the Pledged Policies and the Insureds.

(aa) Transaction Documents. The Borrower shall duly and timely perform all of its covenants and obligations under all Transaction Documents, except with the prior written consent of the Administrative Agent.

(bb) Mandatory Liquidation. After the earlier of the date on which (i) the number of Pledged Policies is less than or equal to one hundred (100) or (ii) the aggregate Net Death Benefit of the Pledged Policies is less than or equal to fifteen percent (15%) of the aggregate Net Death Benefit of the Pledged Policies on the Initial Closing Date, the Borrower shall, within 180 days of the Borrower's receipt of written direction from the Required Lenders, sell all of the Pledged Policies in accordance with Section 2.7(a).

(cc) Payment of Premiums. On and after the Partial Repayment Date, subject to Section 2.7(b), the Borrower shall pay or cause to be paid all Premiums due on the Pledged Policies and keep all the Pledged Policies in full force and effect and not in a state of grace.

(dd) LP Parent Contribution Agreement, Predecessor Parent Pledgor Contribution Agreement and Assignor Contribution Agreement. The Borrower shall enforce the Predecessor Parent Pledgor's obligations under the Predecessor Parent Pledgor Contribution Agreement, including, without limitation, the obligation of the Predecessor Parent Pledgor to reacquire Pledged Policies in accordance with the terms thereof. The Borrower shall enforce the LP Parent's obligations under the LP Parent Contribution Agreement, including, without limitation, the obligation of the LP Parent to acquire Pledged Policies in accordance with the terms thereof. The Borrower shall cause the LP Parent to enforce its obligations under the Predecessor Parent Pledgor LP Contribution Agreement, including, without limitation, the obligation of the Predecessor Parent Pledgor to reacquire Pledged Policies in accordance with the terms thereof. The Borrower shall cause the Predecessor Parent Pledgor to enforce its obligations under the Assignor Contribution Agreement, including, without limitation, the obligation of the Assignor to reacquire Pledged Policies in accordance with the terms thereof.

(ee) Servicing Agreements. The Borrower shall timely enforce its rights and obligations under the Servicing Agreement, including, without limitation, upon the Administrative Agent's instruction after the occurrence of a Servicer Termination Event, terminating the Servicer in accordance with the terms thereof. The Borrower shall not engage the Servicer to perform any additional services under the Servicing Agreement without obtaining the Administrative Agent's prior written consent, which consent may be given or withheld in the Required Lenders' reasonable discretion. The Borrower shall timely enforce its rights and obligations under the Initial Servicing Agreement, including, without limitation, upon the Administrative Agent's instruction after the occurrence of an Initial Servicer Termination Event, terminating the Initial Servicer in accordance with the terms thereof. The Borrower shall not engage the Initial Servicer to perform any additional services under the Initial Servicing Agreement without obtaining the Administrative Agent's prior written consent, which consent may be given or withheld in the Required Lenders' reasonable discretion.

(ff) Classification Elections of Borrower, GP Parent. Borrower shall cause the GP Parent to make such elections and take any other actions, or cause such elections to be made or such actions to occur, to ensure or cause the Borrower to be treated as a disregarded entity or partnership for United States federal income tax purposes. Borrower shall cause the GP Parent to make such elections and take any other actions, or cause such elections to be made or such actions to occur, to ensure or cause GP Parent to be classified as a disregarded entity for United States federal income tax purposes at all times following twenty-four (24) months after the Original Amended and Restated Closing Date.

(gg) Custodial Packages. Within fifteen (15) days of the Initial Closing Date, the Borrower delivered or caused to be delivered all Custodial Packages (including all originals thereof) related to the Subject Policies for the Initial Advance to the Custodian. Within fifteen (15) days of the Initial Closing Date, the Borrower caused the Custodian to deliver to the Administrative Agent a written confirmation identifying all such Subject Policies for which the Custodian had accepted delivery of the related purported Custodial Packages pursuant to the terms of the Account Control Agreement. On or before August 31, 2013, the Borrower caused the Custodian to verify to the Administrative Agent in writing its receipt of all documents required to be contained in each of the Custodial Packages related to the Subject Policies for the Initial Advance by delivering the required certification pursuant to the terms of the Account Control Agreement. On or prior to each Advance Date, the Borrower has caused or shall cause, as applicable, the Portfolio Manager to upload the related Collateral Packages (and with respect to the Initial Advance, the Schedules relating thereto) to the FTP Site. With respect to each Pledged Policy set forth on Schedule 7.1(f) on the Initial Closing Date, the Borrower delivered or caused the delivery of such Pledged Policies to the Custodian. With respect to each other Pledged Policy set forth on Schedule 7.1(f), the Borrower shall use commercially reasonable efforts to deliver or cause the delivery of such Pledged Policies to the Custodian.

(hh) Delivery of Change Forms. Within two (2) Business Days of the Initial Closing Date, the Borrower delivered or caused to be delivered to the Securities Intermediary completed but unsigned Change Forms for the Subject Policies related to the Initial Advance, to be executed by the Securities Intermediary in blank. Within seven (7) Business Days of the Initial Closing Date, the Borrower caused the Securities Intermediary to confirm to the Administrative Agent in writing in the form of Exhibit L-3 to the Account Control Agreement that it is holding Change Forms with respect to the Subject Policies related to the Initial Advance executed by the Securities Intermediary in blank and the Administrative Agent received copies of such Change Forms.

(ii) Portfolio Manager. The Borrower shall timely enforce its rights and obligations under the Portfolio Management Agreement, including, without limitation, upon the Administrative Agent's instruction after the occurrence of a Portfolio Manager Termination Event, terminating the Portfolio Manager in accordance with the terms thereof. The Borrower shall not engage the Portfolio Manager to perform any additional services under the Portfolio Management Agreement without obtaining the Administrative Agent's prior written consent, which consent may be given or withheld in the Required Lenders' reasonable discretion.

(jj) Opinions. Each of the Borrower, the Initial Servicer and the Portfolio Manager will maintain all policies and procedures and take and continue to take all actions necessary or appropriate to ensure that all factual assumptions set forth in opinions of counsel of the Borrower or its Affiliates delivered in connection herewith or the other Transaction Documents remain true and accurate at all times.

(kk) Listing. If a Lender assigns all or any portion of its Lender Notes, Commitment and Advances hereunder pursuant to Section 13.4 hereof and the assignee thereof resides in a jurisdiction that does not have a tax treaty with Ireland or if the assignment otherwise gives rise to Irish withholding tax, the Borrower shall, (i) within sixty (60) days after the date of such assignment, list the Lender Notes on the unregulated market of the Irish Stock Exchange plc or other stock exchange if doing so would eliminate or reduce any withholding tax imposed by applicable authorities in Ireland on any payments to be paid by the Borrower to or for the benefit of such assignee or (ii) use reasonable commercial efforts to ascertain whether any adjustments to the structure of the Borrower and its partners or otherwise can be implemented without cost or prejudice to any Lender that will eliminate the imposition of such withholding tax, and if such adjustments are satisfactory to the Administrative Agent and the Lenders, as determined in their sole and absolute discretion, within sixty (60) days following the date of such assignment, the Borrower shall implement such adjustments.

(ll) Manager. The Borrower shall ensure that all times the Manager, any successor Manager and any other Person performing functions similar to the Manager is an individual with at least three years of employment experience in the life settlement industry, possessing sufficient skills and knowledge to fulfill his or her obligations under the Consulting Agreement and any similar agreement.

(mm) Cash Interest Coverage Ratio Reporting Requirements. Within five (5) Business Days after the end of each calendar month commencing with the calendar month ending in December 2016, the Borrower shall furnish or cause to be furnished to the Administrative Agent and each Lender a report, in form and substance satisfactory to the Administrative Agent, which report shall include a calculation of the Cash Interest Coverage Ratio for each day of the immediately preceding calendar month (which report shall include, without limitation, all information necessary in order to enable the Administrative Agent to independently make each such calculation) and include a statement as to whether the Cash Interest Coverage Ratio has ever failed to meet the ratio for the Cash Interest Coverage Ratio identified in each of Section 10.1(x) hereof and in the definition of "Cash Flow Sweep Percentage", and if so, each date of such occurrence. Each such report shall be certified by an officer or director of EMG that all information set forth in such report is true and accurate in all respects (without omission of any information necessary to prevent such information from being materially misleading).

Section 9.2 Negative Covenants. Until the first day following the date on which all of the Obligations (including, without limitation, the Aggregate Participation Interest) are performed and paid in full and this Loan Agreement is terminated, the Borrower hereby covenants and agrees that it shall not:

(a) Assignment of Pledged Policies, Etc. Except as provided herein and in the other Transaction Documents, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist, any Adverse Claim upon or with respect to, any of the Pledged Policies or any other Collateral, including, without limitation, any Adverse Claim arising out of a Policy Loan.

(b) Amendments to Transaction Documents, etc. Amend, otherwise modify or waive any term or condition of: (i) this Loan Agreement, except with the prior written consent of all of the Lenders or (ii) any other Transaction Document, the Borrower Organizational Documents, any Pledged Policy or any other material contract, except in each case with the prior written consent of the Required Lenders.

(c) Deposit of Non-Collections. Deposit or otherwise credit, or cause or permit to be so deposited or credited, to the Collection Account any cash or other assets other than Collections and other amounts allowed or required to be credited to the Collection Account in accordance with Section 5.2.

(d) Indebtedness. Contract, create, incur or assume any indebtedness other than indebtedness incurred pursuant to this Loan Agreement and the other Transaction Documents.

(e) Change of Accounts. Change or cause to be changed any of the Accounts or the Policy Account or amend the Account Control Agreement without prior written consent of the Required Lenders.

(f) Mergers, Acquisitions, Sales, Subsidiaries, etc.

(i) Be acquired directly or indirectly, or be a party to any merger or consolidation, or directly or indirectly purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, except for Permitted Investments or sell, transfer, assign, convey or lease any of its property and assets (or any interest therein) other than pursuant to, or as contemplated by, this Loan Agreement or the other Transaction Documents;

(ii) make, incur or suffer to exist an Investment in, equity contribution to, loan or advance to, or payment obligation in respect of the deferred purchase price of, or payment for, property from, any other Person, except for Permitted Investments, pursuant to the Transaction Documents;

(iii) create any direct or indirect Subsidiary or otherwise acquire direct or indirect ownership of any equity interests in any other Person other than pursuant to the Transaction Documents; or

(iv) enter into any transaction with any Affiliate of the Borrower, Imperial, the Guarantor or the Portfolio Manager or any Affiliate of any of them except for the transactions contemplated or permitted by the Transaction Documents and other transactions upon fair and reasonable terms materially no less favorable to the Borrower or than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of the Borrower, Imperial, the Guarantor or the Portfolio Manager.

(g) Change in Business Policy. Make any change in the character of its business.

(h) Chief Executive Office. Move its chief executive office or jurisdiction of formation or permit the documents and books in its possession or under its control evidencing the Collateral to be moved, unless (i) the Borrower shall have given to the Administrative Agent not less than thirty (30) days' prior written notice thereof, clearly describing the new location, and (ii) the Borrower shall have taken such action, satisfactory to the Administrative Agent, to maintain the title or ownership of the Borrower and any security interest of the Administrative Agent, in the Collateral at all times fully perfected and in full force and effect. The Borrower shall not in any event become or seek to become organized under the laws of more than one jurisdiction.

(i) Business Restrictions. Engage in any business or transactions, or be a party to any documents, agreements or instruments, other than the Transaction Documents or those incidental to the purposes thereof, or make any expenditure for the purchase of any assets if such expenditure is made by the Borrower through a withdrawal of funds from an Account.

(j) Sale of Assets. Sell, transfer or convey any assets, except as expressly permitted by the Transaction Documents.

(k) Ownership of Borrower, GP Parent (i) During the twenty-four (24) month period following the Original Amended and Restated Closing Date only, make any elections, take any actions or fail to take any actions that would cause Borrower to be classified as other than a disregarded entity or partnership for United States federal income tax purposes or other than a fiscally transparent entity for Irish tax purposes, and at all times after such twenty- four (24) month period, make any elections, take any actions or fail to take any actions that would cause Borrower to be classified as other than a disregarded entity for United States federal income tax purposes or other than a transparent entity for Irish tax purposes or (ii) fail to cause the GP Parent to be classified as a disregarded entity for United States federal income tax purposes at all times following twenty-four (24) months after the Original Amended and Restated Closing Date.

(l) Further Policy Acquisitions. Acquire at any time any additional Policies that are not Pledged Policies without the prior written consent of the Administrative Agent.

(m) Use of Proceeds. Without the prior written consent of the Administrative Agent, use any proceeds arising from a sale under Section 2.7 other than pursuant to this Loan Agreement.

(n) Accounting Changes. Change any accounting practices, policies or treatment without the prior written consent of the Administrative Agent, except to the extent required by Applicable Law, changes in GAAP or requirements of its independent accountants.

(o) Foreign Assets Control Regulations, Etc. (i) Become or permit any of its subsidiaries to become a Blocked Person, (ii) have or permit any of its subsidiaries to have any investments in or engage in any dealings or transactions with any Blocked Person or (iii) violate or permit any of its subsidiaries to violate any Anti-Money Laundering Law.

ARTICLE X EVENTS OF DEFAULT; REMEDIES

Section 10.1 Events of Default. Each of the following shall constitute an "Event of Default" under this Loan Agreement upon the (i) expiration of the time period set forth below or (ii) expiration of a Cure Notice delivered to the Borrower by the Required Lenders in their sole discretion or (iii) earlier revocation of such Cure Notice by the Required Lenders in their sole discretion:

(a) Non-Payment. (A) The Borrower shall fail to make when due, any payment to any Lender or the Administrative Agent under this Loan Agreement or any other Transaction Document and such failure continues for one (1) Business Day, or (B) so long as such failure is not solely due to an uncured Lender Default, the Borrower shall fail to make when due, any payment to any other Person under this Loan Agreement or any other Transaction Document, including, without limitation, the failure to pay any Premium, and such failure continues for thirty (30) days or (C) any Advance is not paid in full on the Maturity Date. For the avoidance of doubt, the Lenders making one or more Protective Advances to pay any Premiums due during such thirty (30) day period shall not constitute a cure of the related Event of Default.

(b) Breach of Representations and Warranties. Any representation or warranty made or deemed made by the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, the Initial Portfolio Manager, the Portfolio Manager, the Initial Servicer, the Guarantor, the Servicer or Imperial under or in connection with any Transaction Document to which it is a party or any information or report delivered by or on behalf of any such Person to the Administrative Agent or any Lender hereunder or under any other Transaction Document shall prove to have been incorrect or untrue in any material respect when made or delivered (or when such representation, warranty, information or report is deemed to have been made or delivered) and, if curable, such breach is not cured within thirty (30) days.

(c) Non-Compliance with Other Provisions (i) The Borrower shall fail to perform or observe any covenant or agreement set forth in Section 9.1(q), Section 9.1(y), Section 9.1(dd), Section 9.1(ee), Section 9.1(ff), Section 9.1(gg), Section 9.1(ii), Section 9.1(jj), Section 9.1(kk), Section 9.1(ll), Section 9.2 (other than Section 9.2(c)) or (ii) the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, Imperial, the Initial Portfolio Manager, the Portfolio Manager, the Initial Servicer, the Guarantor or the Servicer shall fail to perform or observe any other term, covenant or agreement contained in any Transaction Document to which it is party on its part to be performed or observed and any such failure described in this clause (ii) shall remain unremedied

for thirty (30) days (or, with respect to a failure to deliver the Calculation Date Report or a failure to comply with any Section 2.7, Section 9.1(e), Section 9.1(h), Section 9.1(i), Section 9.1(m), Section 9.1(hh), Section 9.2(c), such failure shall remain unremedied for five (5) Business Days) from the earlier of (i) the date the Borrower receives notice of such failure and (ii) the date the Borrower has actual knowledge thereof.

(d) Non-Compliance by Other Parties. Any party to any Transaction Document other than the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, Imperial, the Servicer, the Initial Servicer, the Guarantor, the Portfolio Manager, the Initial Portfolio Manager, the Lenders or the Administrative Agent shall fail to perform or observe any term, covenant or agreement contained in this Loan Agreement or in any other Transaction Document on its part to be performed or observed and any such failure shall remain unremedied for thirty (30) days (or, with respect to a failure by the Securities Intermediary to make any deposit or withdrawal from any of the Accounts to be made by it under the Transaction Documents, such failure shall remain unremedied for one (1) Business Day) from the earlier of the (i) the date such Person receives notice of such failure and (ii) the date such Person has actual knowledge thereof.

(e) Validity of Transaction Documents. (i) This Loan Agreement or any other Transaction Document shall (except in accordance with its terms), in whole or in part, cease to be the legally valid, binding and enforceable obligation of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, Imperial, the Initial Servicer, the Guarantor, the Servicer, the Initial Portfolio Manager or the Portfolio Manager or cease to be in full force and effect, (ii) the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, Imperial, the Initial Servicer, the Guarantor, the Servicer, the Initial Portfolio Manager or the Portfolio Manager shall directly or indirectly contest in any manner such effectiveness, validity, binding nature or enforceability of such document, (iii) any other party (other than any of the Lenders, the Administrative Agent or any other Affected Party) shall directly or indirectly contest such effectiveness, validity, binding nature or enforceability of such document, (iv) this Loan Agreement together with the Account Control Agreement shall cease to create a valid Lien in favor of the Administrative Agent in the Collateral, or the Lien of the Administrative Agent in the Collateral shall cease to be a valid and enforceable first priority perfected Lien, free and clear of any Adverse Claim or (v) the Borrower Interest Pledge Agreement shall cease to create a valid Lien in favor of the Administrative Agent in Pledged Interests, or the Lien of the Administrative Agent in the Pledged Interests shall cease to be a valid and enforceable first priority perfected Lien, free and clear of any Adverse Claim.

(f) Bankruptcy. An Event of Bankruptcy shall have occurred with respect to the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor or Imperial.

(g) Change in Control. A Change in Control shall have occurred with respect to the Borrower, a Parent Pledgor, the Predecessor Parent Pledgor or the Assignor.

(h) Certain Events with Respect to Imperial. Imperial ceases to be a Publicly Traded Company or a Blocked Person shall become the owner, directly or indirectly,

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

beneficially or of record, of equity representing five percent (5.00%) or more of the aggregate ordinary voting power represented by the issued and outstanding equity of Imperial.

(i) Tax Liens; ERISA Liens. The Internal Revenue Service shall file notice of a Lien pursuant to the Code with regard to any assets of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor or Imperial or the PBGC shall, or shall indicate its intention to, file notice of a Lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower, the Assignor, the Predecessor Parent Pledgor or a Parent Pledgor in excess of \$100,000 or with regard to Imperial in excess of \$3,000,000; provided, however, that in each case the filing of such a notice of Lien shall not be an Event of Default for so long as such filing is being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside. Notwithstanding anything provided in the preceding sentence, no Adverse Claim shall be permitted with respect to any Collateral or Pledged Interests.

(j) Defaults. A default by the Borrower (after giving effect to the applicable grace period) shall have occurred and be continuing under any instrument, agreement or legal commitment evidencing, securing or providing for the issuance of indebtedness for borrowed money or off balance sheet financing for which the Borrower (either individually or collectively) is liable to pay an amount in excess of \$50,000, following which the provider of such borrowed money or off balance sheet financing has the right to accelerate the maturity thereof.

(k) Monetary Judgment. One or more judgments for the payment of money shall be rendered against the Borrower in an aggregate amount in excess of [*] or against Imperial in an aggregate amount in excess of [*], and, in each case, shall remain unpaid or undischarged, or a stay of execution thereof shall not be obtained, within thirty (30) days from the date of entry thereof.

(l) Material Adverse Effect. An event has occurred that has had or could reasonably be expected to have a Material Adverse Effect.

(m) Servicer Termination Events. (i) A Servicer Termination Event shall have occurred and be continuing, but only if the Servicer has not been replaced by a Successor Servicer or if such Servicer Termination Event causes a Material Adverse Effect or (ii) prior to the occurrence of the Set-Up Phase Completion Date (as defined in the Servicing Agreement) with respect to all of the Pledged Policies or such earlier date as of which the Servicer has commenced performing all of its obligations under the Servicing Agreement with respect to all of the Pledged Policies, an Initial Servicer Termination Event shall have occurred and be continuing, but only if the Initial Servicer has not been replaced by a Successor Initial Servicer or if such Initial Servicer Termination Event causes a Material Adverse Effect.

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(n) Investment Company Act. (i) The Borrower, the Assignor, the Predecessor Parent Pledgor or a Parent Pledgor shall become an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or any of the foregoing is at any time not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, solely by virtue of an exception pursuant to Section 3(c)(1) or 3(c)(7) thereof or (ii) the Borrower shall become a "covered fund" under Section 13 of the Bank Holding Company Act of 1956.

(o) Organizational Document Amendments. The Borrower shall make any material amendment to any of its Borrower Organizational Documents without the prior written consent of the Required Lenders.

(p) Subject Policy Grace Period. Subject to Section 5.4 hereof, either (i) more than one Pledged Policy in any calendar year (the "Annual Policy Limit"), (ii) Pledged Policies the aggregate Net Death Benefit of which equals or exceeds [*] in any calendar year (the "Annual NDB Limit"), (iii) more than [*] Pledged Policies (including Pledged Policies treated as Lapsed/Grace Policies pursuant to Section 5.4 hereof) since the date of the Original Loan Agreement (the "Aggregate Policy Limit") or (iv) Pledged Policies (including Pledged Policies treated as Lapsed/Grace Policies pursuant to Section 5.4 hereof) the aggregate Net Death Benefit of which equals or exceeds [*] since the date of the Original Amended and Restated Loan Agreement (the "Aggregate NDB Limit"), in the case of any of (i), (ii), (iii) or (iv), lapse or enter a "grace period" not solely due to an uncured Lender Default and not solely due to Lender's delivery of an Alternative Information Notice reducing Premiums paid as contemplated by Section 5.2(h), and are not restored to good standing within [*] Business Days after the Securities Intermediary receives written notice from the related Issuing Insurance Company that such Pledged Policy has entered a "grace period" (any such Pledged Policy, a "Lapsed/Grace Policy"); provided, however, that any Pledged Policy may be permitted to lapse with the prior written consent of the Required Lenders, in their sole discretion, and no such Pledged Policy permitted to lapse (nor the Net Death Benefits thereof) will be counted for purposes of this clause (p); provided further that with respect to any Pledged Policy set forth on the Initial Advance Lexington Schedule, such Pledged Policy shall not constitute a Lapsed/Graced Policy solely because such Pledged Policy may have been in a state of grace on the Initial Closing Date so long as the Borrower caused such Pledged Policy to no longer be in state of grace by June 30, 2013.

(q) Ongoing Maintenance Costs. The failure by the Borrower to pay any Ongoing Maintenance Costs (other than Premiums) to the applicable Person when due that the Borrower is responsible to pay, so long as such failure is not solely due to an uncured Lender Default,

and such failure shall remain unremedied for thirty (30) days from the earlier of (i) the date the Borrower receives notice of such failure and (ii) the date the Borrower has actual knowledge thereof.

(r) Withholding. (i) Any Collections are subject to withholding tax imposed by applicable authorities in Ireland or more than 0.1% of any Collections are subject to United States withholding tax, in each case, prior to or upon being paid to or by the Borrower; (ii) any amounts to be paid by the Borrower to the Administrative Agent or any Lender are subject to United States withholding tax in the event of a Withholding Tax Change of Circumstances or withholding tax imposed by applicable authorities in Ireland other than solely as a result of the Initial Lender being in breach of its representation made on the Original Amended and Restated Closing Date pursuant to Section 13.4 of the Original Amended and Restated Loan Agreement; provided that no Event of Default shall occur with respect to such event (A) so long as the Borrower is using reasonable commercial efforts to comply with the covenant set forth in Section 9.1(kk) hereof following an assignment by a Lender of all or any portion of its Lender Notes, Commitment and Advances hereunder and compliance with such covenant would eliminate any withholding tax imposed by the applicable authorities in Ireland on any payments to be paid by the Borrower to or for the benefit of the related assignee and (B) (x) the Borrower lists the Lender Notes related to such assignee on the unregulated market of the Irish Stock Exchange plc or other stock exchange within sixty (60) days after the date of the related assignment and doing so eliminates any withholding tax imposed by the applicable authorities in Ireland on any payments to be paid by the Borrower to or for the benefit of such assignee or (y) the Borrower, in consultation with the Administrative Agent, is using reasonable commercial efforts to ascertain whether any adjustments to the structure of the Borrower and its partners or otherwise can be implemented without cost or prejudice to any Lender that will eliminate the imposition of such withholding tax, and if such adjustments are satisfactory to the Administrative Agent and the Lenders, as determined in their sole and absolute discretion, within sixty (60) days following the date of the related assignment, the Borrower implements such adjustments; (iii) during the twenty-four (24) month period following the Original Amended and Restated Closing Date only, Borrower is treated as other than a disregarded entity or a partnership for United States federal income tax purposes, and at all times after such twenty-four (24) month period, Borrower is treated as other than a disregarded entity for United States federal income tax purposes, in either case, as a result of an election or any other action or inaction taken by or on behalf of the Borrower or any of its Affiliates; (iv) GP Parent is treated as other than a disregarded entity of LP Parent for United States federal income tax purposes at any time after 24 months following the Original Amended and Restated Closing Date; or (v) Borrower or LP Parent is engaged in a trade or business in the United States through a permanent establishment in the United States within the meaning of the double tax treaty between Ireland and the United States.

(s) Portfolio Manager Termination Events. A Portfolio Manager Termination Event shall have occurred and be continuing, but only if the Portfolio Manager has not been replaced by a Successor Portfolio Manager in accordance with the terms and conditions of the Portfolio Management Agreement or if such Portfolio Manager Termination Event causes a Material Adverse Effect.

(t) Independent Director. The LP Pledgor shall remove, replace or seek to replace its Independent Director absent due cause, death or incapacity without the express prior

written consent of the Administrative Agent and the Required Lenders, provided, however, that no such consent shall be required for the replacement of an Independent Director in the event that such Independent Director ceases to meet the qualifications set forth in Section 9.1(f)(ii), and such Independent Director is replaced by another Person who possesses such qualifications.

(u) Independent Manager. The GP Pledgor shall remove, replace or seek to replace its Independent Manager absent due cause, death or incapacity without the express prior written consent of the Administrative Agent and the Required Lenders, provided, however, that no such consent shall be required for the replacement of an Independent Manager in the event that such Independent Manager ceases to meet the qualifications set forth in Section 9.1(f)(ii), and such Independent Manager is replaced by another Person who possesses such qualifications.

(v) Treaty. The Borrower fails to qualify under the limitation of benefits provision set forth in Article 23, section 2(e) of the Treaty.

(w) Installment Note. On or after the Partial Repayment Date, the Predecessor Parent Pledgor commences any actions or proceedings against the LP Parent in respect of any amounts owed to it under that certain installment note made by the LP Parent in favor of the Predecessor Parent Pledgor in connection with the Borrower Interest Purchase and Sale Agreement, and such actions or proceedings have an adverse effect on any of the Pledged Policies, any other Collateral, any of the Pledged Interests, or any of the rights or interests of the Administrative Agent or any of the Lenders hereunder or under any other Transaction Document.

(x) Cash Interest Coverage Ratio. Commencing after June 30, 2019, EMG fails to maintain a Cash Interest Coverage Ratio of at least 1:75:1 and such failure continues for sixty (60) consecutive days.

Section 10.2 Remedies.

(a) Optional Termination. Upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in Section 10.1(f)) that is not waived in writing by the Required Lenders and not cured within any applicable cure period, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, declare the Advances and other Obligations to be due and payable and the Lenders' Commitments (if not theretofore terminated) to be terminated, whereupon the full unpaid amount of all the Advances and other Obligations shall be and become immediately due and payable (and the Maturity Date shall be deemed to have occurred), without further notice, demand or presentment, and the Lenders' Commitment shall terminate.

(b) Automatic Termination. Upon the occurrence of an Event of Default described in Section 10.1(f), (i) the Commitment Termination Date shall be deemed to have occurred automatically, and (ii) all outstanding Advances and other Obligations shall become immediately and automatically due and payable (and the Maturity Date shall be deemed to have occurred for all of the Advances), all without presentment, demand, protest, or notice of any kind.

(c) Sale of the Collateral.

(i) In addition to all rights and remedies under this Loan Agreement or otherwise, the Lenders and the Administrative Agent shall have all other rights and remedies provided under the relevant UCC and under other Applicable Laws, which rights shall be cumulative. Without limiting the generality of the foregoing, on and after the occurrence of an Event of Default that is not waived in writing by the Required Lenders, the Administrative Agent (on behalf of the Secured Parties and at the direction of the Required Lenders) may without being required to give any notice (except as herein provided or as may be required by mandatory provisions of law), sell the Collateral or any part thereof in any commercially reasonable manner at public or private sale, for cash, upon credit or for future delivery, as directed by the Required Lenders and at such price or prices as the Required Lenders may deem satisfactory. Any Lender or the Administrative Agent may participate as a bidder in any such sale and the Administrative Agent and/or the Lenders may credit bid in such sale. The Borrower will execute and deliver such documents and take such other action as the Administrative Agent reasonably deems necessary or advisable in order that any such sale may be made in compliance with Applicable Law. Upon any such sale, the Administrative Agent shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold.

(ii) If any such sale is consummated prior to the Partial Repayment Date, after deduction of payment for the outstanding principal balance of Advances plus accrued but unpaid interest thereon plus all other Obligations owing by the Borrower (excluding the Aggregate Participation Interest and including, for the avoidance of doubt, the Amortization Shortfall Amounts for all of the Shortfall Pledged Policies that remain unpaid), the Administrative Agent shall distribute the remaining proceeds of such sale as follows: (i) first, deposit an amount equal to the product of (X) the Participation Interest Percentage and (Y) the remaining amount of such proceeds, into the Participation Interest Account as payment by the Borrower for the Participation Interest for the Pledged Policies subject to such sale, (ii) second, deposit the aggregate unpaid Participation Interest Shortfall Amounts for all of the Shortfall Pledged Policies into the Participation Interest Account and (iii) third, deposit any remaining amount into the Borrower Account.

(iii) If any such sale is consummated on or after the Partial Repayment Date, after deduction of payment for the outstanding Obligations owing by the Borrower (excluding the Aggregate Participation Interest and including, for the avoidance of doubt, the Amortization Shortfall Amounts for all of the Shortfall Pledged Policies that remain unpaid), the Administrative Agent shall distribute the remaining proceeds of such sale as follows: (i) first, deposit an amount equal to the product of (X) the Participation Interest Percentage and (Y) the remaining amount of such proceeds, into the Participation Interest Account as payment by the Borrower for the Participation Interest for the Pledged Policies subject to such sale, (ii) second, deposit the aggregate unpaid Participation Interest Shortfall Amounts for all of the Shortfall Pledged Policies into the Participation Interest Account and (iii) third, deposit any remaining amount into the Borrower Account.

(iv) Any such sale under this Section 10.2(c), other than a sale consummated pursuant to a credit bid made by the Administrative Agent or a Lender, shall be for cash. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of the Borrower

which may be waived, and the Borrower, to the extent permitted by Applicable Law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The Administrative Agent at the direction of the Required Lenders, instead of exercising the power of sale herein conferred upon them, may proceed by a suit or suits at law or in equity to foreclose the security interests in the Collateral and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

(d) Power of Attorney. In furtherance of the rights, powers and remedies of the Administrative Agent and the Required Lenders on and after the occurrence of an Event of Default that is not waived in writing by the Required Lenders, or cured within any applicable cure period, the Borrower hereby irrevocably appoints the Administrative Agent its true and lawful attorney, which appointment is coupled with an interest, with full power of substitution, in the name of the Borrower, or otherwise, for the sole use and benefit of the Administrative Agent (for the further benefit of the Secured Parties), but at the Borrower's expense, to the extent permitted by law and subject to the last sentence of the immediately preceding subsection, to exercise, at any time and from time to time during the continuance of an Event of Default, all or any of the following powers with respect to all or any of the Collateral:

(i) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof,

(ii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto,

(iii) to sell, transfer, assign, seize or otherwise deal in or with the Collateral or the proceeds or avails thereof, as fully and effectually as if the Administrative Agent was the absolute owner thereof, and

(iv) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided that the Administrative Agent shall give the Borrower at least ten (10) days' prior written notice of the time and place of any public sale or the time after which any private sale or other intended disposition of any of the Collateral is to be made. The Borrower agrees that such notice constitutes "reasonable notification" within the meaning of Section 9-611 (or other section of similar content) of the relevant UCC.

(e) Conflict of Rights. Notwithstanding anything to the contrary contained in this Loan Agreement, if at any time the rights, powers and privileges of the Required Lenders or the Administrative Agent following the occurrence of an Event of Default conflict (or are inconsistent) with the rights and obligations of the Initial Servicer, the Servicer, the Initial Portfolio Manager or the Portfolio Manager, the rights, powers and privileges of the Required Lenders or the Administrative Agent shall supersede the rights and obligations of the Servicer, the Initial Servicer, the Initial Portfolio Manager and the Portfolio Manager to the extent of such conflict (or inconsistency), with the express intent of maximizing the rights, powers and privileges of the Required Lenders or the Administrative Agent following the occurrence of an Event of Default.

(f) Contract to Extend Financial Accommodations The parties hereto acknowledge that this Loan Agreement is, and is intended to be, a contract to extend financial accommodations to the Borrower within the meaning of Section 365(e)(2)(B) of the Federal Bankruptcy Code (11 U.S.C. § 365(e)(2)(B)) (or any amended or successor provision thereof or any amended or successor code).

(g) Cumulative Rights. For the avoidance of doubt, the rights and remedies granted to the Lenders or the Administrative Agent under this Loan Agreement, any other Transaction Document, the relevant UCC or any other Applicable Law are cumulative and not exclusive, and the exercise of any such rights and remedies will not be waived or deemed waived by any such Person merely by the receipt of or acceptance by such Person of amounts on deposit in the Collection Account that are distributed pursuant to Section 5.2(c) of this Loan Agreement.

Section 10.3 Lender Default. If a Lender Default has occurred and is continuing, the Borrower shall have the right to prepay the outstanding principal amount of the Advances plus accrued and unpaid interest thereon at par (provided that such prepayment shall not reduce the amount of the Participation Interest with respect to any Pledged Policy) or sell its assets (subject to the sale provisions of Section 2.7(a)); provided that the Borrower shall not have the right to incur any other debt unless the Administrative Agent, at the direction of the Required Lenders, approves such debt in their sole and absolute discretion. Notwithstanding the foregoing, upon the occurrence and continuance of a Lender Default, all other rights and remedies of the Administrative Agent and the Lenders under this Loan Agreement and the other Transaction Documents shall remain in full force and effect. A Lender Default shall cease to exist upon the earlier of the date such Lender Default is cured by a Lender or the Ongoing Maintenance Costs Reimbursable Amount relating to such Lender Default is paid pursuant to Sections 5.2(b) and/or (c) hereof.

ARTICLE XI INDEMNIFICATION

Section 11.1 General Indemnity of the Borrower. Without limiting any other rights which any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify each Lender and the Administrative Agent (on their own behalf and on behalf of each of the Lenders' and the Administrative Agent's Affiliates and each of such entities' respective successors, transferees, participants and permitted assigns and all officers, directors, shareholders, controlling persons, and employees of any of the foregoing) (each of the foregoing Persons being individually called an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related and reasonable costs and expenses actually incurred, including reasonable attorneys' fees and disbursements actually incurred (all of the foregoing being collectively called "Indemnified Amounts") awarded against or incurred by any of them arising out of or relating to any Transaction Document or the transactions contemplated thereby, the acceptance and administration of this Loan Agreement by such Person, any commingling of funds related to the transactions contemplated hereby (whether or not permitted hereunder), or the use of proceeds therefrom by the Borrower, including (without limitation) in respect of the funding of any Advance or in respect of any Policy; excluding, however, (i) Indemnified Amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence, fraud or willful

misconduct on the part of any Indemnified Party (BUT EXPRESSLY EXCLUDING FROM THIS CLAUSE (i), AND EXPRESSLY INCLUDING IN THE INDEMNITY SET FORTH IN THIS SECTION 11.1, INDEMNIFIED AMOUNTS ATTRIBUTABLE TO THE ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE OF SUCH INDEMNIFIED PARTY, IT BEING THE INTENT OF THE PARTIES THAT, TO THE EXTENT PROVIDED IN THIS SECTION 11.1, INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR OWN ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE NOT CONSTITUTING GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT), and (ii) any Indemnified Tax upon or measured by net income (except those described in Section 6.1(a)) on any Indemnified Party; including (without limitation), however, Indemnified Amounts resulting from or relating to:

(i) any representation or warranty made by or on behalf of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, the Portfolio Manager, the Guarantor, the Initial Portfolio Manager or Imperial in any Transaction Document to which it is a party, which was incorrect in any respect when made;

(ii) failure by the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, the Portfolio Manager, the Initial Portfolio Manager, the Guarantor or Imperial to comply with any covenant made by it, or perform any obligation to be performed by it, in any Transaction Document to which it is a party;

(iii) except as expressly set forth in this Loan Agreement, the failure by the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, the Portfolio Manager, the Initial Portfolio Manager, the Guarantor or Imperial to create and maintain in favor of the Administrative Agent, for the benefit of the Secured Parties a valid perfected first priority security interest in the Collateral, free and clear of any Adverse Claim;

(iv) the failure by the Borrower to pay when due any Taxes (including sales, excise or personal property taxes) payable in connection with the purchase and sale of the Collateral;

(v) the commingling of the Collections with other funds of the Borrower;

(vi) any legal action, judgment or garnishment affecting, or with respect to, distributions on any Pledged Policy or the Transaction Documents; and

(vii) any failure to comply with any Applicable Law with respect to any Pledged Policy or any other part of the Collateral.

If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment of the amounts indemnified against in this Section 11.1 that is permissible under Applicable Law.

Section 11.2 General Indemnity of the Portfolio Manager. Without limiting any other rights which any such Person may have hereunder or under Applicable Law, the Portfolio

Manager hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all damages, losses, claims, liabilities and related and reasonable costs and expenses actually incurred, including reasonable attorneys' fees and disbursements actually incurred (all of the foregoing being collectively called "Portfolio Manager Indemnified Amounts") awarded against or incurred by any of them arising out of or relating to (i) any representation or warranty made by or on behalf of the Portfolio Manager in any Transaction Document to which it is a party, which was incorrect in any respect when made and (ii) failure by the Portfolio Manager to comply with any covenant made by it, or perform any obligation to be performed by it, in any Transaction Document to which it is a party; excluding, however, (A) Portfolio Manager Indemnified Amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence, fraud or willful misconduct on the part of any Indemnified Party (BUT EXPRESSLY EXCLUDING FROM THIS CLAUSE (A), AND EXPRESSLY INCLUDING IN THE INDEMNITY SET FORTH IN THIS SECTION 11.2, PORTFOLIO MANAGER INDEMNIFIED AMOUNTS ATTRIBUTABLE TO THE ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE OF SUCH INDEMNIFIED PARTY, IT BEING THE INTENT OF THE PARTIES THAT, TO THE EXTENT PROVIDED IN THIS SECTION 11.2, INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR OWN ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE NOT CONSTITUTING GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT). If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Portfolio Manager hereby agrees to make the maximum contribution to the payment of the amounts indemnified against in this Section 11.2 that is permissible under Applicable Law.

Section 11.3 General Indemnity of the Initial Portfolio Manager. Without limiting any other rights which any such Person may have hereunder or under Applicable Law, the Initial Portfolio Manager hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all damages, losses, claims, liabilities and related and reasonable costs and expenses actually incurred, including reasonable attorneys' fees and disbursements actually incurred (all of the foregoing being collectively called "Initial Portfolio Manager Indemnified Amounts") awarded against or incurred by any of them arising out of or relating to (i) any representation or warranty made by or on behalf of the Initial Portfolio Manager in any Transaction Document to which it is a party, which was incorrect in any respect when made and (ii) failure by the Initial Portfolio Manager to comply with any covenant made by it, or perform any obligation to be performed by it, in any Transaction Document to which it is a party; excluding, however, (A) Initial Portfolio Manager Indemnified Amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence, fraud or willful misconduct on the part of any Indemnified Party (BUT EXPRESSLY EXCLUDING FROM THIS CLAUSE (A), AND EXPRESSLY INCLUDING IN THE INDEMNITY SET FORTH IN THIS SECTION 11.3, INITIAL PORTFOLIO MANAGER INDEMNIFIED AMOUNTS ATTRIBUTABLE TO THE ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE OF SUCH INDEMNIFIED PARTY, IT BEING THE INTENT OF THE PARTIES THAT, TO THE EXTENT PROVIDED IN THIS SECTION 11.3, INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR OWN ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE NOT CONSTITUTING GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT). If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Initial Portfolio Manager hereby agrees to make the maximum

contribution to the payment of the amounts indemnified against in this Section 11.3 that is permissible under Applicable Law.

ARTICLE XII
ADMINISTRATIVE AGENT

Section 12.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Loan Agreement and the other Transaction Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Loan Agreement and the other Transaction Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Loan Agreement and the other Transaction Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Loan Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Loan Agreement or any other Transaction Document or otherwise exist against the Administrative Agent.

Section 12.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Loan Agreement and the other Transaction Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 12.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Loan Agreement or any other Transaction Document (except for its or such Person's own gross negligence, fraud or willful misconduct) or (b) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, Imperial, the Initial Servicer, the Guarantor, the Servicer, the Initial Portfolio Manager, the Portfolio Manager, the Securities Intermediary or the Custodian or any officer thereof contained in any Transaction Document to which it is a party or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Loan Agreement or any other Transaction Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Loan Agreement or any other Transaction Document or for any failure of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, Imperial, the Initial Servicer, the Guarantor, the Servicer, the Initial Portfolio Manager, the Portfolio Manager, the Securities Intermediary or the Custodian to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Loan Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, Imperial, the Initial Servicer, the Guarantor, the

Servicer, the Initial Portfolio Manager, the Portfolio Manager, the Custodian or the Securities Intermediary. The Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to this Loan Agreement or any other Transaction Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of any Lender.

Section 12.4 Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex, e-mail or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower, the Portfolio Manager, the Initial Portfolio Manager, the Initial Servicer, the Guarantor or the Servicer), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat each Lender as the owner of its pro rata share of the Advances for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Loan Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Subject to the Transaction Documents, the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Loan Agreement and the other Transaction Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of an interest in any of the Lender Notes.

Section 12.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Unmatured Event of Default or Event of Default hereunder unless the Administrative Agent has received written notice from a Lender referring to this Loan Agreement, describing such Unmatured Event of Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action, subject to the Transaction Documents with respect to such Unmatured Event of Default or Event of Default as shall be directed by the Required Lenders.

Section 12.6 Non-Reliance on the Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Borrower, the Portfolio Manager, the Initial Servicer, the Guarantor, the Initial Portfolio Manager or the Servicer, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation

into, the business, operations, property, financial and other condition and creditworthiness of the Borrower, the Portfolio Manager, the Initial Servicer, the Guarantor, the Initial Portfolio Manager and the Servicer and made its own decision to make its Advances hereunder and enter into this Loan Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Loan Agreement and the other Transaction Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower, the Portfolio Manager, the Initial Servicer, the Guarantor, the Initial Portfolio Manager and the Servicer. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower, the Portfolio Manager, the Initial Servicer, the Guarantor, the Initial Portfolio Manager or the Servicer which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 12.7 Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their outstanding Advances, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of all of the Lender Notes) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of, the Commitments, this Loan Agreement, any of the other Transaction Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Administrative Agent's gross negligence, fraud or willful misconduct. The agreements in this Section 12.7 shall survive the payment of all of the Lender Notes and all other amounts payable hereunder and the termination of this Loan Agreement.

Section 12.8 The Administrative Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower, the Servicer, Imperial, the Portfolio Manager, the Guarantor, the Initial Servicer, the Initial Portfolio Manager or any of their Affiliates as though the Administrative Agent were not the Administrative Agent hereunder and under the other Transaction Documents. With respect to Advances made or renewed by it, the Administrative Agent shall have the same rights and powers under this Loan Agreement and the other Transaction Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

Section 12.9 Successor Administrative Agent. The Administrative Agent may resign as the Administrative Agent upon twenty (20) days' notice to the Lenders effective upon the appointment of a successor agent. If the Administrative Agent shall resign as the Administrative Agent under this Loan Agreement and the other Transaction Documents, then the Required Lenders shall appoint a successor agent for the Lenders, which successor agent shall be an Affiliate of the Administrative Agent or a commercial bank organized under the laws of the United States of America or any State thereof or under the laws of another country which is doing business in the United States of America and, if such successor agent is not an Affiliate of the Administrative Agent, together with its Affiliates, having a combined capital, surplus and undivided profits of at least \$100,000,000, which, if such successor agent is not an Affiliate of the Administrative Agent, shall be reasonably acceptable to the Borrower, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as the Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Loan Agreement or any holders of an interest in any of the Lender Notes. After any retiring Administrative Agent's resignation as the Administrative Agent, all of the provisions of this Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Loan Agreement and the other Transaction Documents.

ARTICLE XIII MISCELLANEOUS

Section 13.1 Amendments, Etc. No amendment or waiver of, or consent to the Borrower's departure from, any provision of this Loan Agreement shall be effective unless it is in writing and signed by the Administrative Agent, with the written consent of the Required Lenders (or, in the case of any amendment, waiver or consent that would result in a decrease in the interest rate on any Advance, a reduction in the principal amount of any Advance, an extension of time to make any payment of principal or interest on any Advance, the extension of the Commitment Termination Date or a release of all or any substantial portion of the Collateral (other than as expressly contemplated hereunder), by each Affected Party), and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No amendment or waiver of, or consent to the departure of any other party from, any provision of this Loan Agreement shall be effective unless it is in writing and signed by an officer of the Borrower or the Portfolio Manager for itself and on behalf of the Borrower. The Borrower hereby expressly authorizes the Portfolio Manager to execute any such amendment, waiver or consent on behalf of the Borrower.

Section 13.2 Notices, Etc. All notices, directions, instructions, demands and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including electronic mail communication) and sent to each party entitled thereto, at its address set forth on Schedule 13.2, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices, directions, instructions, demands and communications shall be effective: (a) if sent by overnight courier, on the Business Day after the day sent, (b) if by U.S. mail, three (3) Business Days after being deposited in the mail, (c) if delivered personally, when

delivered, and (d) if sent by electronic mail, when the sender thereof shall have received electronic confirmation of the transmission thereof (provided that should such day not be a Business Day, on the next Business Day), except any such notice, direction, demands or other communications to the Administrative Agent shall only be effective upon actual receipt.

Section 13.3 No Waiver; Remedies. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder or under any Transaction Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. For the avoidance of doubt, the execution by the Lenders and the Administrative Agent of this Loan Agreement shall not operate as a waiver of any breach by the Borrower, the Initial Portfolio Manager or the Initial Servicer of any of their respective representations, warranties or obligations under the Original Loan Agreement, the Original Amended and Restated Loan Agreement or the other Transaction Documents.

Section 13.4 Binding Effect; Assignability; Term. This Loan Agreement shall be binding upon and inure to the benefit of the Borrower, each Lender, the Administrative Agent, the Portfolio Manager, the Initial Portfolio Manager, the Initial Servicer and the Guarantor, and their respective successors and assigns, except that no party shall have the right to assign any of their respective rights, or to delegate any of their respective duties and obligations, hereunder without the prior written consent of the other parties except as set forth below. The Initial Lender may assign up to 49.9% of its Lender Notes, Commitment and Advances hereunder, and any other Lender may assign all or any portion of its Lender Notes, Commitment and Advances hereunder, in each case pursuant to an assignment and assumption agreement in substantially the form attached hereto as Exhibit C (each, an "Assignment and Assumption Agreement"), and in each case to (1) any Affiliate; or (2) any financial institution or other Person with the approval of the Required Lenders and, so long as no Event of Default has occurred and is continuing, the Borrower; provided that (i) any such assignment shall be in an amount of not less than the lesser of (A) \$2,000,000 and (B) one-hundred percent (100%) of such Lender's outstanding Advances (provided, however, that in no event shall the Initial Lender fail to constitute at least fifty and one-tenths percent (50.1%) of the Lenders), (ii) the assigning Lender shall promptly give written notice of such assignment to the Administrative Agent and the Borrower and (iii) the assignee agrees in writing to be bound by the provisions of this Loan Agreement. Any attempted assignment or delegation in breach of this Section 13.4 shall be null and void. Notwithstanding the foregoing, (i) the Initial Lender or any Affiliate of the Initial Lender that becomes a Lender hereunder may, without the consent of the Borrower, assign all or any portion of its Lender Notes, Commitment and Advances hereunder to an Affiliate of the Initial Lender or such Affiliate or any Person that directly or indirectly owns any equity interest in the Initial Lender or such Affiliate and (ii) any Lender may, without the consent of the Borrower, (a) assign all of its Lenders Notes, Commitment and Advances hereunder to any Person if such Lender determines in its sole and absolute discretion that remaining a Lender hereunder would have an adverse regulatory impact on such Lender and (b) sell participation interests in its Advances and obligations hereunder to any Person or pledge any of its rights hereunder to any federal reserve bank, federal home loan bank or any federal depository institution. Any Lender which assigns all or any portion of its Lender Notes, Commitment and Advances hereunder pursuant to this Section 13.4 may retain or assign all or any portion of its interest in the Aggregate Participation Interest. For the avoidance of doubt, any

Person which does not hold any Lender Note, has no Commitment hereunder and in respect of which no Advances are outstanding, but which has an interest in the Aggregate Participation Interest, shall not be included in determining the Required Lenders. Pursuant to Section 13.4 of the original Amended and Restated Loan Agreement, the Initial Lender represented to the Borrower that, as of the Original Amended and Restated Closing Date, it was an entity (x) that was a corporation formed under the laws of the United States or a U.S. state; (y) whose equity owners, were individuals who were citizens or residents of the United States for U.S. federal income tax purposes; and (z) did not carry on any trade or business in Ireland through a local branch or agency; and it had no current intention to cease to be such an entity. The Borrower hereby acknowledges that no Lender is making any representation other than the representation that was made by the Initial Lender as of the Original Amended and Restated Closing Date as identified in the immediately preceding sentence; provided however, if the Initial Lender becomes aware that it ceases to be an entity of the type described in the immediately preceding sentence or if any Lender that is not the Initial Lender or an Affiliate thereof becomes aware that it ceases to be (i) an entity that (a) is formed as a corporation or other body corporate under the laws of the United States or a U.S. state, (b) is taxed as a corporation on its worldwide income for U.S. federal income tax purposes and (c) does not carry on any trade or business in Ireland through a local branch or agency, (ii) an individual who is a citizen or resident of the United States for United States federal income tax purposes or (iii) an entity that (a) is formed under the laws of the United States or a U.S. state as a partnership (or other entity not qualifying under clause (i) above), (b) all of whose partners are entities described in clause (i) or (ii) above or this clause (iii) or all of the ultimate recipients of the interest payable under this Loan Agreement are entities described in clause (i) or (ii) above or this clause (iii) or are Qualified Persons, (c) does not carry on any trade or business in Ireland through a local branch or agency and (d) whose business is conducted through such entity for market reasons and not for Irish tax avoidance purposes, within ten (10) Business Days of the date on which the Initial Lender or such Lender, as applicable, becomes aware that it ceased to be such an entity, the Initial Lender or such Lender, as applicable, shall provide written notice thereof to the Borrower, the other Lenders and the Administrative Agent, and, if based on the written advice from a nationally recognized tax advisor (which written advice the Borrower shall simultaneously provide or cause to be provided to the Administrative Agent), solely as a result of the Initial Lender or such Lender, as applicable ceasing to be such an entity, payments of interest under this Loan Agreement result in the Borrower ceasing to qualify for benefits under the Treaty, then within sixty (60) Business Days of the Borrower's receipt of such written notice, the Borrower may prepay all of the outstanding principal balance of Advances plus accrued but unpaid interest thereon plus all other Obligations owing by the Borrower (excluding the Aggregate Participation Interest and including, for the avoidance of doubt, the Amortization Shortfall Amounts for all of the Shortfall Pledged Policies that remain unpaid). For the avoidance of doubt, upon such prepayment, the Borrower shall remain obligated to repay the Aggregate Participation Interest in accordance with the terms hereof. This Loan Agreement shall create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until such time as the Commitments have terminated and all the principal of and interest on the Advances and all other Obligations are paid in full, including, without limitation, the Aggregate Participation Interest; provided that rights and remedies of the Lenders and the Administrative Agent, as applicable, under Article XI and Section 3.1, Section 3.3 and Section 13.8 shall survive any termination of this Loan Agreement.

Section 13.5 Governing Law; Jury Trial. (a) THIS LOAN AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, EXCLUDING CHOICE OF LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

(a) EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS.

Section 13.6 Execution in Counterparts. his Loan Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Loan Agreement by facsimile or transmitted electronically in either Tagged Image File Format ("TIFF") or Portable Document Format ("PDF") shall be equally effective as delivery of a manually executed counterpart hereof. Any party delivering an executed counterpart of this Loan Agreement by facsimile, TIFF or PDF shall also deliver a manually executed counterpart hereof, but failure to do so shall not affect the validity, enforceability, or binding effect of this Loan Agreement.

Section 13.7 Submission to Jurisdiction. Each party hereto hereby submits to the exclusive jurisdiction of the courts of the State of New York and of any Federal court located in the State of New York (or any appellate court from any thereof) in any action or proceeding arising out of or relating to this Loan Agreement or the transactions contemplated hereby. Each party hereto hereby irrevocably waives any objection that it may have to the laying of venue of any such proceeding and any claim that any such proceeding has been brought in an inconvenient forum.

Section 13.8 Costs and Expenses. In addition to its obligations under Section 3.3 and Article XI, the Borrower agrees to pay on demand:

(a) all reasonable and actual costs and expenses incurred by the Administrative Agent and each Lender in connection with (i) the preparation, execution, delivery, administration and enforcement of, or any actual or claimed breach of or any amendments, waivers or consents under or with respect to, this Loan Agreement, the Lender Notes and the other Transaction Documents (whether or not such amendment, waiver or consent becomes effective), including, without limitation, the reasonable fees and expenses of counsel to any of such Persons actually incurred in connection therewith, (ii) the perfection of Administrative Agent's security interest in the Collateral, (iii) the maintenance of the Accounts and the Policy Account, and (iv) the audit of the books, records and procedures of the Portfolio Manager, the Initial Servicer, the Initial Portfolio Manager, the Guarantor or the Borrower by the Administrative Agent's auditors (which may be employees of the Administrative Agent), and

(b) all stamp and other Taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Loan Agreement, the Lender Notes or the other Transaction Documents, and agrees to indemnify each Indemnified Party against any liabilities with respect to or resulting from any delay in paying or omission to pay such Taxes and fees.

Section 13.9 Severability of Provisions. If any one or more provisions of this Loan Agreement shall for any reason be held invalid, then such provisions shall be deemed severable from the remaining provisions of this Loan Agreement and shall in no way affect the validity or enforceability of other provisions of this Loan Agreement.

Section 13.10 Entire Agreement. THIS LOAN AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS EXECUTED AND DELIVERED HERewith REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND THERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

Section 13.11 Conflicts. With respect to the matters set forth herein, in the event of any conflict between the provisions of this Loan Agreement and the provisions of any collateral assignment related to a Pledged Policy, the provisions of this Loan Agreement shall govern and control.

Section 13.12 Confidentiality. No party to this Loan Agreement that receives any Confidential Information (the "Receiving Party") from any other party (the "Disclosing Party") under this Loan Agreement or any other Transaction Document shall disclose any Confidential Information to any Person without the consent of the Disclosing Party, other than to the Servicer, Portfolio Manager, Securities Intermediary, Custodian, the Guarantor, the Initial Servicer, the Initial Portfolio Manager and the Receiving Party's Affiliates and its and their respective officers, directors, employees, trustees, agents and advisors (collectively, its "Representatives") and to actual or prospective assignees under Section 13.4, and then only on a confidential basis, (b) as required by any law, rule or regulation or judicial process, including any requirements to make disclosures thereof pursuant to applicable securities laws, (c) as requested or required by any state, Federal or foreign authority or examiner (including the National Association of Insurance Commissioners or any similar organization or quasi-regulatory authority) regulating the Receiving Party, the Servicer, Portfolio Manager, Securities Intermediary, Custodian, the Guarantor, the Initial Portfolio Manager, the Initial Servicer and/or their respective Affiliates (d) to any rating agency when required by it, provided that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Confidential Information relating to the Disclosing Party received by it from the Receiving Party, in connection with any litigation or proceeding to which the Receiving Party, the Servicer, Portfolio Manager, Securities Intermediary, Custodian, the Guarantor, the Initial Servicer, the Initial Portfolio Manager and/or their respective Affiliates may be a party, (f) in connection with the exercise of any right or remedy under this Loan Agreement or any other Transaction Document, and any related or subsequent sale or other transaction involving any of the Collateral or other collateral or assets pledged pursuant to any Transaction Document to secure the repayment of the Advances or (g) if

any such Confidential Information becomes publicly available so long as such availability is not caused by the Receiving Party or any of its Affiliates or any of their respective officers, directors, employees, trustee, agents and advisors. Notwithstanding the foregoing, it is expressly agreed that following the Initial Closing Date, the Original Amended and Restated Closing Date and the date hereof, the Initial Lender may make or cause to be made a press release, public announcement or publicity statement (including placing a "tombstone" advertisement) relating to this Loan Agreement; provided that the parties hereto will consult with each other regarding the content and timing of any such press release, public announcement or publicity statement.

Section 13.13 Limitation on Liability. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS LOAN AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS, THE ADMINISTRATIVE AGENT, THE LENDERS OR ANY INDEMNIFIED PARTY SHALL NOT BE LIABLE TO ANY PARTY FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH THEIR RESPECTIVE ACTIVITIES RELATED TO THIS LOAN AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE TRANSACTIONS CONTEMPLATED THEREBY, THE LENDER NOTES, THE ADVANCES OR OTHERWISE IN CONNECTION WITH THE FOREGOING. WITHOUT LIMITING THE FOREGOING, THE PARTIES AGREE THAT NEITHER THE ADMINISTRATIVE AGENT, THE LENDERS NOR ANY INDEMNIFIED PARTY SHALL BE SUBJECT TO ANY EQUITABLE REMEDY OR RELIEF, INCLUDING SPECIFIC PERFORMANCE OR INJUNCTION RELATING TO ANY FAILURE BY ANY SUCH PARTY TO MAKE ANY ADVANCE UNDER, OR SUCH PARTY DECLINING TO MAKE ANY ADVANCE UNDER, THIS LOAN AGREEMENT. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT SHALL LENDERS' LIABILITY FOR FAILURE TO FUND ANY ADVANCE EXCEED THE AMOUNT OF SUCH ADVANCE AND \$20,000,000 IN AGGREGATE FOR ALL ADVANCES.

Section 13.14 Relationship of Parties. Notwithstanding the obligation of the Borrower to pay the Aggregate Participation Interest to the Lenders in accordance with the terms hereof and that Advances made from time to time hereunder may be used to pay Ongoing Maintenance Costs, the relationship of each Secured Party and the Borrower is solely one of lender and borrower and this Loan Agreement does not constitute a partnership, tenancy-in- common, joint tenancy or joint venture between any of the Secured Parties and the Borrower, nor does this Loan Agreement create an agency or fiduciary relationship between any of the Secured Parties and the Borrowers. The Borrower is not the representative or agent of any of the Secured Parties and no Secured Party is a representative or agent of the Borrower. The parties hereto intend that the relationship among them shall be solely that of creditor and debtor. No Secured Party shall in any way be responsible or liable for the debts, losses, obligations or duties of the Borrower.

Section 13.15 Acknowledgment. By their execution of this Agreement, each of the Guarantor, the Initial Servicer, the Initial Portfolio Manager and the Portfolio Manager acknowledge that on May 16, 2014, the Borrower converted from being a Delaware limited liability company to a Delaware limited partnership and that the Borrower entered into the Original Loan Agreement when it was previously known as White Eagle Asset Portfolio, LLC, a Delaware limited liability company.

Section 13.16 Release. By their execution of this Agreement, each of the Borrower, the Initial Servicer, the Initial Portfolio Manager, the Portfolio Manager and the Guarantor does hereby fully and unconditionally release, remise, acquit and forever discharge the Administrative Agent, each Lender, their respective subsidiaries, divisions, Affiliates, assigns, predecessor and successor companies, members, employees, officers, directors, shareholders, independent contractors, agents, attorneys, principals, representatives, transferees, subrogees, executors, administrators, trustees, fiduciaries, beneficiaries and assigns, and each of them, including, in the case of natural persons, both in their individual and any corporate, representative or other capacity(s) (collectively, the "Lender Releasees") of and from any and all past, present or future claims (including claims for indemnification or contribution), causes of actions, rights, suits, debts, due charges, complaints, obligations (monetary and non-monetary), promises, demands, liabilities, disputes, controversies, damages and expenses (including attorneys' fees and costs) of any nature whatsoever, in law or in equity, contract, tort or other legal theory, whether known or unknown, fixed or contingent, foreseen or unforeseen, asserted Or unasserted, whether previously existing, currently existing or arising in the future, whether under federal or state or other law, based upon, arising out of or related to the Transaction Documents or any transactions or arising thereunder or any related acts, failures to act, misrepresentations, misstatements, facts, events, transactions or occurrences, which the Borrower, the Initial Servicer, the Initial Portfolio Manager, the Portfolio Manager and the Guarantor now have, claim to have, or may have in the future against the Lender Releasees and any and all other claims, causes of actions, rights, suits, debts, due charges, complaints, obligations (monetary and non-monetary), promises, demands, liabilities, disputes, controversies, damages and expenses (including attorneys' fees and costs), in each case, arising prior to the Second Amended and Restated Closing Date which the Borrower, the Initial Servicer, the Initial Portfolio Manager, the Portfolio Manager and the Guarantor now have, claim to have, or may have in the future against the Lender Releasees, regardless of whether such claims, causes of actions, rights, suits, debts, disputes, controversies, damages or expenses relate to the Transaction Documents.

IN WITNESS WHEREOF, the parties have caused this Second Amended and Restated Loan and Security Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

WHITE EAGLE ASSET PORTFOLIO, LP, as
Borrower

By White Eagle General Partner, I.I.C. a
Delaware limited liability company, its General
Partner

By: _____
Name: Jason Sutherlind
Title: Vice Pretident

IMPERIAL FINANCE & TRADING, LLC,
as Initial Servicer, as Initial Portfolio Manager
and as Guarantor

By: _____
Name: Mirian Martinez
Title: CFO

LAMINGTON ROAD BERMUDA LTD.,
as Portfolio Manager

By: _____
Name: David M. Thompson
Title: Director

LNV CORPORATION, as Initial Lender

By: _____
Name: Jacob Cherner
Title: Executive Vice President

GLMG CORP., as Administrative Agent

By: _____
Name: Douglas Kagiss
Title: Executive Vice President

Lenders' Commitments

Lender	Commitment
LNV Corporation	\$370,000,000

Collateral Assignment Exception Policy

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

No Collateral Assignment will be filed for the following Retained Death Benefit Policy:

[*]	[*]	[*]	8/15/2008	[*]	10,000,000.00	14.00%	86.00%
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Policy Delivery Exception Policies

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule 7.1(f) Duplicate Policies Ordered Not Yet Been Received*				
Last Name	First Name	Carrier	Policy #	Type
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet
[*]	[*]	[*]	[*]	Balance Sheet

* As of April 29 2013

Attempted Rescission Exercise Policies

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule 8.1(i)

Deal Type	Quote Internal ID	Policy Owner Last Name	Policy Owner First Name	Policy #	Issue Date	Insurance Company	Death Benefit
Life Settlement Retained Death Benefit	[*]	[*]	[*]	[*]	5/15/2008	[*]	10,000,000.00
Life Settlement Retained Death Benefit	Two subsidiaries of Imperial Holdings. Inc., Imperial Premium Finance, LLC ("IPF) and Imperial Life Settlements, LLC ("ILS," and together with IPF, the "Imperial Parties"), were named as a parties in the matter styled Hal Katersky (the "Insured"), Barry Lavine as the Individual Trustee of the Amended and Restated Hal Katersky Irrevocable Life Insurance Trust DTD 8/29/2008 ("Katersky Trust"), Hillary A. Katersky, Andrew Katersky, Robin Katersky, Jeffery Katersky and Dylan Zelman (collectively with the Insured, Barry Lavine and the Katersky Trust, the "Katersky Parties") v. Imperial Premium Finance, LLC; Imperial Life Settlements, LLC; Bank of Utah; and the Lincoln National Life Insurance Company ("Lincoln"), filed on May 23, 2012, in the United States District Court for the Central District of California. The Katersky Parties sought equitable remedies, attorneys' fees and monetary damages.						
Life Settlement Retained Death Benefit	On September 20, 2012, the Katersky Parties and the Imperial Parties reached a settlement to resolve all claims. The settlement provided that once the jointly submitted change of ownership and beneficiary forms were recorded by Lincoln, the parties would file a stipulation of dismissal with prejudice, which would dismiss the case against all defendants. The change forms that were submitted to - and recorded by Lincoln pursuant to the settlement agreement designated an entity designated by the Imperial Parties as the owner and primary beneficiary of the Policy, and allowed the Katersky Parties to designate an irrevocable beneficiary entitled to \$1.4 million of the \$10 million net death benefit. Pursuant to a joint motion for dismissal filed by all parties, the case was dismissed with prejudice on November 15, 2012.						
Life Settlement Retained Death Benefit							
Life Settlement Retained Death Benefit							
Premium Finance – Retained Death Benefit							

Proceedings

On April 18, 2013, Sun Life Assurance Company of Canada ("Sun Life") filed a complaint against Emergent Capital, Inc., f/k/a Imperial Holdings, Inc. (the "Company") and several of its affiliates in the United States District Court for the Southern District of Florida, entitled *Sun Life Assurance Company of Canada v. Imperial Holdings, Inc., et al* ("Sun Life Case"), asserting, among other things, that at least 28 life insurance policies issued by Sun Life and owned by the Company through certain of its subsidiary companies were invalid. The Sun Life complaint, as amended, asserted: (1) violations of the federal Racketeer Influenced and Corrupt Organizations ("RICO") Act, (2) conspiracy to violate the RICO Act, (3) common law fraud, (4) aiding and abetting fraud, (5) civil conspiracy to commit fraud, (6) tortious interference with contractual obligations, and (7) a declaration that the policies issued were void. On December 9, 2014, counts (2), (4), (5), (6) and (7) of the Sun Life Case were dismissed with prejudice. On February 4, 2015, the Court issued an order granting the Company's motion for summary judgment on counts (1) and (3), resulting in the Company prevailing on all counts in the Sun Life Case. On July 29, 2013, the Company filed a separate complaint against Sun Life entitled *Imperial Premium Finance, LLC v. Sun Life Assurance Company of Canada* ("Imperial Case"), which was subsequently consolidated with the Sun Life Case. The Imperial complaint asserted claims against Sun Life for breach of contract, breach of the covenant of good faith and fair dealing, and fraud. On February 3, 2016, the District Court set a trial date for the Imperial Case for October 31, 2016. On September 22, 2016, the Court granted summary judgment in favor of Sun Life on the entirety of the Imperial complaint and subsequently entered final judgment to end the case. After denial of its motion to alter or amend the judgment, the Company filed a Notice of Appeal on January 12, 2017. Sun Life filed a Notice of Cross Appeal on January 24, 2017.

Material Adverse Changes

None.

Account Information

<u>Account Description</u>	<u>Bank</u>	<u>Account No.</u>
Collection Account	Wilmington Trust, National Association	
Payment Account	Wilmington Trust, National Association	
Borrower Account	Wilmington Trust, National Association	
Escrow Account	Wilmington Trust, National Association	
Policy Account	Wilmington Trust, National Association	

Unmatured Events of Default and Events of Default

None.

Retained Death Benefit Policies

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule 8.1(w)

Name	Policy Number	Carrier	Face Amount	Borrower Net Death Benefit
[*]	[*]	[*]	\$1,500,000	\$690,000
[*]	[*]	[*]	\$1,600,000	\$1,200,000
[*]	[*]	[*]	\$3,000,000	\$2,100,000
[*]	[*]	[*]	\$15,000,000	\$13,950,000
[*]	[*]	[*]	\$1,000,000	\$750,000
[*]	[*]	[*]	\$10,000,000	\$6,000,000
[*]	[*]	[*]	\$1,000,000	\$590,000
[*]	[*]	[*]	\$1,000,000	\$590,000
[*]	[*]	[*]	\$2,000,000	\$1,180,000
[*]	[*]	[*]	\$500,000	\$295,000
[*]	[*]	[*]	\$5,000,000	\$2,400,000
[*]	[*]	[*]	\$1,500,000	\$675,000
[*]	[*]	[*]	\$15,000,000	\$10,950,000
[*]	[*]	[*]	\$10,000,000	\$7,000,000
[*]	[*]	[*]	\$500,000	\$220,000

Imperial Finance Information Request

Investigation of Imperial Holdings, Inc.(the "Company") by the Internal Revenue Service Criminal Investigations division as further described in the Current Report on Form 8-K filed on February 19, 2014 and in the Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 10, 2014. Holdings has confirmed that the investigation relates to its former structured settlements business and believes that the investigation is focused on excise tax obligations, if any. In May 2016, the Company was informed that the investigation had been closed.

Imperial Finance Material Adverse Changes

None.

Notice Addresses

CLMG CORP.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Telephone: 469-467-5414
Facsimile: 469-467-3433
Email: jerwin@clmgcorp.com
* * * * *

LNV Corporation
c/o CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Telephone: 469-467-5414
Facsimile: 469-467-3433
Email: jerwin@clmgcorp.com
* * * * *

WHITE EAGLE ASSET PORTFOLIO, LP
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX
Bermuda
Email: whiteeagle@lamington.ie
With a copy to: COReilly@emergentcapital.com

* * * * *

WHITE EAGLE GENERAL PARTNER, LLC
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX
Bermuda
Email: whiteeagle@lamington.ie
With a copy to: COReilly@emergentcapital.com

* * * * *

LAMINGTON ROAD BERMUDA LTD.
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX
Bermuda
Email: lrbermuda@lamington.ie
With a copy to: COReilly@emergentcapital.com

* * * * *

Lamington Road Designated Activity Company
Grand Canal House
2nd Floor Palmerston House
Fenian Street
Dublin 2
Ireland
Attention: The Directors
Phone: +353 1 905 8020
Email: whiteeagle@lamington.ie
With a copy to: COReilly@emergentcapital.com

* * * * *

IMPERIAL FINANCE & TRADING, LLC
5355 Town Center Rd #701
Boca Raton, FL 33486
Attention: Office of General Counsel
Email: COReilly@emergentcapital.com

* * * * *

MARKLEY ASSET PORTFOLIO, LLC
5355 Town Center Rd #701
Boca Raton, FL 33486
Attention: Office of General Counsel
Email: COReilly@emergentcapital.com

* * * * *

OLIPP IV, LLC
5355 Town Center Rd #701
Boca Raton, FL 33486
Attention: Office of General Counsel
Email: COReilly@emergentcapital.com

* * * * *

EMERGENT CAPITAL, INC.
5355 Town Center Rd #701
Boca Raton, FL 33486
Attention: Office of General Counsel
Email: COReilly@emergentcapital.com
* * * * *

Eligibility Criteria Clause (a) Policy Exceptions

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause (a) Exceptions*

Policy Owner Last Name	Policy Owner First Name	Policy #	Issue Date	Insurance Company	Death Benefit	Current Policy Owner
[*]	[*]	[*]	6/11/2007	[*]	2,000,000.00	[*]
[*]	[*]	[*]	8/11/2008	[*]	2,500,000.00	[*]
[*]	[*]	[*]	5/7/2008	[*]	10,000,000.00	[*]
[*]	[*]	[*]	11/26/2009	[*]	2,000,000.00	[*]

Eligibility Criteria Clause (c) Policy Exceptions

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause (C) Schedule

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$5,000,000

Eligibility Criteria Clause (d) Policy Exceptions

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause (D) Schedule

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$2,000,000

Eligibility Criteria Clause (f) Policy Exceptions

[Attached]

Eligibility Criteria Clause (F) Schedule

None

Eligibility Criteria Clause (g) Policy Exceptions

[Attached]

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Eligibility Criteria Clause (g) Exceptions

Quote Internal ID	Policy Owner Last Name	Policy Owner First Name	Policy #	Insurance Company	Death Benefit	21st LE in Months	21st Certificate Date	21st-Mort Factor	AVS LE in Months	AVS-Mort Factor	AVS Date of Underwriting
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	2/28/2010	[*]	[*]	[*]	2/25/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	9/30/2009	[*]	[*]	[*]	
[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00	[*]	3/1/2010	[*]	[*]	[*]	3/2/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	6/17/2010	[*]	[*]	[*]	12/28/2011
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	6/24/2010	[*]	[*]	[*]	6/30/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	5/11/2010	[*]	[*]	[*]	5/12/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	4/15/2010	[*]	[*]	[*]	4/20/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,900,000.00	[*]	6/11/2010	[*]	[*]	[*]	6/10/2010
[*]	[*]	[*]	[*]	[*]	\$ 6,500,000.00	[*]	6/26/2009	[*]	[*]	[*]	6/25/2009
[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00	[*]	8/9/2010	[*]	[*]	[*]	2/25/2013
[*]	[*]	[*]	[*]	[*]	\$ 450,000,000	[*]	7/28/2008	[*]	[*]	[*]	1/21/2013
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	2/15/2010	[*]	[*]	[*]	2/16/2010
[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00	[*]	4/12/2010	[*]	[*]	[*]	3/8/2013
[*]	[*]	[*]	[*]	[*]	\$15,000,000.00	[*]	6/16/2010	[*]	[*]	[*]	6/17/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,600,000.00	[*]	11/3/2010	[*]	[*]	[*]	11/5/2010
[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00	[*]	7/12/2010	[*]	[*]	[*]	7/14/2010
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[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00	[*]	5/21/2010	[*]	[*]	[*]	2/21/2013
[*]	[*]	[*]	[*]	[*]	50,000,00000	[*]	11/1/2010	[*]	[*]	[*]	11/3/2010
[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00	[*]	7/21/2010	[*]	[*]	[*]	7/26/2010
[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00	[*]	5/3/2010	[*]	[*]	[*]	5/5/2010
[*]	[*]	[*]	[*]	[*]	\$ 2,345,000.00	[*]	2/25/2010	[*]	[*]	[*]	2/25/2010
[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00	[*]	4/29/2010	[*]	[*]	[*]	5/5/2010
[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00	[*]	9/14/2010	[*]	[*]	[*]	9/21/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	5/3/2010	[*]	[*]	[*]	3/14/2013
[*]	[*]	[*]	[*]	[*]	2,000,000.00	[*]	3/10/2010	[*]	[*]	[*]	2/15/2013
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	12/29/2010	[*]	[*]	[*]	1/13/2011

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[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00	[*]	4/5/2010	[*]	[*]	[*]	4/9/2010
[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00	[*]	11/3/2010	[*]	[*]	[*]	11/5/2010
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[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00	[*]	3/21/2011	[*]	[*]	[*]	3/25/2013
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[*]	[*]	[*]	[*]	[*]	\$ 1,800,000.00	[*]	5/12/2010	[*]	[*]	[*]	5/14/2010
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[*]	[*]	[*]	[*]	[*]	\$ 9,500,000.00	[*]	7/17/2008	[*]	[*]	[*]	7/15/2008
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[*]	[*]	[*]	[*]	[*]	\$ 15,000,000.00	[*]	4/5/2010	[*]	[*]	[*]	4/12/2010
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[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	5/17/2010	[*]	[*]	[*]	5/11/2010
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[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	7/19/2010	[*]	[*]	[*]	7/21/2010
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[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00	[*]	6/17/2010	[*]	[*]	[*]	5/26/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	3/15/2010	[*]	[*]	[*]	3/7/2013
[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00	[*]	125.00%	[*]	[*]	[*]	
[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00	[*]	10/11/2010	[*]	[*]	[*]	10/19/2010
[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00	[*]	8/26/2008	[*]	[*]	[*]	1/31/2113



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[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00	[*]	8/6/2010	[*]	[*]	[*]	8/13/2010
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[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00	[*]	2/12/2010	[*]	[*]	[*]	7/12/2010
[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00	[*]	5/11/2010	[*]	[*]	[*]	5/6/2010
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[*]	[*]	[*]	[*]	[*]	\$ 826,000.00	[*]	3/15/2010	[*]	[*]	[*]	3/10/2010
[*]	[*]	[*]	[*]	[*]	\$ 20,000,000.00	[*]	6/23/2008	[*]	[*]	[*]	11/29/2010
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[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00	[*]	10/28/2010	[*]	[*]	[*]	3/20/2013
[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00	[*]	4/5/2010	[*]	[*]	[*]	4/9/2010

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[*]	[*]	[*]	[*]	[*]	\$ 3,750,000.00	[*]	10/26/2010	[*]	[*]	[*]	1/14/2011
[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00	[*]	6/24/2010	[*]	[*]	[*]	6/29/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,125,000.00	[*]	8/5/2010	[*]	[*]	[*]	3/19/2012
[*]	[*]	[*]	[*]	[*]	\$ 9,700,000.00	[*]	4/29/2010	[*]	[*]	[*]	4/30/2010
[*]	[*]	[*]	[*]	[*]	\$ 7,784,000.00	[*]	2/12/2010	[*]	[*]	[*]	2/15/2013
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[*]	[*]	[*]	[*]	[*]	\$ 9,800,000.00	[*]	3/26/2010	[*]	[*]	[*]	3/31/2010
[*]	[*]	[*]	[*]	[*]	\$ 8,412,000.00	[*]	5/11/2010	[*]	[*]	[*]	2/15/2013
[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00	[*]	4/5/2010	[*]	[*]	[*]	4/9/2010
[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00	[*]	11/23/2009	[*]	[*]	[*]	3/15/2013
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	3/18/2010	[*]	[*]	[*]	3/18/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	1/4/2010	[*]	[*]	[*]	12/10/2009
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	10/28/2010	[*]	[*]	[*]	11/3/2010
[*]	[*]	[*]	[*]	[*]	\$ 1,100,000.00	[*]	5/11/2010	[*]	[*]	[*]	2/21/2013
[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00	[*]	2/23/2010	[*]	[*]	[*]	1/31/2013
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	2/13/2010	[*]	[*]	[*]	1/28/2013
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	6/17/2010	[*]	[*]	[*]	6/17/2010
[*]	[*]	[*]	[*]	[*]	\$ 1,172,500.00	[*]	7/1/2010	[*]	[*]	[*]	1/30/2013
[*]	[*]	[*]	[*]	[*]	\$ 5,200,000.00	[*]	5/28/2010	[*]	[*]	[*]	2/7/2013
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	8/6/2008	[*]	[*]	[*]	1/18/2013
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	10/13/2010	[*]	[*]	[*]	1/29/2013
[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00	[*]	5/25/2010	[*]	[*]	[*]	5/28/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	8/9/2010	[*]	[*]	[*]	8/10/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]		[*]	[*]	[*]	2/27/2013
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]		[*]	[*]	[*]	12/20/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	2/13/2010	[*]	[*]	[*]	2/16/2010
[*]	[*]	[*]	[*]	[*]	\$ 2,025,000.00	[*]	4/29/2010	[*]	[*]	[*]	5/3/2010
[*]	[*]	[*]	[*]	[*]	\$ 4,200,000.00	[*]	4/14/2010	[*]	[*]	[*]	4/22/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	3/10/2010	[*]	[*]	[*]	1/12/2011
[*]	[*]	[*]	[*]	[*]	\$ 1,800,000.00	[*]	9/21/2010	[*]	[*]	[*]	10/5/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	1/13/2010	[*]	[*]	[*]	1/30/2013
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	11/12/2008	[*]	[*]	[*]	12/14/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	3/19/2008	[*]	[*]	[*]	1/23/2013
[*]	[*]	[*]	[*]	[*]	\$ 4,500,000.00	[*]	8/14/2008	[*]	[*]	[*]	6/6/2011

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[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	4/15/2010	[*]	[*]	[*]	4/21/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	7/14/2010	[*]	[*]	[*]	2/12/21113
[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00	[*]	9/28/2010	[*]	[*]	[*]	2/15/2013
[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00	[*]	11/21/2008	[*]	[*]	[*]	6/1/2011
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[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]		[*]	[*]	[*]	2/7/2013
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]		[*]	[*]	[*]	2/22/2013
[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00	[*]	3/14/2009	[*]	[*]	[*]	7/18/2012
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[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00	[*]	12/29/2008	[*]	[*]	[*]	9/29/7011
[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00	[*]	8/6/2010	[*]	[*]	[*]	8/16/2010
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[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	100.00%	[*]	[*]	[*]	
[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00	[*]	12/10/2010	[*]	[*]	[*]	9/30/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	6/7/2010	[*]	[*]	[*]	2/7/2013
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[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00	[*]		[*]	[*]	[*]	1/28/2013
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	10/29/2008	[*]	[*]	[*]	6/22/2011
[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00	[*]		[*]	[*]	[*]	1/12/2010



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[*]	[*]	[*]	[*]	[*]	10,000,000.00	[*]	[*]	[*]	[*]	2/11/2013
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[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	11/30/2009	[*]	[*]	10/18/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	[*]	[*]	[*]	5/22/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	[*]	[*]	[*]	1/17/2013
[*]	[*]	[*]	[*]	[*]	\$ 2,250,000.00	[*]	4/14/2010	[*]	[*]	5/13/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	8/2/2011	[*]	[*]	8/1/2011
[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00	[*]	5/26/2010	[*]	[*]	7/27/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	[*]	[*]	[*]	4/20/2011
[*]	[*]	[*]	[*]	[*]	\$ 6,000,000.00	[*]	11/20/2009	[*]	[*]	10/20/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	[*]	[*]	[*]	6/9/2011
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	3/25/2010	[*]	[*]	4/5/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,200,000.00	[*]	7/19/2010	[*]	[*]	10/15/2010
[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00	[*]	9/2/2009	[*]	[*]	7/20/2010
[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00	[*]	5/17/2011	[*]	[*]	6/9/2011
[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00	[*]	5/5/2008	[*]	[*]	11/15/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	6/17/2010	[*]	[*]	1/31/2011
[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00	[*]	[*]	[*]	[*]	4/2/2013
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	5/29/2010	[*]	[*]	7/2/2010
[*]	[*]	[*]	[*]	[*]	\$ 2,200,000.00	[*]	10/11/2010	[*]	[*]	11/8/2010
[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00	[*]	10/25/2010	[*]	[*]	1/21/2011
[*]	[*]	[*]	[*]	[*]	\$ 2,100,000.00	[*]	11/8/2010	[*]	[*]	11/5/2010
[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00	[*]	4/9/2010	[*]	[*]	1/5/2011

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	3/25/2010	[*]	[*]	[*]	3/30/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	4/8/2010	[*]	[*]	[*]	4/13/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	5/6/2011	[*]	[*]	[*]	2/10/2011
[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00	[*]		[*]	[*]	[*]	3/21/2011
[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00	[*]	8/5/2010	[*]	[*]	[*]	2/22/2011
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	11/1/2010	[*]	[*]	[*]	11/30/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	3/5/2010	[*]	[*]	[*]	11/11/2010
[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00	[*]	10/7/2010	[*]	[*]	[*]	10/11/2010
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	7/7/2010	[*]	[*]	[*]	7/8/2010
[*]	[*]	[*]	[*]	[*]	\$ 9,000,000.00	[*]	2/3/2011	[*]	[*]	[*]	7/14/2011
[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00	[*]	12/28/2010	[*]	[*]	[*]	5/23/2011
[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00	[*]	8/30/2010	[*]	[*]	[*]	5/17/2011
[*]	[*]	[*]	[*]	[*]	\$ 6,000,000.00	[*]	4/18/2012	[*]	[*]	[*]	7/26/2012
[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00	[*]	9/25/2011	[*]	[*]	[*]	5/17/2011
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	5/17/2011	[*]	[*]	[*]	6/9/2011

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause G Schedule

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$11,400,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$8,500,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$4,800,000
[*]	[*]	[*]	\$4,300,000
[*]	[*]	[*]	\$9,000,000
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$2,100,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$959,700

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$1,257,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$13,950,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$1,589,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$735,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$220,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$17,700,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$690,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,548,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$3,399,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$590,000
[*]	[*]	[*]	\$590,000
[*]	[*]	[*]	\$1,180,000
[*]	[*]	[*]	\$295,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,300,000
[*]	[*]	[*]	\$1,150,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$630,000
[*]	[*]	[*]	\$3,450,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$1,850,000
[*]	[*]	[*]	\$1,200,000
[*]	[*]	[*]	\$2,500,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$5,800,000
[*]	[*]	[*]	\$1,600,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,140,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$863,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,990,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$7,339,026
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$500,000
[*]	[*]	[*]	\$10,950,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$6,650,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,585,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,250,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$1,600,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,180,826
[*]	[*]	[*]	\$1,478,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,100,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$2,345,000
[*]	[*]	[*]	\$1,030,179

Eligibility Criteria Clause (h) Policy Exceptions

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause (h) Exceptions

Internal ID	Quote Internal ID	Policy Owner Last Name	Policy Owner First Name	Policy #	Insurance Company	Death Benefit	21 st LE in Months	21 st Certificate Date	21 st Mort Factor	AVS LE in Months	AVS- Mort Factor	AVS Date of Underwriting	Average LE
[*]	[*]	[*]	[*]	[*]	[*]	\$10,000,000.00	[*]	2/13/2010	[*]	[*]	[*]	2/16/2010	[*]

- **Eligibility Criteria Clause (i)
Schedule**

Eligibility Criteria Clause (i) Policy Exceptions

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause (i) Exceptions

Internal ID	Quote Internal ID	Policy Owner Last Name	Policy Owner First Name	Policy #	Insurance Company	Death Benefit
[*]	[*]	[*]	[*]	[*]	[*]	\$20,000,000.00
[*]	[*]	[*]	[*]	[*]	[*]	\$15,000,000.00
[*]	[*]	[*]	[*]	[*]	[*]	\$15,000,000.00
[*]	[*]	[*]	[*]	[*]	[*]	\$14,000,000.00

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause I Schedule

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$11,400,000
[*]	[*]	[*]	\$13,950,000
[*]	[*]	[*]	\$17,700,000
[*]	[*]	[*]	\$10,950,000
[*]	[*]	[*]	\$15,000,000

- **Eligibility Criteria Clause (I) Schedule**

Eligibility Criteria Clause (I) Policy Exceptions

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause L Schedule

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$7,000,000
[*]	[*]	[*]	\$4,000,000

- **Eligibility Criteria Clause (m)
Schedule**

Eligibility Criteria Clause (m) Policy Exceptions

[Attached]

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	[*]	\$15,000,000.00
[*]	[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,128,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$4,200,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$35,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$6,500,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00

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[*]	[*]	[*]	[*]	[*]	\$1,200,000.00
[*]	[*]	[*]	[*]	[*]	\$15,000,000.00
[*]	[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	[*]	\$1,800,000.00
[*]	[*]	[*]	[*]	[*]	\$9,500,000.00
[*]	[*]	[*]	[*]	[*]	\$9,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	[*]	\$1,400,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	[*]	\$826,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	[*]	\$14,000,000.00
[*]	[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$8,000,000.00

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[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$9,700,000.00
[*]	[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,025,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	[*]	\$5,000,000.00

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause (M-HIPAA) Schedule

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$4,800,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000
[*]	[*]	[*]	\$5,548,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$5,800,000
[*]	[*]	[*]	\$1,140,000

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Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,478,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$15,000,000
[*]	[*]	[*]	\$2,345,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause (M-Death Certificate Authorization) Schedule

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$9,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$13,950,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$4,000,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$7,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,180,826
[*]	[*]	[*]	\$1,030,179

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Eligibility Criteria Clause (M-Power of Attorney) Schedule

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,180,826
[*]	[*]	[*]	\$2,000,000

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[*]	[*]	[*]	\$11,400,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$2,770,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$8,500,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$4,800,000
[*]	[*]	[*]	\$4,300,000
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$2,100,000
[*]	[*]	[*]	\$945,000
[*]	[*]	[*]	\$959,700
[*]	[*]	[*]	\$1,257,000

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[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$1,589,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$735,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$900,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$220,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$17,700,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$4,000,000

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[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$2,100,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,300,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,548,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$3,399,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,034,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,300,000
[*]	[*]	[*]	\$1,150,000
[*]	[*]	[*]	\$1,250,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$4,505,000
[*]	[*]	[*]	\$630,700
[*]	[*]	[*]	\$630,000
[*]	[*]	[*]	\$7,140,000
[*]	[*]	[*]	\$3,450,000

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[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$1,850,000
[*]	[*]	[*]	\$1,200,000
[*]	[*]	[*]	\$1,100,000
[*]	[*]	[*]	\$3,500,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$2,600,000
[*]	[*]	[*]	\$1,255,000
[*]	[*]	[*]	\$5,800,000
[*]	[*]	[*]	\$1,600,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,140,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$863,000
[*]	[*]	[*]	\$892,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,990,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000

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[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$850,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$840,000
[*]	[*]	[*]	\$10,950,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$6,650,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,585,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$2,538,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,250,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$1,600,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000

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[*]	[*]	[*]	\$1,478,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$2,400,000
[*]	[*]	[*]	\$675,000
[*]	[*]	[*]	\$15,000,000
[*]	[*]	[*]	\$2,855,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,100,000
[*]	[*]	[*]	\$2,345,000

- **Initial Advance Lexington
Schedule**

AIG Subrogated Policies

[Attached]

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Internal ID	Quote Internal ID	Policy Owner First Name	Policy Owner Last Name	Person-Social Security	Policy It	Insurance Company	Death Benefit Current Owner
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,200,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,900,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,300,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 15,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,345,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,600,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,173,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary

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[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,200,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,800,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 9,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,700,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 15,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,250,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,400,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary

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[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,750,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,300,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,379,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 826,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 9,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 20,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 777,350.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 830,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,405,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 6,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 775,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,128,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,955,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary

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[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 9,700,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,784,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 9,800,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,412,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,100,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,172,500.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,200,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,025,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,200,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 9,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary

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[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 9,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 6,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 6,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 6,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 6,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary

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[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,875,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 8,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,875,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,200,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 9,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,850,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,750,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,125,000.00 Wilmington Trust, N.A. as Securities Intermediary

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[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 4,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,800,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 5,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,000,000.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 1,758,713.00 Wilmington Trust, N.A. as Securities Intermediary
[*]	[*]	[*]	[*]	[*]	[*]	\$ 3,500,000.00 Imperial PFC Financing LLC
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Imperial PFC Financing LLC
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,500,000.00 Imperial PFC Financing LLC
[*]	[*]	[*]	[*]	[*]	[*]	\$ 7,500,000.00 Imperial PFC Financing LLC
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Imperial PFC Financing LLC
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Imperial PFC Financing LLC
[*]	[*]	[*]	[*]	[*]	[*]	\$ 2,000,000.00 Imperial PFC Financing LLC
[*]	[*]	[*]	[*]	[*]	[*]	\$ 10,000,000.00 Imperial PFC Financing LLC

FORM OF BORROWING REQUEST

[DATE]

CLMG Corp.,
as Administrative Agent
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Telephone: 469-467-5414
Facsimile: 469-467-3433
[Email: jerwin@clmgcorp.com](mailto:jerwin@clmgcorp.com)

Ladies and Gentlemen:

Reference is made to the Second Amended and Restated Loan and Security Agreement, dated as of January 31, 2017 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among White Eagle Asset Portfolio, LP, as Borrower, the financial institutions party thereto, as Lenders, Imperial Finance & Trading, LLC, as Initial Servicer, Initial Portfolio Manager and Guarantor, Lamington Road Bermuda Ltd., as Portfolio Manager, and CLMG Corp., as Administrative Agent. All capitalized terms used but not defined herein shall have the meanings assigned to them in Annex I to the Loan Agreement.

The undersigned hereby gives you irrevocable notice, pursuant to Section 2.2 of the Loan Agreement, that it requests an Advance under the Loan Agreement and in connection therewith sets forth the following information related to such Advance:

- (i) The Advance is [an Additional Policy Advance]¹ [an Ongoing Maintenance Advance]²;
- (ii) The principal amount of the proposed Advance is \$[]; [and]
- (iii) [The Additional Policies to be pledged in connection with such Advance are identified on Exhibit A,³] [The proceeds of such Advance shall be used for the purposes set forth on Schedule I; and]²

[(iv)] The Borrowing Base Certificate is attached hereto as Exhibit [A]⁴ [B]¹.

[The undersigned hereby confirms that the related Collateral Packages have been uploaded to the FTP Site.]¹

¹ To be included if Advance is an Additional Policy Advance.

² To be included if Advance is an Ongoing Maintenance Advance.

The undersigned hereby certifies that as of the date hereof, and as of the date of the requested Advance, all conditions precedent to the making of the Advance as set forth in Section [7.2][7.3][7.4]³[7.5]⁴ of the Loan Agreement have been met.

In accordance with the Loan Agreement, the undersigned hereby irrevocable requests the Administrative Agent to process this request.

Very truly yours,

WHITE EAGLE ASSET PORTFOLIO, LP

By White Eagle General Partner, LLC, a Delaware limited liability company, its General Partner

By: _____

Name:

Title:

³To be included if Advance is first Advance following the Original Amended and Restated Closing Date.

⁴To be included if Advance is first Advance following the Second Amended and Restated Closing Date.

[ADDITIONAL] POLICIES

[Attach a spreadsheet containing the following data points for each Policy included in the Borrowing Request:

1. Case Number
 2. Insured #1
 - a. Age
 - b. Date of Birth
 - c. Date of Death
 - d. Gender
 - e. Smoking Status
 3. Insured #2 (if applicable)
 - a. Age
 - b. Date of Birth
 - c. Date of Death
 - d. Gender
 - e. Smoking Status
 4. Number of Insured Lives
 5. Owner State of Residence
 6. Domicile of Trust (if applicable)
 7. Policy Issue Date
 8. Policy State of Issuance
 9. Policy Number
 10. Issuing Insurance Company
 11. Issuing Insurance Company Credit Rating
 12. Initial Face Amount
 13. Current Face Amount
 14. [Current Policy Account Balance][Not required until after Imperial receives the policy's next account statement, which will be after the policy anniversary date.]
 15. Type of Death Benefit (A, B, C)
 16. Policy Rating
 17. Policy Type (Term, Whole life, Variable Universal, Universal)
 18. Premium Finance (yes/no)
 19. Premium Finance Program (if applicable)
 20. Beneficial Interest Transfer (yes/no)
 21. Beneficial Interest Program (if applicable)
 22. Policy Purchase Price (first related entity to acquire policy)
 23. Policy Cost Basis
 24. Premiums Paid to Date (since policy origination)
 25. Medical Underwriting/reports
 - a. Insured #1
 - i. AVS, EMSI or Fasano – (LE / Mortality Multiplier / Date)
 - ii. 21st Services (Median LE / Mean LE / Mortality Multiplier / Date)
 - b. Insured #2 (if applicable)
 - i. AVS, EMSI or Fasano – (LE / Mortality Multiplier / Date)
 - ii. 21st Services (Median LE / Mean LE / Mortality Multiplier / Date)
 26. Death Benefit Payable Monthly or Quarterly out through Age 120
 27. [Level Premiums Payable Monthly or Quarterly through Age 120][Not required until next illustrations are received following the Closing Date.]
 28. Optimized Premiums Payable Monthly or Quarterly through Age 120 with confirmation computed from policy illustration or Policy (disclosing whether shadow account or no lapse guarantee exists)
 29. Authorizations for Annuities or Annuities currently in place]
-

BORROWING BASE CERTIFICATE

[SCHEDULE I TO THE BORROWING REQUEST]

USES OF ONGOING MAINTENANCE ADVANCE



FORM OF LENDER NOTE

[New York, New York]

Up to \$[370,000,000] [], 20[]

FOR VALUE RECEIVED, the undersigned, White Eagle Asset Portfolio, LP, a Delaware limited partnership (the "Borrower") promises to pay to the order of [], a [] (together with its successors and permitted assigns, the "Lender"), in its capacity as a Lender, the aggregate unpaid principal amount of all Advances made by the Lender to, or for the benefit of, the Borrower, as recorded either on the grid attached to this Note or in the records of the Lender (and such recordation shall constitute prima facie evidence of the information so recorded; provided, however, that the failure to make any such recordation shall not in any way affect the Borrower's obligation to repay this Note). The principal amount of each Advance evidenced hereby shall be payable on or prior to the Maturity Date as provided in the Loan Agreement. Borrower also promises to pay to the Lender all other Obligations (which, for the avoidance of doubt, may exceed \$[370,000,000]).

The Borrower further promises to pay interest on the unpaid principal amount of this Note from time to time outstanding, payable as provided in the Loan Agreement, at the rates per annum provided in the Loan Agreement; provided, however, that such interest rate shall not at any time exceed the maximum rate permitted by Applicable Law. All payments of principal of and interest on this Note shall be payable in lawful currency of the United States of America at the office of the Lender as provided in the Loan Agreement, in immediately available funds.

This Note is one of the Lender Notes referred to in that certain Second Amended and Restated Loan and Security Agreement, dated as of January 31, 2017 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among the Borrower, the financial institutions party thereto, as Lenders, [CLMG Corp.], as Administrative Agent, Imperial Finance & Trading, LLC, as Initial Servicer, Initial Portfolio Manager and Guarantor, and Lamington Road Bermuda Ltd., as Portfolio Manager. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in Annex I to the Loan Agreement. In the event of any conflict between any term or provision of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern and control. This Note is secured pursuant to the security interests granted in the Loan Agreement and the other Transaction Documents and reference is hereby made to the Loan Agreement and the other Transaction Documents for a statement of the terms and provisions of such security interests.

All parties now or hereafter liable with respect to this Note, whether as makers, endorsers, or otherwise, severally waive presentment for payment, demand, protest, and notice of dishonor and notice of the existence or nonpayment of all or any of the Advances.

Upon the occurrence of any Event of Default, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the Loan Agreement.

This Note shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in such State, excluding choice of law principles of the laws of such State that would require the application of the laws of a jurisdiction other than such State.

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed by its duly authorized officer as of the day and year first above written.

WHITE EAGLE ASSET PORTFOLIO, LP

By: White Eagle General Partner, LLC, a Delaware limited liability company, its General Partner

By: _____

Name:

Title:

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of [], 20[] (“Agreement”), by and between [], a [] (“Assignor”), and [], a [] (“Assignee”).

1 . Reference to Loan Agreement. Reference is made to that certain Second Amended and Restated Loan and Security Agreement, dated as of January 31, 2017 (as amended, supplemented or otherwise modified from time to time, the “Loan Agreement”), by and among White Eagle Asset Portfolio, LP, as Borrower, the financial institutions party thereto, as Lenders, Imperial Finance & Trading, LLC, as Initial Servicer, Initial Portfolio Manager and Guarantor, Lamington Road Bermuda Ltd., as Portfolio Manager, and CLMG Corp., as Administrative Agent. Capitalized terms used but not defined herein have the meanings ascribed to them in the Loan Agreement.

2 . Assignment. The Assignor hereby sells and assigns to the Assignee without recourse and without representation or warranty (other than as expressly provided herein), and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor’s rights and obligations under the Loan Agreement as of the date hereof which represents the percentage interest specified in Item 2 of Annex I attached hereto (the “Assigned Share”) of all of its outstanding rights and obligations under the Loan Agreement, including, without limitation, all rights and obligations with respect to the Assigned Share of the Commitment and all outstanding Advances.

3 . Representations and Warranties of Assignor. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any liens or security interests; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, representations or warranties made in or in connection with the Loan Agreement or the other Transaction Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or the other Transaction Documents or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of their obligations under the Loan Agreement or the other Transaction Documents or any other instrument or document furnished pursuant thereto.

4 . Representations and Warranties of Assignee. The Assignee (i) represents and warrants that it is authorized to enter into and perform the terms of this Agreement, the Loan Agreement and the other Transaction Documents to which it will become a party pursuant to this Agreement; (ii) confirms that it has received a copy of the Loan Agreement and the other Transaction Documents, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (iii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise

such powers under the Loan Agreement and the other Transaction Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (v) agrees that it shall be bound by the provisions of the Loan Agreement.

5. Settlement Date. Following the execution of this Agreement by the Assignor and the Assignee, an executed original hereof (together with all attachments) will be delivered to the Administrative Agent. The effective date of this Assignment Agreement shall be the later of (x) the date upon which the following conditions have been satisfied: (i) the execution hereof by the Assignor and the Assignee and (ii) to the extent required the Loan Agreement, the consent hereto by the Required Lenders and/or the Borrower has been obtained or (y) such date as is otherwise specified in Item 3 of Annex I hereto (the "Settlement Date").

6. Joinder. Upon the delivery of a fully executed original hereof to the Administrative Agent, as of the Settlement Date, (i) the Assignee shall be a party to the Loan Agreement and, to the extent provided in this Agreement, have the rights and obligations of a Lender thereunder and under the other Transaction Documents and (ii) the Assignor shall, to the extent provided in this Agreement, relinquish its rights and be released from its obligations under the Loan Agreement and the other Transaction Documents with respect to the Assigned Share.

7. Payments. Upon the effectiveness of this Agreement, the Assignee shall be entitled to all interest on the Assigned Share of the Advances at the rates determined in accordance with the Loan Agreement attached hereto which accrue on and after the Settlement Date, such interest to be paid to the Assignee pursuant to the provisions of Sections 5.2(b) and 5.2(c) of the Loan Agreement. It is further agreed that all payments of principal [and the Participation Interest Percentage] made on the Assigned Share of the Advances which occur on and after the Settlement Date will be paid to the Assignee pursuant to the provisions of Sections 5.2(b), 5.2(c) and 5.2(e) of the Loan Agreement, as applicable. Upon the Settlement Date, the Assignee shall pay to the Assignor an amount specified by the Assignor in writing which represents the Assigned Share of the principal amount of the respective Advances made by the Assignor pursuant to the Loan Agreement which are outstanding on the Settlement Date, net of any closing costs. The Assignor and the Assignee shall make all appropriate adjustments in payments under the Loan Agreement for periods prior to the Settlement Date directly between themselves.

8. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, EXCLUDING CHOICE OF LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[NAME OF ASSIGNOR],
as Assignor

By: _____
Name: _____
Title: _____

[NAME OF ASSIGNEE],
as Assignee

By: _____
Name: _____
Title: _____

[Acknowledged and Agreed:

[____],
as a Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[____],
as a Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[____],
as Borrower

By: _____
Name: _____
Title: _____

ANNEX I TO ASSIGNMENT AND ASSUMPTION AGREEMENT

1 Date of Assignment Agreement:

, 20__

2. Amounts (as of date of Assignment Agreement):

(a) Aggregate principal amount of outstanding Advances of all Lenders:

\$ _____

(b) Assigned Share of (a) above:

%

(c) Amount of assigned principal of outstanding Advances:

\$ _____

3. Settlement Date:

, 20__

FORM OF CALCULATION DATE REPORT

Calculation Date Report

Dated as of _____
 For the Distribution Date occurring on _____

I. Account Balances as of the dated of this Calculation Date Report are as follows:

Collection Account	\$
Payment Account	\$
Borrower Account	\$
Escrow Account	\$

II. Prior to the Partial Repayment Date, so long as an Unmatured Event of Default or an Event of Default has not occurred and is not continuing, funds on deposit in the Collection Account shall be distributed as provided in the following stages of the Priority of Payment pursuant to Section 5.2(b) of the Second Amended and Restated Loan and Security Agreement:

First:	\$ _____
Second:	\$ _____
Third:	\$ _____
Fourth:	\$ _____
Fifth:	\$ _____
Sixth:	\$ _____
Seventh:	\$ _____
Eighth:	\$ _____
Ninth:	\$0
Tenth:	\$ _____
Eleventh:	\$ _____
Twelfth:	\$ _____
Thirteenth:	\$ _____

III. Prior to the Partial Repayment Date, if an Unmatured Event of Default or Event of Default has occurred and is continuing and is not waived in writing by the Required Lenders, funds on deposit in the Collection Account shall be distributed as provided in the following stages of the Priority of Payments pursuant to Section 5.2(c) of the Second Amended and Restated Loan and Security Agreement:

First:	\$ _____
Second:	\$ _____
Third:	\$ _____
Fourth:	\$ _____
Fifth:	\$ _____
Sixth:	\$ _____
Seventh:	\$ _____
Eighth:	\$ _____
Ninth:	\$ _____
Tenth:	\$ _____
Eleventh:	\$ _____
Twelfth:	\$ _____
Thirteenth:	\$0
Fourteenth:	\$ _____
Fifteenth:	\$ _____
Sixteenth:	\$ _____
Seventeenth:	\$ _____

IV. Following the Partial Repayment Date, funds on deposit in the Collection Account shall be distributed in the following stages of the Priority of Payments pursuant to Section 5.2(e) of the Second Amended and Restated Loan and Security Agreement:

First:	\$ _____
Second:	\$ _____
Third:	\$ _____
Fourth:	\$ _____
Fifth:	\$ _____
Sixth:	\$ _____
Seventh:	\$ _____
Eighth:	\$0
Ninth:	\$ _____
Tenth:	\$ _____
Eleventh:	\$ _____
Twelfth:	\$ _____

The undersigned hereby certifies that the information set forth in this Calculation Date Report is true and correct.

White Eagle Asset Portfolio, LP, as Borrower

By: _____
Name:
Title:

• EXHIBIT E

**FORM OF ANNUAL BUDGET
ATTACHED**

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Operational Plan – 18 Months (May 2013 to October 2014)

Draw Period	Premiums	Servicing	Management	Audit	Other	Total
5-2013-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
5-2013-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
6-2013-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
6-2013-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
7-2013-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
7-2013-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
8-2013-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
8-2013-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
9-2013-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
9-2013-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
10-2013-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
10-2013-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
11-2013-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
11-2013-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
12-2013-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
12-2013-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
1-2014-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
1-2014-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
2-2014-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
2-2014-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
3-2014-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
3-2014-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
4-2014-Draw 1	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []
4-2014-Draw 2	\$ []	\$ []	\$ []	\$ []	\$ []	\$ []

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

5-2014-Draw 1	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
5-2014-Draw 2	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
6-2014-Draw 1	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
6-2014-Draw 2	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
7-2014-Draw 1	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
7-2014-Draw 2	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
8-2014-Draw 1	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
8-2014-Draw 2	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
9-2014-Draw 1	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
9-2014-Draw 2	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
10-2014-Draw 1	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
10-2014-Draw 2	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]
<hr/>											
Totals	\$ [*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]	\$	[*]

FORM OF BORROWING BASE CERTIFICATE

[DATE]

CLMG Corp.,
as Administrative Agent
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Telephone: 469-467-5414
Facsimile: 469-467-3433
Email: jerwin@clmgcorp.com

Ladies and Gentlemen:

This Borrowing Base Certificate is delivered to you pursuant to Section 2.2 of that certain Second Amended and Restated Loan and Security Agreement, dated as of January 31, 2017 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among White Eagle Asset Portfolio, LP, as Borrower, the financial institutions party thereto, as Lenders, Imperial Finance & Trading, LLC, as Initial Servicer, Initial Portfolio Manager and Guarantor, Lamington Road Bermuda Ltd., as Portfolio Manager, and CLMG Corp., as Administrative Agent. All capitalized terms used but not defined herein shall have the meanings assigned to them in Annex I to the Loan Agreement.

[The Borrower]¹ [The Portfolio Manager, on behalf of the Borrower,]² hereby:

- certifies that as of the date hereof, the Borrowing Base is \$_____;
- certifies that as of the date hereof, the aggregate amount of outstanding Advances, together with accrued but unpaid interest thereon is \$_____;
- certifies that after giving effect to the proposed Advance, the aggregate principal amount of all the outstanding Advances, together with accrued but unpaid interest thereon, will not exceed the Borrowing Base.

[The Borrower's]¹[The Portfolio Manager's]² delivery [on behalf of the Borrower]² of this Borrowing Base Certificate and acceptance of the Advance requested hereunder constitutes a representation and warranty by the Borrower that, as of the date of such Advance (and after giving effect thereto) all conditions precedent have been satisfied.

[The Borrower]¹ [The Portfolio Manager]² further agrees that if, prior to the time of the Advance requested hereby, any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify the Administrative Agent. Except to the extent, if any, that prior to the time of the Advance requested hereby, the Administrative Agent shall receive

¹ To be included if the Borrower signs the Borrowing Base Certificate.

² To be included if the Portfolio Manager signs the Borrowing Base Certificate.

written notice to the contrary from the [Borrower]¹ [Portfolio Manager]², each matter certified to herein shall be deemed once again to be certified as true and correct at the date of such Advance as if then made.

The undersigned has caused this Borrowing Base Certificate to be executed and delivered as of the date first set forth above in his or her capacity an officer of [the Borrower]¹ [the Portfolio Manager]².

[WHITE EAGLE ASSET PORTFOLIO, LP, as Borrower

By White Eagle General Partner, LLC, a Delaware limited liability company, its General Partner

By: _____
Name:
Title:]¹

[LAMINGTON ROAD BERMUDA LTD., as Portfolio Manager on behalf of the Borrower

By: _____
Name:
Title:]²

¹ To be included if the Borrower signs the Borrowing Base Certificate.

² To be included if the Portfolio Manager signs the Borrowing Base Certificate.

FORM OF ABANDONMENT NOTICE

[CLMG Corp.,
as Administrative Agent
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Telephone: 469-467-5414
Facsimile: 469-467-3433
Email: jerwin@clmgcorp.com]¹

[Lamington Road Bermuda Ltd.,
as Portfolio Manager
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX
Bermuda
Email: lrbermuda@lamington.ie

with a copy to: COReilly@emergentcapital.com]²

Ladies and Gentlemen:

Reference is made to the Second Amended and Restated Loan and Security Agreement, dated as of January 31, 2017 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among White Eagle Asset Portfolio, LP, as Borrower, the financial institutions party thereto, as Lenders, Imperial Finance & Trading, LLC, as Initial Servicer, Initial Portfolio Manager and Guarantor, and CLMG Corp., as Administrative Agent. All capitalized terms used but not defined herein shall have the meanings assigned to them in Annex I to the Loan Agreement.

The undersigned hereby gives you notice, pursuant to Section 2.7(b) of the Loan Agreement, that the undersigned has determined that [the Premiums on the Pledged Policies listed on Schedule I attached hereto should no longer be paid]¹ [Advances should no longer be made in order to pay Premiums on the Pledged Policies listed on Schedule I attached hereto]².

[The undersigned also hereby gives you notice that it wishes to permit the Required Lenders or their designee the right to assume ownership of the Pledged Policies listed on Schedule I attached hereto pursuant to Section 2.7(b) of the Loan Agreement without engaging in the Abandonment Sale Process.]³

¹ To be included if the Portfolio Manager is the Determining Party.

² To be included if the Required Lenders constitute the Determining Party.

³ May be included if the Portfolio Manager is the Determining Party.

Very truly yours,

[LAMINGTON ROAD BERMUDA LTD., as Portfolio Manager on behalf of the Borrower]
[CLMG CORP., as Administrative Agent on behalf of the Required Lenders]²

By: _____
Name:
Title:

¹ To be included if the Portfolio Manager is the Determining Party.

² To be included if the Required Lenders constitute the Determining Party.

³ May be included if the Portfolio Manager is the Determining Party.

SCHEDULE I TO ABANDONMENT NOTICE

POLICIES

ANNEX I

LIST OF DEFINED TERMS

"21st Services" means 21st Holdings, LLC and its Affiliates and their respective successors.

"Abandonment Notice" has the meaning set forth in Section 2.7(b) of the Loan Agreement.

"Abandonment Price" has the meaning set forth in Section 2.7(b) of the Loan Agreement.

"Abandonment Sale Process" has the meaning set forth in Section 2.7(b) of the Loan Agreement.

"Account Control Agreement" means the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017, by and among the Borrower, the Administrative Agent, the Securities Intermediary and the Custodian, and as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Accounts" means the Collection Account, the Payment Account, the Escrow Account and the Borrower Account, collectively.

"Acknowledgement" means, with respect to any Policy, a written acknowledgement from the related Issuing Insurance Company confirming that the records of the Issuing Insurance Company name the Securities Intermediary as the owner and beneficiary of the applicable Policy.

"Additional Policies" means Policies to be acquired by the Borrower with the proceeds of an Additional Policy Advance and/or to be pledged to the Administrative Agent for the benefit of the Lenders in connection with an Additional Policy Advance.

"Additional Policy Advance" shall mean an Advance other than the Initial Advance pursuant to which Additional Policies are pledged to the Administrative Agent under the Loan Agreement.

"Additional Policy Advance Amount" with respect to any Additional Policy Advance, shall mean the amount specified in the related Additional Policy Advance Acceptance.

"Additional Policy Advance Acceptance" has the meaning set forth in Section 2.3(c) of the Loan Agreement.

"Administrative Agent" means CLMG Corp., as Administrative Agent under the Loan Agreement.

"Administrative Agent's Account" has the meaning set forth in Section 4.3 of the Loan Agreement.

"Administrative Agent Fee" shall mean, with respect to any Distribution Date, a fee in an amount equal to \$6,250.

“Administrative Services Agreement” means the Administrative Services Agreement, dated as of May 16, 2014, among the Borrower, the Portfolio Manager and Imperial Finance, and as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

“Advance” means the Initial Advance, an Additional Policy Advance, a Protective Advance or an Ongoing Maintenance Advance, as applicable, and collectively, the “Advances”.

“Advance Date” shall mean any date on which an Advance is funded by the Lenders pursuant to the terms of the Loan Agreement, which shall be the Initial Closing Date, any Subsequent Advance Date or the date the Lenders fund any Protective Advance in their sole discretion.

“Adverse Claim” means a Lien, security interest, pledge, charge or encumbrance, or similar right or claim of any Person, other than any Permitted Liens.

“Affected Party” means each Lender, any permitted assignee of any Lender, and any holder of a participation interest in the rights and obligations of any Lender, the Administrative Agent and any Affiliate of any of the foregoing.

“Affiliate” means, with respect to any Person, any other Person that (i) directly or indirectly controls, is controlled by or is under common control with such Person or (ii) is an officer or director of such Person. A Person shall be deemed to be “controlled by” another Person if such other Person possesses, directly or indirectly, power (a) to vote twenty percent (20%) or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing partners of such Person, or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise. The word “Affiliated” has a correlative meaning.

“Aggregate NDB Limit” has the meaning set forth in Section 10.1(p) of the Loan Agreement.

“Aggregate Policy Limit” has the meaning set forth in Section 10.1(p) of the Loan Agreement.

“Aggregate Shortfall Amount Limit” shall mean an amount equal to twenty-five percent (25%) of the aggregate Initial Face Amount of all of the Policies that are or have at any time been Pledged Policies.

“Aggregate Participation Interest” shall mean the aggregate of all of the Participation Interests for all of the Pledged Policies.

“Alternative Information Notice” has the meaning set forth in Section 5.2(a) of the Loan Agreement.

“A.M. Best” means A.M. Best Company, Inc. and any successor or successors thereto.

“Amortization Shortfall Amount” shall mean, with respect to a Pledged Policy that has become a Shortfall Pledged Policy, the excess of (x) the aggregate of the amounts that would have been distributed to the Administrative Agent for the account of the Lenders on the next Distribution Date occurring after the date on which such Pledged Policy became a Shortfall Pledged Policy had such

Pledged Policy matured and had the related death benefit been timely paid in full by the related Issuing Insurance Company by deposit thereof into the Collection Account prior to the related Calculation Date, pursuant to clauses “Third”, “Fifth” and “Sixth” of Section 5.2(b) of the Loan Agreement or clauses “Third”, “Ninth” and “Eleventh” of Section 5.2(c) of the Loan Agreement, as applicable, as determined by the Administrative Agent on such Calculation Date, over (y) the aggregate of the amounts that will actually be distributed to the Administrative Agent for the account of the Lenders on such Distribution Date pursuant to such clauses “Third”, “Fifth” and “Sixth” of Section 5.2(b) of the Loan Agreement or clauses “Third”, “Ninth” and “Eleventh” of Section 5.2(c) of the Loan Agreement, as applicable, as determined by the Administrative Agent on the related Calculation Date.

“Annual Budget” has the meaning specified in Section 9.1(d)(vi) of the Loan Agreement.

“Annual NDB Limit” has the meaning set forth in Section 10.1(p) of the Loan Agreement.

“Annual Policy Limit” has the meaning set forth in Section 10.1(p) of the Loan Agreement.

“Anti-Money Laundering Laws” has the meaning set forth in Section 8.1(v) of the Loan Agreement.

“Applicable Law” means, as to any Person or any matter, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing, in each case applicable to or binding upon such Person (or any of its property) or such matter, or to which such Person (or any of its property) or such matter is subject, including, without limitation, any laws relating to assignments of contracts, life settlements, viatical settlements, insurance, consumers and consumer protection, usury, truth-in-lending, fair credit reporting, equal credit opportunity, federal and state securities or “blue sky” laws, the Federal Trade Commission Act and ERISA, and in the case of Section 6.3 of the Loan Agreement, FATCA.

“Applicable Margin” means four and one-half percent (4.50%).

“Assignment and Assumption Agreement” has the meaning set forth in Section 13.4 of the Loan Agreement.

“Assignment of Interest in Limited Partnership” means the Bill of Sale and Assignment of Limited Partnership Interests, dated as of May 16, 2014, among the Borrower, the Predecessor Parent Pledgor and the LP Parent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

“Assignor” means OLIPP IV, LLC, a Delaware limited liability company.

“Assignor Contribution Agreement” means the Contribution Agreement, dated as of April 29, 2013, by and between the Assignor, as the transferor, and the Predecessor Parent Pledgor, as the

transferee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

“Available Amount” means, with respect to any Distribution Date, the amount on deposit in the Collection Account.

“AVS” means AVS Underwriting, LLC and its successors.

“Base Rate” means, for any date of determination, the sum of (i) the Federal Funds Rate on such date plus (ii) one half of one percent (0.5%).

“Blocked Person” has the meaning set forth in Section 8.1(v) of the Loan Agreement.

“Borrower” has the meaning set forth in the recitals to the Loan Agreement.

“Borrower Account” has the meaning set forth in Section 5.1(c) of the Loan Agreement.

“Borrower Failure Procedures” has the meaning set forth in Section 5.2(a) of the Loan Agreement.

“Borrower Interest Pledge Agreement” means the Partnership Interest Pledge Agreement, dated as of May 16, 2014, made by the Parent Pledgors in favor of the Administrative Agent on behalf of itself and the Lenders, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

“Borrower Interest Purchase and Sale Agreement” means the Purchase and Sale Agreement, dated as of May 16, 2014, by and between the Predecessor Parent Pledgor, as seller of the limited partnership interests in the Borrower, and the LP Parent as purchaser of the limited partnership interests in the Borrower, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

“Borrower Organizational Documents” means the certificate of limited partnership and the limited partnership agreement of the Borrower, as amended by that certain first amendment to limited partnership agreement, dated as of May 16, 2014, by and between the GP Partner and the LP Parent.

“Borrower Valuation” has the meaning set forth in Section 6.5 of the Loan Agreement.

“Borrowing Base” means, on any date of determination, the lesser of (A) the sum of all of the following amounts that have been funded or are to be funded through the succeeding Distribution Date (i) the Initial Advance and all Additional Policy Advances, plus (ii) one-hundred percent (100%) of the sum of the Ongoing Maintenance Costs, plus (iii) prior to November 9, 2015 only, one hundred percent (100%) of the Debt Service, plus (iv) one-hundred percent (100%) of any other Fees and Expense Deposits and other fees and expenses funded and to be funded as approved by the Required Lenders in their sole discretion, less (v) any Required Amortization previously distributed and to be distributed pursuant to the Priority of Payments on the immediately succeeding Distribution Date; (B) seventy-five percent (75%) of the Lender Valuation of the Pledged Policies; (C) fifty percent

(50%) of the aggregate face amount of the Pledged Policies (other than the Excluded Policies); and (D) the Facility Limit.

"Borrowing Base Certificate" means a certificate in the form of Exhibit F to the Loan Agreement.

"Borrowing Request" has the meaning set forth in Section 2.2(a) of the Loan Agreement.

"Broker" has the meaning set forth in Section 2.7(b) of the Loan Agreement.

"Business Day" means any day on which commercial banks in Las Vegas, Nevada, Wilmington, Delaware, Dublin, Ireland, Hamilton, Bermuda and Birmingham, Michigan, are not authorized or required to be closed.

"Calculation Date" means (i) the tenth (10th) day following March 31, June 30, September 30 or December 30 of each year, as applicable, beginning in July 2013, or if such day is not a Business Day, then the succeeding Business Day, but (ii) from and after the occurrence and during the continuance of an uncured and unwaived Event of Default, the tenth (10th) of each calendar month that commences thereafter, but (iii) from and after any cure or waiver of any Event of Default, the meaning in clause (i).

"Calculation Date Report" has the meaning set forth in Section 5.2(b) of the Loan Agreement.

"Cash Flow Sweep Percentage" means, with respect to any Distribution Date, (i) if such Distribution Date occurs prior to December 28, 2025, and (w) the LTV is greater than sixty-five percent (65%), one-hundred percent (100%), (x) the LTV is less than or equal to sixty-five percent (65%) but greater than fifty percent (50%), seventy percent (70%), (y) the LTV is less than or equal to fifty percent (50%) but greater than thirty-five percent (35%), fifty-five percent (55%) or (z) the LTV is less than or equal to thirty-five percent (35%), forty-five percent (45%); provided that if (a) EMG failed to maintain a Cash Interest Coverage Ratio of at least 2.0:1 at any time during the immediately preceding calendar quarter or (b) EMG fails to take steps to improve its solvency in a manner acceptable to the Required Lenders (as determined in their sole and absolute discretion), then the Cash Flow Sweep Percentage shall equal one-hundred percent (100%) and (ii) if such Distribution Date occurs on or after December 28, 2025, one-hundred percent (100%).

"Cash Interest Coverage Ratio" means with respect to Emergent Capital Group, Inc., a Florida corporation f/k/a Imperial Holdings, Inc. ("EMG"), as of any date of determination, the ratio of (i) consolidated cash and cash equivalents maintained by EMG to (ii) the aggregate interest amounts that will be due and payable in cash on (x) the \$30,000,000 15% senior secured notes due September 14, 2018 (and any notes issued by EMG or any of its Affiliates in connection with refinancing, replacing, substituting or any similar action with respect to any such notes) and the \$70,743,000 8.50% senior unsecured convertible notes due February 15, 2019 (and any notes issued by EMG or any of its Affiliates in connection with refinancing, replacing, substituting or any similar action with respect to any such notes) and (y) any additional indebtedness issued by EMG after December 27, 2016, in each case, during the twelve month period following such date of determination.

"Change in Control" means a change resulting when (i) the Borrower or a Parent Pledgor, as applicable, merges or consolidates with any other Person or permits any other Person to become the successor to its business, and the Borrower or a Parent Pledgor, as applicable, is not the surviving entity after such merger, consolidation or succession, other than as expressly permitted by the Transaction Documents, (ii) the Borrower or a Parent Pledgor, as applicable, conveys, transfers or leases substantially all of its assets as an entirety to another Person, other than as expressly permitted by the Transaction Documents or (iii) any Person shall become the owner, directly or indirectly, beneficially or of record, of equity representing more than fifty percent (50%) of the aggregate ordinary voting power represented by the issued and outstanding equity of the Borrower, the Predecessor Parent Pledgor or a Parent Pledgor.

"Change Forms" means, with respect to any Policy, all documents required by the applicable Issuing Insurance Company to be executed by the Borrower (or the Securities Intermediary, as owner thereof for the benefit of the Borrower or the Administrative Agent as secured party pursuant to the Account Control Agreement) to effect change of ownership of and designation of a new owner and beneficiary under such Policy.

"Claims" has the meaning set forth in the Account Control Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Collateral" has the meaning set forth in Section 2.6(a) of the Loan Agreement.

"Collateral Audit" has the meaning set forth in Section 9.1(i) in the Loan Agreement.

"Collateral Package" means all documents and information in the possession or under the control of the Borrower, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor, Imperial or any Affiliate of any of them, related to the Pledged Policies, including but not limited to, all Policy files related to the purchase or acquisition thereof by any Affiliate of Imperial and the transfer thereof to the Borrower (which shall include the most recent Policy Illustrations, Life Expectancy estimates, the Physician Competency Statement and medical records available to the Borrower) and all documents set forth on Exhibit M to the Account Control Agreement.

"Collection Account" has the meaning set forth in Section 5.1(a) of the Loan Agreement.

"Collections" means, collectively, all payments made from and after the Initial Closing Date to or for the account of or the benefit of the Borrower, Imperial, the Servicer, the Assignor, the Predecessor Parent Pledgor, a Parent Pledgor or any Affiliate of any of them or their agents (including the Securities Intermediary) by or on behalf of the Issuing Insurance Companies or any other Person in respect of the Policies, including without limitation, all Liquidation Proceeds, all proceeds of Policy Loans or withdrawals of cash surrender value made or taken from and after the Initial Closing Date and any proceeds of any other Collateral and sale of Pledged Policies (including Net Proceeds), whether in the form of cash, checks, wire transfers, electronic transfers or any other form of cash payment.

"Commitment" means, with respect to any Lender, the maximum amount that may be advanced by such Lender under the Loan Agreement as specified in Schedule 2.1(a) to the Loan Agreement as the same is amended pursuant to any Assignment and Assumption Agreement.

"Commitment Termination Date" means the earliest to occur of: (i) the Scheduled Commitment Termination Date, and (ii) the effective date on which the Lenders' Commitment is terminated following the occurrence of an Event of Default not cured within any applicable cure period, as described in Section 10.2 of the Loan Agreement.

"Confidential Information" means (i) the terms and conditions of the Loan Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, including (a) any term sheets, loan applications or other documents related to the Loan Agreement or the Transaction Documents and (b) any copies of such documents or any portions thereof and (ii) any Non-Public Information.

"Consultancy Agreement" means the Consultancy Agreement, dated as of May 16, 2014, by and between the LP Pledgor and Jason R. Sutherland, and as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Cure Notice" means a written notice from the Required Lenders to the Borrower indicating that the Required Lenders are granting the Borrower a cure period not exceeding ninety (90) days in order to cure an occurrence that would otherwise constitute an Event of Default.

"Custodian" means Wilmington Trust, National Association, in its capacity as custodian under the Account Control Agreement.

"Custodial Package" shall mean with respect to a Policy, each of the documents set forth on Exhibit M to the Account Control Agreement.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Debt Service" means, on any date of determination, the sum of the accrued interest due on all outstanding Advances that does not equal the Rate Floor.

"Default Rate" means, in the event that an Event of Default has occurred and is continuing, the interest rate per annum at which each Loan shall bear interest, equal to the sum of (i) the greater of (A) (1) LIBOR or, if LIBOR is unavailable, (2) the Base Rate and (B) one and a half percent (1.5%) plus (ii) six and one-half percent (6.50%).

"Determining Party" has the meaning set forth in Section 2.7(b) of the Loan Agreement.

"Direct Assumption Policies" has the meaning set forth in Section 2.7(b) of the Loan Agreement.

"Disclosing Party" has the meaning set forth in Section 13.12 of the Loan Agreement.

"Distribution Date" means the fifth day after each Calculation Date (or if such day is not a Business Day, the next succeeding Business Day), beginning in July, 2013.

"Dollar" and the sign "\$" shall mean lawful money of the United States of America.

"Eligibility Criteria" with respect to any Policy, means the following criteria, which are to be satisfied or have been waived in writing by the Required Lenders in their sole and absolute discretion as of the Advance Date as of which such Policy becomes a Pledged Policy:

(a) Except if such Policy is set forth on Eligibility Criteria Clause (a) Schedule to the Loan Agreement, the Securities Intermediary is designated as the "owner" and "beneficiary" under the Policy by the Issuing Insurance Company.

(b) The Policy is (i) a single life or survivorship policy, (ii) a fixed or variable universal life, whole life, or convertible term (provided such Policy is converted to a "permanent" life insurance policy prior to becoming a Pledged Policy), (iii) denominated and payable in U.S. Dollars and (iv) issued by a U.S. domiciled insurance company.

(c) Except if such Policy is set forth on Eligibility Criteria Clause (c) Schedule to the Loan Agreement, the Insured is a United States citizen or permanent resident alien currently residing in the United States as of the date the Policy was acquired by the Borrower, and has documented social security information and photographic identification.

(d) Except if such Policy is set forth on Eligibility Criteria Clause (d) Schedule to the Loan Agreement, the Insured shall be an individual sixty (60) years old or older.

(e) The Policy shall be in full force.

(f) Except if such Policy is set forth on Eligibility Criteria Clause (f) Schedule to the Loan Agreement, the Issuing Insurance Company shall (x) have at least one of, but no lower than any one of (i) a financial strength rating of "A-" from A.M. Best or (ii) a financial strength rating of less than "A-" from A.M. Best that is approved by the Required Lenders in their sole discretion or (y) be the Phoenix Life Insurance Company or the Conseco Life Insurance Company, or one of their respective affiliates.

(g) Except if such Policy is set forth on Eligibility Criteria Clause (g) Schedule to the Loan Agreement, medical underwriting as to Life Expectancy shall be conducted with respect to the Policy by at least two Pre-Approved Medical Underwriters whose LE Reports must not be dated more than twelve (12) months prior to the related Advance Date with respect to Policies to be pledged on such Advance Date, and in each case, must be based on medical records obtained from the Insured that are not older than twenty-four (24) months as of such Advance Date.

(h) Except if such Policy is set forth on Eligibility Criteria Clause (h) Schedule to the Loan Agreement, the Insured must have an average Life Expectancy of no more than two-hundred fifty-two (252) months.

(i) Except if such Policy is set forth on Eligibility Criteria Clause (i) Schedule to the Loan Agreement, the Policy covering the life of an individual Insured shall not have a face amount of less than \$70,000 or greater than \$10.0 million, except as otherwise approved in writing by the Required Lenders.

(j) The Policy is beyond any relevant policy or statutory contestability and suicide periods.

(k) There must not be any outstanding Policy Loans or Liens outstanding in respect of the Policy, except for Permitted Liens that will be fully reflected in the pricing analysis and calculation, nor any other pledge or assignment outstanding on the Policy.

(l) Except if such Policy is set forth on Eligibility Criteria Clause (l) Schedule to the Loan Agreement, the life expectancy reflected in the LE Report used to determine the Lender Valuation with respect to the related Advance is not less than twenty-four (24) months from the date of such Advance.

(m) The Policy and the legal and beneficial interests in the death benefit (taking into account the portion of the death benefit payable to a Person other than the Securities Intermediary who is designated as the "beneficiary" under a Retained Death Benefit Policy and previously disclosed in writing to the Administrative Agent) shall be capable of being sold, transferred and conveyed to the Borrower and its successors, assigns and designees, and the seller thereof to the Borrower shall have the right to do so. Any tracking/servicing (subject to any statutory prohibition applicable to life settlement providers) and custodial rights shall be fully assignable and transferable to the Borrower and its successors, assigns and designees or as otherwise directed by the Borrower. Except with respect to HIPAA Authorizations relating to the Policies set forth on Eligibility Criteria Clause (m) Schedule to the Loan Agreement, the documents and agreements contained in the related Collateral Package and listed on Exhibit M to the Account Control Agreement do not contain language purporting to limit their assignability, and none of the Borrower, the Parent Pledgors, the Predecessor Parent Pledgor, any Affiliate of any of them, or any Affiliate of Imperial is a party to any agreement that limits their assignability, and all such documents are fully assignable and transferable to the Borrower and its successors, assigns and designees or as otherwise directed by the Borrower; provided that Borrower makes no representation or warrant concerning whether applicable state law or public policy limit the assignability of any HIPAA Authorization or power of attorney or the enforceability thereof upon assignment.

(n) The Insured's primary diagnosis leading to the Life Expectancy evaluation(s) must not be HIV or AIDS.

(o) The Policy shall not be purchased from a seller to which applicable state laws prohibiting the purchase or the transfer of ownership from such seller apply at the time of such purchase or transfer of ownership.

(p) The Borrower shall reasonably believe based on its review of the related Collateral Package and the other information available to or known by the Borrower or any Affiliate thereof, that the original owner/beneficiary under the Policy shall have had an insurable interest at the time of the initial issuance of the Policy.

(q) The Policy shall not have a death benefit that, by the terms of the Policy, will decrease over time or from time to time, unless such decrease is scheduled and can be incorporated and fully reflected in the pricing of the Policy, and where the Policy shall contain no provisions limiting the future realization of the net death benefit, other than non-payment of premiums or the Insured reaching a certain age.

(r) The sale of the Policy from the Original Owner thereof and all subsequent transfers of the Policy complied with all Applicable Law.

(s) The transfer of the Policy is not subject to the payment of United States state sales taxes or any other taxes payable by the Borrower.

(t) The face amount of the Policy does not exceed five percent (5%) of the aggregate face amount of all Pledged Policies.

(u) The Rescission Period with respect to such Policy shall have expired.

(v) The Policy is not subject to any Applicable Law that makes unlawful the sale, transfer or assignment of such Policy.

(w) With respect to such Policy, the Borrower is not aware of any agreements, documents, assignments or instruments related to such Policy except for those agreements, documents, assignments and instruments that constitute and were included in the related Collateral Package that was delivered to the Administrative Agent.

(x) The related Collateral Package delivered to the Administrative Agent by or on behalf of the Borrower contain, at the very least, the documents set forth in Exhibit M to the Account Control Agreement.

(y) Unless such Policy is a Retained Death Benefit Policy that has been previously disclosed in writing to and approved by the Administrative Agent, such Policy is not a retained death benefit policy or similar policy in which any Person other than the Borrower has any direct or indirect interest of any kind in the death benefit payable under such Policy.

"Eligible Account" means either (a) a segregated account with an Eligible Institution or (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States or any of the states thereof, including the District of Columbia (or any domestic branch of a foreign bank), and acting as a trustee for funds deposited in such account,

so long as the senior securities of such depository institution shall have a credit rating from each of Moody's and S&P in one of its generic credit rating categories no lower than "A-" or "A3", as the case may be.

"Eligible Institution" means a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank), (a) which has both (x) a long-term unsecured senior debt rating of not less than "A" by S&P and "A2" by Moody's, and (y) a short-term unsecured senior debt rating rated in the highest rating category by S&P and Moody's and (b) whose deposits are insured by the Federal Deposit Insurance Corporation.

"Eligible Policy" means a Policy that, as of the Advance Date as of which such Policy first becomes a Pledged Policy, satisfies all of the Eligibility Criteria that have not been waived in writing by the Required Lenders.

"EMG" has the meaning set forth in the definition of Cash Interest Coverage Ratio.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, 29 U.S.C. §1001 et seq., as amended from time to time and the regulations promulgated thereunder.

"Escrow Account" has the meaning set forth in Section 5.1(d) of the Loan Agreement.

"Event of Bankruptcy" shall be deemed to have occurred with respect to a Person if either:

(a) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, examinership or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, examiner, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up, examinership or composition or adjustment of debts and such case or proceeding shall remain undismissed or unstayed for a period of sixty (60) days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect; or

(b) such Person shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Person or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or similar entity, its board of directors shall vote to implement any of the foregoing.

"Event of Default" has the meaning set forth in Section 10.1 of the Loan Agreement.

“Excluded Policy” means (i) any Policy pledged under the Loan Agreement for which no written acknowledgement of a collateral assignment was received by the Administrative Agent or the Securities Intermediary from the related Issuing Insurance Company within sixty (60) calendar days of the Advance Date as of which such Policy became a Pledged Policy, (ii) any Policy set forth on Eligibility Criteria Clause (a) Schedule to the Loan Agreement, (iii) any Policy pledged under the Loan Agreement in respect of which the Insurance Consultant is not authorized to, or is not accepted by the related Issuing Insurance Company to, communicate and receive verifications of coverage and obtain other information from such Issuing Insurance Company and (iv) any Policy set forth on Schedule 7.1(f) to the Loan Agreement. With respect to any Policy described in clause (i) of the immediately preceding sentence, if such written acknowledgement of a collateral assignment is received by the Administrative Agent or the Securities Intermediary after such date, such Policy shall cease to be an Excluded Policy on the date of such receipt. With respect to any Policy described in clause (ii) of the first sentence of this definition, such Policy shall cease to be an Excluded Policy on the date the Administrative Agent receives written confirmation from the Securities Intermediary that the Securities Intermediary is designated as the “owner” and “beneficiary” under such Policy by the related Issuing Insurance Company. With respect to any Policy described in clause (iii) of the first sentence of this definition, if the Insurance Consultant becomes authorized to, or becomes accepted by the related Issuing Insurance Company to, communicate and receive verifications of coverage and obtain other information from such Issuing Insurance Company, such Policy shall cease to be an Excluded Policy on the date of such authorization or acceptance. With respect to any Policy described in clause (iv) of the first sentence of this definition, such Policy shall cease to be an Excluded Policy on the date the Custodian receives an original or a copy from the related Issuing Insurance Company of such Policy.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Lender or required to be withheld or deducted from a payment to a Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Lender being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender (other than the Initial Lender), U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in Lender Notes issued pursuant to the Loan Agreement pursuant to a law in effect on the date on which (i) such Lender acquires such interest in such Lender Notes (other than pursuant to an assignment request by the Borrower under Section 6.4 of the Loan Agreement) or (ii) such Lender changes its lending office, except in each case to the extent that (A) pursuant to Section 6.4 of the Loan Agreement, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party to the Loan Agreement or to such Lender immediately before it changed its lending office or (B) such Taxes would not have been imposed if the Borrower were a publicly traded U.S. corporation, (c) Taxes attributable to such Lender’s failure to comply with Section 6.3 of the Loan Agreement, and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Expense Deposit” means, with respect to each Borrowing Request related to a proposed Additional Policy Advance, an amount required to reimburse the Administrative Agent and the Lenders for third-party out-of-pocket expenses incurred in connection with the review and evaluation

of the Additional Policies identified in such Borrowing Request, as determined by the Administrative Agent in its reasonable discretion.

"Expenses" means (i) Servicing Fees and costs and other amounts reimbursable to the Servicer pursuant to the Servicing Agreement, (ii) payments to the Custodian and Securities Intermediary, as applicable, of their accrued fees and reimbursable expenses related to the Pledged Policies or the Accounts, (iii) Expense Deposits, (iv) the reasonable administrative expenses of the Borrower related to the Pledged Policies or general operations of the Borrower including Collateral Audits and maintenance of the Collateral, in an amount not to exceed \$15,000 per annum or a greater amount approved by the Required Lenders in their sole discretion, (v) Portfolio Manager Fees and (vi) Administrative Agent Fees. The Expenses to be funded during 2013 were approved by the Required Lenders as of the Initial Closing Date. The Expenses to be funded during any succeeding calendar year shall be approved by the Required Lenders in their sole and absolute discretion upon review of the Annual Budget for such succeeding calendar year as contemplated by Section 9.1(d)(vi) of the Loan Agreement, which amounts, if comprising amounts described in the preceding clauses (iii) and (v) may be less than (or greater than) such amounts approved, in any preceding calendar year, in the Required Lenders' sole and absolute discretion.

"Facility Limit" means \$370,000,000; provided, however, that on April 29, 2019 and on each anniversary thereafter, such amount shall be reduced by an amount up to the lesser of (i) the sum of (a) \$25,000,000 plus (b) the aggregate of the Facility Limit Shortfall Amounts not previously applied to reduce the Facility Limit, if any and (ii) an amount which would cause the then Facility Limit to equal the product of (A) 1.3 and (B) the highest aggregate principal balance of Advances (excluding Protective Advances) that were outstanding during the twelve month period immediately preceding such anniversary.

"Facility Limit Shortfall Amount" shall mean with respect to each date on which the Facility Limit is required to be reduced pursuant to the definition thereof, the excess, if any, of the \$25,000,000 that constitutes the additional reduction to be applied on such date pursuant to clause (i)(a) of the definition thereof, over the amount of the actual reduction applied to such additional reduction.

"Fasano" means Fasano Associates, Inc. and its successors.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of the Loan Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"Fee Letter" means that certain Amended and Restated Fee and Indemnification Agreement, dated as of the Original Amended and Restated Closing Date, among the Borrower, Imperial Holdings Inc. and Wilmington Trust, N.A., setting forth, among other things, the fees of the Securities Intermediary and the Custodian.

"Fees" means, (i) in relation to the Initial Advance, the Up-Front Fee and, (ii) in relation to any Advance other than the Initial Advance, any fee payable to a broker or other third party in relation to the acquisition of an Additional Policy or other transaction contemplated by the Loan Agreement,

and in each case, the payment of which has been approved by the Required Lenders in their sole discretion.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the interest rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it plus 0.75%.

"Foreign Lender" means a Lender that is not a U.S. Person.

"FTP Site" shall have the meaning set forth in Annex 1 to the Portfolio Management Agreement.

"GAAP" means United States generally accepted accounting principles.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"GP Parent" means White Eagle General Partner, LLC, a Delaware limited liability company.

"Guarantor" means Imperial Finance & Trading, LLC, in its capacity as guarantor under the Guaranty.

"Guaranty" means the Guaranty, dated as of the Original Amended and Restated Closing Date, made by the Guarantor in favor of the Borrower, the Administrative Agent and the Lenders as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Imperial" means Imperial Holdings Inc., a Florida corporation, and its successors.

"Imperial Finance" means Imperial Finance & Trading, LLC, a Florida limited liability company, and its successors.

"Indemnified Amounts" has the meaning set forth in Section 11.1 of the Loan Agreement.

"Indemnified Bank Person" has the meaning set forth in the Account Control Agreement.

"Indemnified Party" has the meaning set forth in Section 11.1 of the Loan Agreement.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower and (b) to the extent not otherwise described in (a), Other Taxes.

“Independent Director” has the meaning set forth in Section 9.1(f)(ii) of the Loan Agreement.

“Independent Manager” has the meaning set forth in Section 9.1(f)(ii) of the Loan Agreement.

“Initial Advance” means an Advance in an amount equal to the sum of (i) for any Subject Policies set forth on the Initial Advance Lexington Schedule to the Loan Agreement, the lesser of (A) fifty percent (50%) of the Purchase Price and (B) fifty percent (50%) of the market value of such Subject Policies as determined by the Required Lenders in their sole discretion, plus (ii) for any Subject Policies not set forth on the Initial Advance Lexington Schedule to the Loan Agreement, fifty percent (50%) of the market value for such Subject Policies as determined by the Required Lenders in their sole discretion, plus (iii) the Up-Front Fee, plus (iv) the Initial Expense Deposit plus (v) certain fees and expenses of the Borrower, including reasonable attorneys’ fees, as approved by the Required Lenders in their sole discretion.

“Initial Advance Acceptance” has the meaning set forth in Section 2.3(a) of the Loan Agreement.

“Initial Closing Date” means April 29, 2013.

“Initial Expense Deposit” means \$3,000,000.

“Initial Face Amount” shall mean, with respect to each Policy that is or has ever been a Pledged Policy, the face amount of such Policy as of the date such Policy became a Pledged Policy.

“Initial Lender” has the meaning set forth in the recitals to the Loan Agreement.

“Initial Policy Purchaser” means, with respect to any Policy, any Person who purchased the Policy from the Original Owner.

“Initial Portfolio Manager” has the meaning set forth in the recitals to the Loan Agreement.

“Initial Portfolio Manager Indemnified Amounts” has the meaning set forth in Section 11.3 of the Loan Agreement.

“Initial Servicer” has the meaning set forth in the recitals to the Loan Agreement.

“Initial Servicer Report” means the “Servicer Report” as defined in the Initial Servicing Agreement.

“Initial Servicer Report Date” means the date the Initial Servicer Report is to be delivered pursuant to the terms of the Initial Servicing Agreement.

“Initial Servicer Termination Event” means “Servicer Termination Event” as defined in the Initial Servicing Agreement.

“Initial Servicing Agreement” means the Servicing Agreement dated as of the Initial Closing Date, by and between the Initial Servicer and the Borrower, as the same was amended, supplemented

or otherwise modified prior to the Second Amended and Restated Closing Date in accordance with the Transaction Documents.

“Insurance Consultant” means D3G Capital Management, LLC, a Texas limited liability company.

“Insured” means a natural person who is named as the insured on a Policy.

“Interest Payment Date” with respect to any Advance, means the first Distribution Date occurring after the initial funding of such Advance, and each subsequent Distribution Date thereafter.

“Interest Period” means with respect to each Advance and each Interest Payment Date, (i) the period from and including the date such Advance is funded, to but excluding the immediately succeeding Distribution Date, and, thereafter, (ii) the period from and including the most recent preceding Distribution Date to but excluding the succeeding Distribution Date; provided, however, that for the last Interest Period that commences before the Maturity Date and so would otherwise end on a date occurring after the Maturity Date, such Interest Period shall end on and include the Maturity Date.

“Investment” means any investment in any Person, whether by means of share purchase, capital contribution, loan, time deposit or otherwise.

“Issuing Insurance Company” means with respect to any Policy, the insurance company that is obligated to pay the related benefit upon the death of the related Insured by the terms of such Policy (or the successor to such obligation).

“Joint Policy” means a Policy with more than one Insured that pays upon the death of the last Insured to die. Unless the context otherwise requires, joint Insureds of a Joint Policy shall collectively count, as applicable, as a “separate individual,” as a “single insured” or as an “insured person”.

“Lapsed/Grace Policy” has the meaning set forth in Section 10.1(p) of the Loan Agreement.

“Lender” means each of the financial institutions party to the Loan Agreement as lender thereunder.

“Lender’s Commitment” means, with respect to a Lender, the Commitment for such Lender as set forth or Schedule 2.1(a) of the Loan Agreement or in the Assignment and Assumption Agreement pursuant to which such Lender becomes a party to the Loan Agreement.

“Lender Default” means with respect to a Lender, the failure of such Lender to make any Advance it is obligated to make under the Loan Agreement, which failure continues for thirty (30) Business Days after the date on which such Lender receives written notice of such failure from the Borrower.

“Lender Note” and “Lender Notes” each has the meaning set forth in Section 2.5 of the Loan Agreement.

"Lender Releasees" has the meaning set forth in Section 13.16 of the Loan Agreement.

"Lender Valuation" means, on any date of determination, the value of the Pledged Policies (other than the Excluded Policies) as determined by the Required Lenders in their reasonable discretion. For purposes of this definition, but without limitation as to what other methodology and assumptions might be reasonable, similar methodology and assumptions utilized by the Required Lenders in valuing the Pledged Policies related to the Initial Advance shall be deemed to be reasonable. In valuing each such Pledged Policy, the Required Lenders: (i) utilized reasonable actuarial practices on a probabilistic basis and took into consideration other means of valuing life insurance policies including available market comparisons, (ii) determined which Select Composite Valuation Basic Table to use for the related Insured, (iii) used their reasonable judgment to optimize premiums, (iv) generally utilized at least two (2) LE Reports to determine the life expectancy of the related Insured, however, depending on such Pledged Policy, the Required Lenders could have utilized only one of the two LE Reports supplied by the Borrower, the Required Lenders could have combined the two supplied LE Reports in a manner determined in the Required Lenders' sole and absolute discretion or the Required Lenders could have adjusted an individual LE Report based upon the Required Lenders' review of such LE Reports or a review conducted by a third-party approved by the Required Lenders of such LE Reports and (v) based the discount rate of such Pledged Policy on market based conditions, with upward and downward adjustments in such discount rate to account for such Pledged Policy's individual characteristics, including, without limitation, whether such Pledged Policy had a return of premium rider, the applicable maturity date, the face value of such Pledged Policy, the life expectancy of the related Insured, any information related to the origination of such Pledged Policy (such as whether such Pledged Policy was premium financed or originated pursuant to a "beneficial interest" program), the completeness of the related Collateral Package, the shape of the COI curve, the identity of the related Issuing Insurance Company and other factors identified and weighed by the Required Lenders in their reasonable judgment. The Borrower hereby acknowledges that the foregoing methodology is likely to change over time to account for market conditions and the Required Lenders' experience in the life settlement marketplace and that any such changes to the methodology shall be in the Required Lenders' reasonable judgment.

"LIBOR" means, for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the British Bankers Association LIBOR Rate ("BBA LIBOR") by Bloomberg, Reuters or other commercially available source providing quotations of BBA LIBOR, as designated by the Administrative Agent from time to time, at approximately 11:00 A.M. (London time) on the Rate Calculation Date for such Interest Period, as the London interbank offered rate for deposits in Dollars for a 12-month period.

"Lien" shall mean any mortgage, pledge, assignment, lien, security interest or other charge or encumbrance of any kind, including the retained security title of a conditional vendor or a lessor.

"Life Expectancy" means (A) with respect to any Policy, the average of two separate life expectancies of the related Insured, stated in months, provided by two separate Pre-Approved Medical Underwriters to achieve fifty (50%) percentile cumulative mortalities for such Insured and, if not provided, by applying the provided life expectancy in months to the mortality table selected by the Required Lenders to calculate a 50th percentile cumulative mortality schedule for such Insured; and

(B) with respect to any Policy that is a Joint Policy means the joint life expectancy of the related Insureds in months provided by two (2) Pre-Approved Medical Underwriters to achieve a 50th percentile cumulative mortality for such Insureds and calculated in the Pricing Model by applying the weighted average of the cumulative mortality schedules provided for the two (2) joint life expectancies by the Pre-Approved Medical Underwriters and, if not provided, by applying the provided life expectancy in months to the mortality table selected by the Required Lenders to calculate a 50th percentile cumulative mortality for such Insureds.

"Life Expectancy Date" means, with respect to any Policy, the last day of the last month of the Life Expectancy for such Policy.

"Life Expectancy Report" or "LE Report" means, with respect to a Policy, an assessment by a Pre-Approved Medical Underwriter in a written statement dated within one-hundred eighty (180) days prior to the Advance Date on which such Policy became or is proposed to become a Pledged Policy, with respect to the Life Expectancy of the related Insured.

"Liquidated Policy" means any Pledged Policy that has been liquidated as a result of the death of the related Insured.

"Liquidation Proceeds" means any and all proceeds realized from Liquidated Policies.

"Loan Agreement" means the Second Amended and Restated Loan and Security Agreement, dated as of the Second Amended and Restated Closing Date among the Borrower, the Guarantor, the Initial Servicer, the Portfolio Manager, the Portfolio Manager, the Lenders party thereto and the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"LP Parent" means Lamington Road Designated Activity Company (f/k/a Lamington Road Limited), an Irish designated activity company.

"LP Parent Contribution Agreement" means the Contribution Agreement, dated as of May 16, 2014, by and between the LP Parent, as the transferor of certain assets from time to time, and the Borrower, as the transferee thereof, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"LTV" means, on any date of determination, the fraction, expressed as a percentage, the numerator of which is the aggregate outstanding principal balance of all outstanding Advances, and the denominator of which is the Lender Valuation of the Pledged Policies (other than any Excluded Policies), as determined by the Required Lenders in their sole discretion.

"Manager" has the meaning set forth in the guidelines attached as Exhibit B to that certain opinion of tax counsel to the LP Parent dated the Original Amended and Restated Closing Date.

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

“Material Adverse Effect” means, with respect to any event or circumstance, a material adverse effect on:

(a) the business, assets, financial condition or operations of the Borrower, the Assignor, the Predecessor Parent Pledgor or a Parent Pledgor or any of the Collateral;

(b) the ability of the Borrower, the Assignor, the Predecessor Parent Pledgor or a Parent Pledgor to perform its respective obligations under any Transaction Document to which such Person is a party;

(c) the validity or enforceability against the Borrower, the Assignor, the Predecessor Parent Pledgor or a Parent Pledgor of any Transaction Document to which such Person is a party;

(d) the status, existence, perfection or priority of the Administrative Agent’s (for the benefit of the Secured Parties) security interest in any of the Collateral or in any of the Pledged Interests; or

(e) the Lender Valuation or the aggregate amount of Net Death Benefits of the Pledged Policies or the validity, enforceability or collectability of a material number of Pledged Policies.

[*]

“Maturity Date” means December 31, 2031.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Net Death Benefit” means, with respect to a Policy, the amount projected to be paid by the Issuing Insurance Company to the Borrower or the Securities Intermediary on its behalf as a result of the death of the related Insured.

“Net Proceeds” shall mean, with respect to a sale of the Collateral pursuant to Section 2.7 of the Loan Agreement, all proceeds of such sale net of the lesser of (x) reasonable third-party out-of-pocket expenses incurred by the Borrower in relation to such sale which have been approved by the Administrative Agent in its sole and absolute discretion and (y) the greater of (i) \$20,000 and (ii) one percent (1.00%) of the face amount of the Pledged Policies sold in such sale.

“Non-Determining Party” has the meaning set forth in Section 2.7(b) of the Loan Agreement.

“Non-Public Information” means any and all medical, health, financial and personally identifiable information about an Insured, a Policy seller, a Policy Beneficiary or any spouse or other individual closely related by blood or law to any such Person, including name, street or mailing address, e-mail address, telephone or other contact information, employer, social security or tax identification number, date of birth, driver’s license number, photograph or documentation of identity or residency (whether independently disclosed or contained in any disclosed document such as a Policy, life expectancy evaluation, life insurance application or viatical or life settlement application or agreement).

“Obligations” means all obligations (monetary or otherwise) of the Borrower to the Lenders or the Administrative Agent and their respective successors, permitted transferees and assigns arising under or in connection with the Loan Agreement, the Lender Notes and each other Transaction Document, in each case however created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, including, without limitation, the obligation of the Borrower to pay the Aggregate Participation Interest.

“Original Agreement” has the meaning set forth in the recitals to the Loan Agreement. “OFAC” has the meaning set forth in Section 8.1(v) of the Loan Agreement.

“OFAC Listed Person” has the meaning set forth in Section 8.1(v) of the Loan Agreement.

“OFAC Sanctions Program” means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.ustreas.gov/offices/enforcement/ofac/programs/>.

“Ongoing Maintenance Advance” shall mean an Advance made after the date of the making of the Initial Advance, the proceeds of which are used solely to pay amounts permitted pursuant to Section 2.8(a)(ii) of the Loan Agreement.

“Ongoing Maintenance Costs” means (i) the scheduled Premiums on the Pledged Policies (other than Excluded Policies) as set forth on the related Premium Payment Schedule and set forth in the related Annual Budget which has been approved by the Required Lenders pursuant to Section 9.1(d)(vi) of the Loan Agreement, as adjusted by the Administrative Agent to reflect any maturities or sales of Pledged Policies and any Advances and (ii) the Expenses of the Borrower.

“Ongoing Maintenance Costs Reimbursable Amount” shall mean as of any date of determination after the occurrence of a Lender Default, the aggregate amount of Ongoing Maintenance Costs the Borrower has actually paid after the occurrence of such Lender Default and would not have otherwise had to pay had such Lender Default not occurred, plus interest thereon at a rate equal to the Default Rate.

“Original Amended and Restated Closing Date” shall mean May 16, 2014.

“Original Amended and Restated Loan Agreement” has the meaning set forth in the recitals to the Loan Agreement.

"Original Owner" means, with respect to a Policy, the Person to which the Policy was initially issued and who was listed as owner on the initial declarations page of such Policy or the policy application, as applicable.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned or received by way of sale or assignment an interest in any Advance or Transaction Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, the Loan Agreement (or the Original Agreement or the Original Amended and Restated Loan Agreement).

"Parent Pledgor" means each of the GP Parent and LP Parent and collectively, the "Parent Pledgors".

"Partial Repayment Date" shall mean the date on which all Obligations have been paid in full in cash by the Borrower (other than the Aggregate Participation Interest, any Administrative Agent Fees due and payable after such date and any Protective Advances made after such date, and including, for the avoidance of doubt, the Amortization Shortfall Amounts for all of the Shortfall Pledged Policies that remain unpaid) and all Commitments have been terminated.

"Participation Interest Account" means an account to be designated in writing from time to time by the Initial Lender to the Borrower.

"Participation Interest" shall mean with respect to each Pledged Policy, the right of the Lenders to receive the Participation Interest Percentage of the portion of Collections (including Available Amounts), prior to the deduction of any Amortization Shortfall Amounts and Participation Interest Shortfall Amounts, distributable pursuant to (i) clause "Eighth" of Section 5.2(b) of the Loan Agreement, (ii) clause "Tenth" of Section 5.2(b) of the Loan Agreement, (iii) clause "Eleventh" of Section 5.2(b) of the Loan Agreement, (iv) clause "Eleventh" of Section 5.2(c) of the Loan Agreement, (v) clause "Fourteenth" of Section 5.2(c) of the Loan Agreement, (vi) clause "Fifteenth" of Section 5.2(c) of the Loan Agreement, (vii) Clause "Ninth" of Section 5.2(e) of the Loan Agreement, (viii) Clause "Tenth" of Section 5.2(e) of the Loan Agreement and/or (ix) Section 10.2(c) of the Loan Agreement, as applicable.

"Participation Interest Percentage" shall initially equal fifty percent (50%) and on or after December 28, 2016, such percentage shall equal forty-five percent (45%). Such percentage shall be reduced once by three percent (3.00%) for each calendar quarter which is one of the first sixteen (16) calendar quarters occurring after the Initial Closing Date in which one or more Lender Defaults has initially occurred and no other Lender made the Advances that the applicable Lenders which caused

such Lender Default(s) were obligated to make; provided that such percentage shall not be reduced with respect to any such calendar quarter if any Lender or Lenders make additional Advances within twelve (12) months of the end of such calendar quarter, in an amount which equals or exceeds the amount of the Advances that the Lenders that caused the related Lender Default(s) to initially occur in such calendar quarter failed to advance.

"Participation Interest Shortfall Amount" shall mean, with respect to a Pledged Policy that has become a Shortfall Pledged Policy, the excess of (x) the aggregate of the amounts that would have been distributed to the Participation Interest Account on the next Distribution Date occurring after the date on which such Pledged Policy became a Shortfall Pledged Policy, had such Pledged Policy matured and had the related death benefit been paid in full by the related Issuing Insurance Company, by deposit thereof into the Collection Account prior to the related Calculation Date pursuant to clause "Eleventh" of Section 5.2(b) of the Loan Agreement, clause "Fifteenth" of Section 5.2(c) of the Loan Agreement or clause "Tenth" of Section 5.2(e) of the Loan Agreement, as applicable, as determined by the Administrative Agent on such Calculation Date, over (y) the aggregate of the amounts that will actually be distributed to the Participation Interest Account on such Distribution Date pursuant to clause "Eleventh" of Section 5.2(b) of the Loan Agreement, clause "Fifteenth" of Section 5.2(c) of the Loan Agreement or clause "Tenth" of Section 5.2(e) of the Loan Agreement, as applicable, but not taking into account any amounts that will actually be distributed pursuant to clause (ii) thereof which relate to such Shortfall Pledged Policy, as determined by the Administrative Agent on the related Calculation Date.

"Payment Account" has the meaning set forth in Section 5.1(b) of the Loan Agreement.

"Payment Instructions" has the meaning set forth in Section 5.2(b) of the Loan Agreement.

"Payoff Notice" has the meaning set forth in Section 6.5 of the Loan Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Sale Cashflow Date" shall mean the date on which (i) the sum of (a) the aggregate face amount of all Pledged Policies which were sold pursuant to Section 2.7(a) of the Loan Agreement (other than Pledged Policies sold pursuant to clause (iv) of the first sentence of Section 2.7(a) of the Loan Agreement) and (b) the aggregate face amount of all Pledged Policies which were sold pursuant to Section 2.7(b) of the Loan Agreement and in respect of which the Determining Party was the Borrower or the Portfolio Manager (other than Direct Assumption Policies) exceeds ten percent (10%) of the aggregate face amount of all the Pledged Policies as of the Initial Closing Date, or (ii) the sum of (a) the Lender Valuation of all Pledged Policies which were sold pursuant to Section 2.7(a) of the Loan Agreement (other than Pledged Policies sold pursuant to clause (iv) of the first sentence of Section 2.7(a) of the Loan Agreement) as of their respective sale dates and (b) the Lender Valuation of all Pledged Policies which were sold pursuant to Section 2.7(b) of the Loan Agreement and in respect of which the Determining Party was the Borrower or the Portfolio Manager (other than Direct Assumption Policies) exceeds ten percent (10%) of the Lender Valuation as of the Initial Closing Date or (iii) the sum of (a) the aggregate number of all Pledged Policies which were sold pursuant to Section 2.7(a) of the Loan Agreement (other than Pledged Policies sold pursuant to clause (iv) of the

first sentence of Section 2.7(a) of the Loan Agreement) and (b) the aggregate number of all Pledged Policies which were sold pursuant to Section 2.7(b) of the Loan Agreement and in respect of which the Determining Party was the Borrower or the Portfolio Manager (other than Direct Assumption Policies) exceeds ten percent (10%) of the aggregate number of all Pledged Policies as of the Initial Closing Date.

“Permitted Investment” means, at any time:

(a) marketable obligations issued by or the full and timely payment of which is directly and fully guaranteed or insured by the United States government or any other government with an equivalent rating, or any agency or instrumentality thereof when such marketable obligations are backed by the full faith and credit of the United States government or such other equivalently rated government, as the case may be, but excluding any securities which are derivatives of such obligations; and

(b) time deposits, bankers’ acceptances and certificates of deposit of any domestic commercial bank or any United States branch or agency of a foreign commercial bank which (i) has capital, surplus and undivided profits in excess of \$100,000,000 and which has a commercial paper or certificate of deposit rating in the highest rating category by Moody’s and in one of the two highest rating categories by S&P or (ii) is set forth in a list (which may be updated from time to time) approved in writing by the Required Lenders.

“Permitted Lien” with respect to any Pledged Policy or Subject Policy means a Lien, security interest, pledge, charge or encumbrance, or similar right or claim (i) in favor of the Administrative Agent pursuant to the Transaction Documents, or (ii) in the case of a Retained Death Benefit Policy, in favor of an original owner, insured or seller or any family member of any of the foregoing of a Pledged Policy or Subject Policy but only to the extent of the portion of the death benefit thereof retained by or in favor of such Person.

“Person” means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, government or any agency or political subdivision thereof or any other entity.

“Physician’s Competency Statement” means, with respect to an Insured, a letter issued by such Insured’s attending physician confirming that such Insured is mentally competent as of the date of such letter.

“Pledged Interests” means, collectively, the ownership interests in the Borrower pledged to the Administrative Agent by the Parent Pledgors pursuant to the Borrower Interest Pledge Agreement.

“Pledged Policy” means each Policy pledged to secure Advances under the Loan Agreement that is not a Policy that has been sold or abandoned as contemplated by Section 2.7 of the Loan Agreement or been released from the Lien of the Administrative Agent pursuant to Section 2.6 of the Loan Agreement.

“Policy” means any life insurance policy.

"Policy Account" shall have the meaning set forth in the Account Control Agreement.

"Policy Illustration" means, with respect to any Policy, a level premium, policy values and Net Death Benefit projection produced by the Issuing Insurance Company or an agent of the Issuing Insurance Company, using the Issuing Insurance Company's current/non-guaranteed values (with a non-guaranteed interest crediting rate not to exceed two-hundred (200) basis points over the guaranteed rate) sufficient to carry such Policy to its Policy Maturity Date, which Policy Illustration is not dated more than three hundred sixty-five (365) days prior to the applicable Advance Date.

"Policy Loan" means with respect to a Policy, an outstanding loan secured thereby or that has setoff rights with respect thereto.

"Policy Maturity Date" means, with respect to a Policy, the date specified in the Policy, including any extensions thereto available and exercised under the terms of the Policy, on which coverage offered under the Policy terminates.

"Portfolio Management Agreement" means the Portfolio Management Agreement, dated as of the Original Amended and Restated Closing Date, by and between the Portfolio Manager and the Borrower, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Portfolio Manager" means Lamington Road Bermuda Ltd., acting as Portfolio Manager, or any successor Portfolio Manager.

"Portfolio Manager Fee" shall mean, with respect to each Distribution Date, a fee in an amount equal to \$300 for each Policy that was a Pledged Policy during the immediately preceding calendar quarter.

"Portfolio Manager Indemnified Amounts" has the meaning set forth in Section 11.2 of the Loan Agreement.

"Portfolio Manager Termination Event" has the meaning set forth in the Portfolio Management Agreement.

"Pre-Approved Medical Underwriters" means any two (2) of Fasano, AVS or 21st Services.

"Predecessor Parent Pledgor" means Markley Asset Portfolio, LLC, a Delaware limited liability company.

"Predecessor Parent Pledgor Contribution Agreement" means the Contribution Agreement, dated as of April 29, 2013, by and between the Predecessor Parent Pledgor, as the transferor, and the Borrower, as the transferee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Predecessor Parent Pledgor Contribution Agreement Side Letter" means that certain side letter, dated as of May 16, 2014, by and between the Predecessor Parent Pledgor, as the transferor,

and the Borrower, as the transferee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

“Predecessor Parent Pledgor LP Contribution Agreement” means the Contribution Agreement, dated as of May 16, 2014, by and between the Predecessor Parent Pledgor, as the transferor of certain assets from time to time, and the LP Parent, as the transferee thereof, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

“Premium” means, with respect to any Pledged Policy, as indicated by the context, any past due premium with respect thereto, or any scheduled premium.

“Premium Payment Schedule” has the meaning set forth in the Servicing Agreement.

“Priority of Payments” means the priority of payments set forth in Section 5.2 of the Loan Agreement.

“Proposed Additional Policy Advance” has the meaning set forth in Section 2.3(c) of the Loan Agreement.

“Proposed Additional Policy Advance Notice” has the meaning set forth in Section 2.3(c) of the Loan Agreement.

“Proposed Initial Advance” has the meaning set forth in Section 2.3(a) of the Loan Agreement.

“Proposed Initial Advance Notice” has the meaning set forth in Section 2.3(a) of the Loan Agreement.

“Proposed Sale Agreement” has the meaning set forth in Section 2.7(a)(ii) of the Loan Agreement.

“Protective Advances” has the meaning set forth in Section 2.1(e) of the Loan Agreement.

“Publicly Traded Company” means a Person whose securities are listed on a national securities exchange or quoted on an automated quotation system in the United States of America and any wholly-owned subsidiary of such a Person.

“Purchase Price” means \$37,260,895.

“Qualified Person” means either (i) an individual resident or citizen of the United States of America or any other resident of the United States of America or Ireland which is a “qualified person” under the Treaty or (ii) a bank (within the meaning of the Treaty) which funds its Advances through a branch located in either the United States or Ireland.

“Rate Calculation Date” for any Interest Period, means the last Business Day of the preceding calendar year.

“Rate Floor” has the meaning set forth in Section 3.1 of the Loan Agreement.

"Receiving Party" has the meaning set forth in Section 13.12 of the Loan Agreement.

"Recovered Pledged Policy" has the meaning set forth in Section 5.2(f) of the Loan Agreement.

"Recipient" means the Administrative Agent or a Lender, as applicable.

"Red Falcon Credit Facility" that certain credit facility originally entered into on July 16, 2015 pursuant to which CLMG Corp. served as administrative agent and Red Falcon Trust, a Delaware statutory trust and an Affiliate of the Borrower, acted as borrower.

"Regulatory Change" means, relative to any Affected Party:

(a) any change in (or the adoption, implementation, change in the phase-in or commencement of effectiveness of) any: (i) United States Federal or state law or foreign law applicable to such Affected Party, (ii) regulation, interpretation, directive, requirement or request (whether or not having the force of law) applicable to such Affected Party of (A) any court or government authority charged with the interpretation or administration of any law referred to in clause (a)(i), or of (B) any fiscal, monetary or other authority having jurisdiction over such Affected Party, or (iii) GAAP or regulatory accounting principles applicable to such Affected Party and affecting the application to such Affected Party of any law, regulation, interpretation, directive, requirement or request referred to in clause (a)(i) or (a)(ii) above;

(b) any change in the application to such Affected Party of any existing law, regulation, interpretation, directive, requirement, request or accounting principles referred to in clause (a)(i), (a)(ii) or (a)(iii) above; or

(c) the issuance, publication or release of any regulation, interpretation, directive, requirement or request of a type described in clause (a)(ii) above to the effect that the obligations of any Lender hereunder are not entitled to be included in the zero percent category of off-balance sheet assets for purposes of any risk-weighted capital guidelines applicable to such Lender or any related Affected Party.

For the avoidance of doubt, any interpretation of Accounting Research Bulletin No. 51 by the Financial Accounting Standards Board (including, without limitation, Interpretation No. 46: Consolidation of Variable Interest Entities) shall constitute a Regulatory Change, regardless of whether it occurred before or after the date hereof.

"Representatives" has the meaning set forth in Section 13.12 of the Loan Agreement.

"Required Amortization" means, with respect to any Distribution Date, the product of (i) the Cash Flow Sweep Percentage and (ii) the remaining Available Amount after giving effect to all distributions on such Distribution Date pursuant to clauses "First" through "Fifth" of Section 5.2(b) of the Loan Agreement (if no Lender Default is continuing) or clause "First" through sub-clause (b)(iii) of clause "Sixth" of Section 5.2(b) of the Loan Agreement (if a Lender Default has occurred and is continuing), as applicable.

“Required Lenders” means Lenders holding more than fifty percent (50%) of the aggregate Commitments.

“Rescission Period” means, with respect to any Policy, the contractual or statutory period during which the related Original Owner or any other Person can rescind the sale of such Policy to the Initial Purchaser.

“Retained Death Benefit Policy” means a Policy in which a Person in addition to the Securities Intermediary is designated as the “beneficiary” under the Policy by the related Issuing Insurance Company.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and its successors.

“Sale Price” has the meaning set forth in Section 2.7(a)(ii) of the Loan Agreement.

“Scheduled Commitment Termination Date” means December 31, 2031, as such date may be extended pursuant to the written consent of the Borrower and the Lenders.

“Second Amended and Restated Closing Date” means January 31, 2017.

“Second Amendment” means that certain Second Amendment to Amended and Restated Loan and Security Agreement, dated as of December 29, 2016, by and among the Borrower, the Initial Portfolio Manager, the Initial Servicer, the Guarantor, the Initial Lender and the Administrative Agent.

“Secured Parties” means each Lender, the Administrative Agent and the Affected Parties.

“Securities Intermediary” means Wilmington Trust, National Association, in its capacity as securities intermediary under the Account Control Agreement.

“Servicer” means MLF LexServ LP, acting as Servicer, or any Successor Servicer.

“Servicer Report” means, collectively, the reports required to be delivered by the Servicer under the Servicing Agreement.

“Servicer Report Date” means the date the Servicer Report is to be delivered pursuant to the terms of the Servicing Agreement.

“Servicer Termination Event” means an event or circumstance with respect to the Servicer, which would cause the termination of the Servicing Agreement, in accordance with the terms thereof.

“Servicing Agreement” means the Servicing Agreement, dated as of the Original Amended and Restated Closing Date, among the Servicer, the Portfolio Manager, the Initial Servicer and the Borrower, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

“Servicing Fee” has the meaning set forth in the Servicing Agreement.

“Shortfall Exclusion Election” has the meaning set forth in Section 5.4 of the Loan Agreement.

“Shortfall Pledged Policy” means, subject to Section 5.4 of the Loan Agreement, a Pledged Policy in respect of which the related Issuing Insurance Company has successfully challenged or rescinded (or prevailed in any similar action or arbitration or a settlement of any such action was consummated) such Pledged Policy and the result of such challenge or rescission (or such similar action, arbitration or settlement) was that such Issuing Insurance Company either (a) paid an amount less than the face amount of such Pledged Policy plus any applicable statutory interest or (b) did not pay any portion of the related death benefit to the Securities Intermediary for deposit into the Collection Account. For avoidance of doubt, any Pledged Policy in respect of which an Issuing Insurance Company obtains a favorable judgment or verdict in a challenge or rescission action (or any similar action, including, without limitation, in an arbitration proceeding), shall be deemed to be a Shortfall Pledged Policy regardless of whether any appeal is pending, possible or planned. For purposes of clarity, and not by way of limitation, if a Pledged Policy becomes a Shortfall Pledged Policy as a result of a legal proceeding or arbitration proceeding, such Pledged Policy shall be deemed to become a Shortfall Pledged Policy on the date a judgment, verdict or ruling is rendered, or in the case of a settlement of any challenge or rescission action, on the date of execution of any settlement agreement or similar agreement, and otherwise, on the date designated by the Required Lenders in their discretion exercised in a commercially reasonable manner.

“Solvent” means with respect to any Person, that as of the date of determination (A)(i) the then fair saleable value of the property of such Person is (y) greater than the total amount of liabilities (including contingent liabilities that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability) of such Person and (z) not less than the amount that will be required to pay the reasonably projected liabilities on such Person’s then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to such Person; (ii) such Person’s capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction; and (iii) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (B) such Person is “solvent” within the meaning given that term and similar terms under Applicable Laws relating to fraudulent transfers and conveyances.

“Subject Policy” means, with respect to an Advance, a Policy proposed to be pledged by the Borrower in connection with such Advance.

“Subsequent Advance Acceptance” shall have the meaning specified in Section 2.3(b) of the Loan Agreement.

“Subsequent Advance Date” with respect to any Advance other than the Initial Advance, shall mean the date that such Advance is made pursuant to and in accordance with the Loan Agreement.

“Subsidiary” means, with respect to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power (other than securities or other ownership interests having such power only by reason of the happening of a contingency which has

not occurred) to elect a majority of the Board of Directors or other Persons performing similar functions are at the time directly or indirectly owned by such Person.

“Successor Portfolio Manager” has the meaning set forth in the Portfolio Management Agreement.

“Successor Initial Servicer” means “Successor Servicer” as defined in the Initial Servicing Agreement.

“Successor Servicer” means a successor servicer appointed pursuant to and in accordance with the terms of the Servicing Agreement.

“Tax” or “Taxes” means any and all fees (including documentation, recording, license and registration fees), taxes (including net income, gross income, franchise, value added, ad valorem, sales, use, property (personal and real, tangible and intangible) and stamp taxes), levies, imposts, duties, charges, assessments or withholdings of any nature whatsoever, general or special, ordinary or extraordinary, together with any and all penalties, fines, additions to tax and interest thereon, imposed by any Governmental Authority.

“Transaction Documents” means the Loan Agreement, the Initial Servicing Agreement, the Servicing Agreement, the Assignor Contribution Agreement, the Predecessor Parent Pledgor Contribution Agreement, the Predecessor Parent Pledgor Contribution Agreement Side Letter, the Borrower Interest Purchase and Sale Agreement, the Assignment of Interest in Limited Partnership, the Predecessor Parent Pledgor LP Contribution Agreement, the LP Parent Contribution Agreement, the Consultancy Agreement, the Administrative Services Agreement, the Portfolio Management Agreement, the Guaranty, the Borrower Interest Pledge Agreement, the Account Control Agreement, the Fee Letter, the Lender Notes, the UCC financing statements filed in connection with any of the foregoing, and in each case any other agreements, instruments, certificates or documents delivered or contemplated to be delivered thereunder or in connection therewith, as any of the foregoing may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with the Loan Agreement.

“Treaty” means the Convention Between the Government of the United States of America and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect To Taxes on Income and Capital Gains.

“UCC” means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

“Unmatured Event of Default” shall mean any event that, if it continues uncured, will, with lapse of time or notice or both, constitute an Event of Default.

“Up-Front Fee” means \$4,000,000.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning set forth in Section 6.3(e)(ii)(B)(iii) of the Loan Agreement.

“Withholding Agent” means the Securities Intermediary.

“Withholding Amount” means the aggregate amount of United States withholding taxes with respect to Collections relating to the GP Parent’s general partnership interest in the Borrower.

“Withholding Tax Change of Circumstance” means a situation where United States withholding taxes (a) would not have been due with respect to any payment by or on account of any obligation of the Borrower under the Borrower’s ownership and entity structure existing prior to the Original Amended and Restated Closing Date by reason of an income tax treaty between the United States and the country of the Lender’s residence or other applicable lending office and (b) will be due with respect to any payment by or on account of any obligation of the Borrower under the Borrower’s ownership and entity structure existing after the Original Amended and Restated Closing Date by reason of the inability due to such structure changes to qualify under that income tax treaty after the Original Amended and Restated Closing Date and the inability to qualify, or benefit under a substantially equivalent exemption, under any other applicable income tax treaty.

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

SECOND AMENDED AND RESTATED SECURITIES ACCOUNT CONTROL AND CUSTODIAN AGREEMENT

Among

**CLMG CORP.,
as Administrative Agent**

WHITE EAGLE ASSET PORTFOLIO, LP, as the Borrower

**WILMINGTON TRUST, NATIONAL ASSOCIATION
in its capacity as Securities Intermediary**

And

**WILMINGTON TRUST, NATIONAL ASSOCIATION
in its capacity as Custodian**

Dated as of January 31, 2017

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SECOND AMENDED AND RESTATED SECURITIES ACCOUNT CONTROL AND CUSTODIAN AGREEMENT

This SECOND AMENDED AND RESTATED SECURITIES ACCOUNT CONTROL AND CUSTODIAN AGREEMENT, dated as of January 31, 2017 (this "**Agreement**"), is entered into by and among:

(i) CLMG CORP., a Texas corporation, as the administrative agent for the Lenders (as defined herein) (in such capacity, the "**Administrative Agent**"),

(ii) WHITE EAGLE ASSET PORTFOLIO, LP, a Delaware limited partnership (the "**Borrower**"),

(iii) WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association ("**Wilmington**"), in its capacity as the securities intermediary maintaining the Pledged Accounts (as defined herein) (the "**Securities Intermediary**"), and

(iv) WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity hereunder but solely as custodian (in such limited capacity, the "**Custodian**").

RECITALS:

WHEREAS, on May 16, 2014, the Borrower converted from being a Delaware limited liability company to a Delaware limited partnership;

WHEREAS, the parties hereto desire to amend, restate and supersede in its entirety the Amended and Restated Securities Account Control and Custodian Agreement, dated as of May 16, 2014, by and among the Borrower, the Administrative Agent, the Securities Intermediary and the Custodian (as amended, the "**Original Agreement**");

WHEREAS, the Borrower, the financial institutions parties thereto as lenders (the "**Lenders**"), the Administrative Agent, Lamington Road Bermuda Ltd., as Portfolio Manager (as defined in the Loan Agreement) and Imperial Finance & Trading, LLC, as initial Servicer, Initial Portfolio Manager and Guarantor (each as defined in the Loan Agreement), have entered into that certain Second Amended and Restated Loan and Security Agreement, dated as of January 31, 2017, a copy of which is attached hereto at Exhibit A (such agreement, as it may be amended, supplemented, amended and restated or otherwise modified from time to time in accordance with its terms, the "**Loan Agreement**");

WHEREAS, pursuant to Sections 5.1(a) of the Loan Agreement, the Borrower is required to establish and is required to maintain, in the name of the Borrower, the Collection Account (as defined herein) with the Securities Intermediary bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent, on behalf of the Secured Parties (as defined in the Loan Agreement) until all the Obligations (as defined in the Loan Agreement) (including, without limitation, the Aggregate Participation Interest (as defined

Second Amended and Restated Securities Account Control and Custodian Agreement, among White Eagle Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association

in the Loan Agreement)) have been paid in full in cash, satisfied in full and discharged, which Collection Account at all times shall be subject to this Agreement;

WHEREAS, pursuant to Sections 5.1(b) of the Loan Agreement, the Borrower is required to establish and is required to maintain, in the name of the Borrower, the Payment Account (as defined herein) with the Securities Intermediary bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent, on behalf of the Secured Parties until all the Obligations (including, without limitation, the Aggregate Participation Interest) have been paid in full in cash, satisfied in full and discharged, which Payment Account at all times shall be subject to this Agreement;

WHEREAS, pursuant to Sections 5.1(c) of the Loan Agreement, the Borrower is required to establish and is required to maintain, in the name of the Borrower, the Borrower Account (as defined herein) with the Securities Intermediary bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent, on behalf of the Secured Parties until all the Obligations (including, without limitation, the Aggregate Participation Interest) have been paid in full in cash, satisfied in full and discharged, which Borrower Account at all times shall be subject to this Agreement;

WHEREAS, pursuant to the Loan Agreement, the Borrower is required to establish and is required to maintain, in the name of the Borrower, the Escrow Account (as defined herein) with the Securities Intermediary bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent, on behalf of the Secured Parties until all the Obligations (including, without limitation, the Aggregate Participation Interest) have been paid in full in cash, satisfied in full and discharged, which Escrow Account at all times shall be subject to this Agreement;

WHEREAS, pursuant to Section 2.6(a) of the Loan Agreement, the Borrower has granted to the Administrative Agent, for the benefit of the Secured Parties, a continuing, first priority security interest in, and assignment of, all of the Borrower's right, title and interest in, to and under, whether now or hereafter owned, existing or arising, the Collection Account, the Payment Account, the Borrower Account, the Escrow Account and the Policy Account (including the Pledged Policies credited thereto) designated and maintained by the Securities Intermediary for the crediting and debiting of Pledged Policies for the benefit of the Administrative Agent in accordance with this Agreement; and

WHEREAS, Securities Intermediary has established and maintained pursuant to the Original Agreement and shall continue to maintain the Borrower Account, the Collection Account, the Payment Account, the Policy Account and the Escrow Account, in accordance with and subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements herein, the Borrower, the Securities Intermediary, the Custodian and the Administrative Agent hereby agree as follows:

Second Amended and Restated Securities Account Control and Custodian Agreement, among White Eagle Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association

ARTICLE I

DEFINITIONS AND INTERPRETIVE PROVISIONS Section 1.1 Definitions; Interpretive Provisions.

(a) Whenever used in this Agreement, unless the context otherwise requires, capitalized terms shall have the meanings set forth below, or, if not defined in this Agreement, as defined in the Loan Agreement:

“**Authorized Representatives**” has the meaning set forth in Section 4.2 hereof. “**Borrower Account**” has the meaning set forth in Section 2.1(a) hereof.

“**Claim**” has the meaning set forth in Section 5.2(e) hereof.

“**Collection Account**” has the meaning set forth in Section 2.1(b) hereof.

“**Custodial Package Index**” has the meaning set forth in Section 4.7(b)(ii) hereof.

“**Custodial Package Release Instruction**” has the meaning set forth in Section 4.7(e) hereof.

“**Death Benefit**” means with respect to any Policy, the face amount of such Policy.

“**Entitlement Order**” means an entitlement order as defined in Section 8-102(a)(8) of the UCC).

“**Excepted Persons**” has the meaning set forth in Section 7.10(a) hereof.

“**Escrow Account**” has the meaning set forth in Section 2.1(e) hereof.

“**Fee and Indemnification Agreement**” means that certain Amended and Restated Fee and Indemnification Agreement, dated as of May 16, 2014, among the Borrower, Imperial Holdings Inc. and Wilmington Trust, National Association, setting forth, among other things, the fees of the Securities Intermediary and the Custodian.

“**Indemnified Bank Person**” has the meaning set forth in Section 5.2(e) hereof.

“**Loan Agreement**” has the meaning set forth in the Recitals.

“**Loss**” means any loss, liability, claim, damage, penalty, fine, forfeiture and any reasonable related cost and expense, including reasonable fees and expenses of counsel and reasonable expenses of litigation.

“**Payment Account**” has the meaning set forth in Section 2.1(c) hereof

Second Amended and Restated Securities Account Control and Custodian Agreement, among White Eagle Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association

"Pledged Accounts" means collectively the Collection Account, the Payment Account, the Policy Account, the Borrower Account and the Escrow Account.

"Pledged Financial Assets" has the meaning set forth in Section 2.2(a) hereof. **"Policy Account"** has the meaning set forth in Section 2.1(d) hereof.

"Responsible Officer" means when used with respect to the Securities Intermediary, any officer in the corporate trust office of the Securities Intermediary with direct responsibility for the administration of the Pledged Accounts, or to whom any trust account matter is referred because of his or her knowledge of or familiarity with a particular subject.

"Securities Intermediary Funds" mean any money market fund maintained with the Securities Intermediary or any of its Affiliates that is rated at least "AAm" or "AAmg" by S&P and "Aa2" by Moody's (provided that there is no r-highlighter affixed to such rating).

"State" means any state of the United States, Puerto Rico or the District of Columbia. **UCC** means the Uniform Commercial Code as from time to time in effect in the State of New York.

"United States" means the United States of America, its territories and possessions and areas subject to its jurisdiction.

(b) (i) a singular number includes the plural number and vice versa, (ii) references to this Agreement include all Exhibits and the Schedule hereto, (iii) references to words such as "herein", "hereof", "hereto" and the like shall refer to this Agreement as a whole and not to any particular part, Article or Section herein, (iv) references to an Article or Section such as "Article I" or "Section 1.1" shall refer to the applicable Article or Section of this Agreement, (v) the term "include" and all variations thereof shall mean "include without limitation", (vi) the term "or" shall include "and/or", (vii) the term "proceeds" shall have the meaning ascribed to such term in the UCC, (viii) in the computation of a period of time from a specified date to a later specified date, the word "from" shall mean "from and including" and the words "to" and "until" shall mean "to but excluding", and (ix) any reference to any statute, agreement, document, certificate or communication shall be to such statute, agreement, document, certificate or communication as from time to time amended, restated or re-enacted in compliance with the provisions thereof.

ARTICLE II ACCOUNTS

Section 2.1 Establishment of Accounts.

(a) Establishment of the Borrower Account. The Securities Intermediary has established and maintained and shall continue to maintain, in its capacity as Securities Intermediary, at its office at 300 Park Street, Suite 390, MC 106, Birmingham, Michigan 48009,

Second Amended and Restated Securities Account Control and Custodian Agreement, among White Eagle Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association

a non-interest bearing trust account, with account number 104671-001, which from and after the date hereof shall be maintained in the name of "WHITE EAGLE ASSET PORTFOLIO, LP FOR THE BENEFIT OF CLMG CORP., AS THE ADMINISTRATIVE AGENT" (such account and any successor account, the "Borrower Account"). Funds held in the Borrower Account shall not be invested by the Securities Intermediary.

(b) Establishment of the Collection Account. The Securities Intermediary has established, maintained and shall continue to maintain, in its capacity as Securities Intermediary, at its office at 300 Park Street, Suite 390, MC 106, Birmingham, Michigan 48009, a non-interest bearing trust account, with account number 104671-002, which shall be maintained in the name of "WHITE EAGLE ASSET PORTFOLIO, LP FOR THE BENEFIT OF CLMG CORP., AS ADMINISTRATIVE AGENT" (such account and any successor account, the "Collection Account").

(c) Establishment of the Payment Account. The Securities Intermediary has established, maintained and shall continue to maintain, in its capacity as Securities Intermediary, at its office at 300 Park Street, Suite 390, MC 106, Birmingham, Michigan 48009, a non-interest bearing trust account, with account number 104671-004, which shall be maintained in the name of "WHITE EAGLE ASSET PORTFOLIO, LP FOR THE BENEFIT OF CLMG CORP., AS ADMINISTRATIVE AGENT" (such account and any successor account, the "Payment Account"). Funds held in the Payment Account, if any, shall not be invested by the Securities Intermediary.

(d) Establishment of the Policy Account. The Securities Intermediary has established, maintained and shall continue to maintain, in its capacity as Securities Intermediary, at its office at 300 Park Street, Suite 390, MC 106, Birmingham, Michigan 48009, a non-interest bearing trust account, with account number 104671-005, which shall be maintained in the name of "WHITE EAGLE ASSET PORTFOLIO, LP FOR THE BENEFIT OF CLMG CORP., AS ADMINISTRATIVE AGENT" (such account and any successor account, the "Policy Account"). Funds held in the Policy Account, if any, shall not be invested by the Securities Intermediary.

(e) Establishment of the Escrow Account. The Securities Intermediary has established, maintained and shall continue to maintain, in its capacity as Securities Intermediary, at its office at 300 Park Street, Suite 390, MC 106, Birmingham, Michigan 48009, a non-interest bearing trust account, with account number 104671-003, which shall be maintained in the name of "WHITE EAGLE ASSET PORTFOLIO, LP FOR THE BENEFIT OF CLMG CORP., AS ADMINISTRATIVE AGENT" (such account and any successor account, the "Escrow Account").

(f) Investments of the Collection Account and Escrow Account. Funds at any time held in the Collection Account or the Escrow Account may be invested and reinvested only in Permitted Investments in accordance with written instructions of the Borrower (unless the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, in which case such written instructions must be executed only by the Administrative Agent and delivered to the Securities Intermediary). If any of such funds in the

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Collection Account or the Escrow Account are to be invested in the Securities Intermediary Funds, such written instructions shall include an executed copy of an investment direction and disclosure document in a form acceptable to the Securities Intermediary (the "Investment Direction") (unless the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default in which case such written instructions and Investment Direction shall be executed only by the Administrative Agent and delivered to the Securities Intermediary (with a copy sent by the Administrative Agent to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such written instructions and Investment Direction)). In the absence of any such written instructions from the Borrower to the Securities Intermediary (or if the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, in which case the absence of any such written instructions shall be invested in Permitted Investments described in clause (a) of the definition thereof. The Borrower shall ensure that each investment made pursuant to this Section 2.1(f) on any date with respect to the Collection Account or the Escrow Account shall mature or be available not later than the Business Day preceding the Distribution Date after the day on which such investment is made, except that the Borrower shall ensure that any investment made on the day preceding a Distribution Date shall mature on such Distribution Date.

The Securities Intermediary shall deliver to the Borrower and the Administrative Agent prospectuses and other disclosure documents related to each Securities Intermediary Fund as requested in writing by the Borrower or the Administrative Agent. All earnings on investments of the funds in the Collection Account or the Escrow Account, respectively, and shall be disbursed by the Securities Intermediary in accordance with the terms of this Agreement. Each of the Borrower and the Administrative Agent understands and agrees that investments in the Securities Intermediary Funds are not obligations or recommendations of, or endorsed or guaranteed by, the Securities Intermediary or its affiliates and are not insured by the Federal Deposit Insurance Corporation. Each of the Borrower and the Administrative Agent understands and agrees that the Securities Intermediary and its affiliates provide various services for the Securities Intermediary Funds and are paid fees for such services. Similarly, each of the Borrower and the Administrative Agent understands and agrees that proceeds of the sale of investments of the funds in the Collection Account and the Escrow Account will be deposited by the Securities Intermediary into the Collection Account and the Escrow Account, as applicable, on the Business Day on which the Securities Intermediary receives appropriate instructions from the Borrower (unless the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, in which case the Securities Intermediary receives appropriate instructions from the Administrative Agent), if received by the Securities Intermediary prior to the deadline for same day sale of such Permitted Investments. If the Securities Intermediary receives such instructions from the Borrower or the Administrative Agent after the applicable deadline for the sale of such investments, such proceeds will be deposited by the Securities Intermediary into the Collection Account or the Escrow Account, as applicable, on the next succeeding Business Day. All amounts earned on the funds deposited in the Collection Account shall constitute Available Amounts. Each of the Borrower and the

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Administrative Agent acknowledges and agrees that the Securities Intermediary is not providing investment supervision, recommendations, suitability or advice. It is expressly agreed and understood by each of the Borrower and the Administrative Agent that the Securities Intermediary shall not in any way whatsoever be liable for any losses on any investments, including without limitation, losses from market risks due to premature liquidation or resulting from other actions taken pursuant to and consistent with this Agreement, except to the extent that such losses are solely the result of the Securities Intermediary's gross negligence or willful misconduct. The parties agree that, for tax reporting purposes, all interest or other income from investment in the Collection Account and the Escrow Account shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service be reported as having been earned by the Borrower, whether or not income was disbursed during a particular year. Prior to closing, the Borrower shall provide the Securities Intermediary with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Securities Intermediary may request. Each of the Borrower and the Administrative Agent understands that if such tax reporting documentation is not provided and certified to the Securities Intermediary, the Securities Intermediary may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of monies or other property held by the Securities Intermediary pursuant to this Agreement.

Section 2.2 Pledged Accounts and Pledged Financial Assets.

(a) Each of the Pledged Accounts is an account maintained by the Securities Intermediary in the name of the Borrower for the benefit of the Administrative Agent, as expressly set forth herein, in each case as an Eligible Account identified in greater detail in **Exhibit B** hereto. The parties hereto acknowledge and agree that each of the Pledged Accounts is a "securities account" within the meaning of Section 8-501(a) of the UCC. The Securities Intermediary shall, subject to the terms of this Agreement including without limitation Section 2.1(a), Section 2.1(b), Section 2.1(c), Section 2.1(d), Section 2.1(e), Section 2.1(f), Section 2.2(b) and Section 3.3, treat the Borrower and the Administrative Agent (unless the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, in which case the Securities Intermediary shall treat only the Administrative Agent) as entitled to exercise the rights relating to any cash, financial asset (including Policies) or proceeds thereof credited to a Pledged Account (the "Pledged Financial Assets"), and all securities or similar property underlying any financial assets that constitute Pledged Financial Assets shall be registered in the name of the Securities Intermediary, or endorsed to the Securities Intermediary or in blank, and all Policies that constitute Pledged Financial Assets shall be registered in the name of the Securities Intermediary, and in no case will any Pledged Financial Assets be registered in the name of the Borrower, nor shall any Pledged Financial Assets be payable to the order of the Borrower or endorsed to the Borrower, except to the extent the foregoing subsequently has been endorsed to the Securities Intermediary or in blank.

Section 2.3 Deposits into and Disbursements from Collection Account.

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(a) The Securities Intermediary shall, within one (1) Business Day after its receipt, deposit into the Collection Account (i) all Death Benefits paid with respect to any Pledged Policy credited to the Policy Account, (ii) all proceeds from the sale or other disposition of any Pledged Policy credited to the Policy Account, (iii) any other assets that the Borrower from time to time contributes or transfers for deposit therein and (iv) any cash or other proceeds received with respect to any Pledged Policy credited to the Policy Account. Within one (1) Business Day after making such deposit, the Securities Intermediary shall provide written notice of such deposit to the Borrower, the Servicer and the Administrative Agent. The Net Proceeds (as identified to the Securities Intermediary by the Administrative Agent, which the Securities Intermediary shall have no duty to calculate or determine) of a sale of a Pledged Policy received by the Securities Intermediary shall be distributed in accordance with the joint written instructions of the Administrative Agent and the Borrower (unless the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default in which case such written instructions shall be executed only by the Administrative Agent and delivered to the Securities Intermediary (with a copy sent by the Administrative Agent to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such written instructions)) within one (1) Business Day after the Securities Intermediary's receipt of such written instructions.

(b) Unless and until the Securities Intermediary shall have received from the Administrative Agent written notice of an Unmatured Event of Default or Event of Default, on the Distribution Date following the Securities Intermediary's receipt of a joint written instruction from the Borrower and the Administrative Agent (which instruction the Securities Intermediary shall in no event be required to act upon unless received five (5) or more days prior to such Distribution Date), the Securities Intermediary shall, in accordance with such joint written instruction, distribute all of the Available Amount then on deposit in the Collection Account and, on or after the date the Partial Repayment Date shall have occurred and the Securities Intermediary shall have received from the Administrative Agent written notice of the Partial Repayment Date, amounts on deposit in the Escrow Account and the Available Amount then on deposit in the Collection Account, in each case, in accordance with such joint written instruction, unless an Alternative Information Notice (which the Administrative Agent shall label or title as such) shall have been received by the Securities Intermediary and the Borrower (which receipt by the Borrower the Securities Intermediary shall have no duty to confirm) from the Administrative Agent or the Required Lenders (as confirmed by the Administrative Agent) prior to such Distribution Date, in which case the Securities Intermediary shall distribute all of the Available Amount then on deposit in the Collection Account in accordance with the Alternative Information Notice; provided that the Borrower shall not have objected to such Alternative Information Notice in writing within one (1) Business Day of the Securities Intermediary's receipt thereof, such objection to be evidenced by a written notice delivered to each of the Administrative Agent and the Securities Intermediary; provided further, that if the Borrower shall have failed to deliver written instruction to the Securities Intermediary six (6) or more days prior to a Distribution Date, the Administrative Agent acting alone may instruct the Securities Intermediary to distribute all of the Available Amount then on deposit in the Collection Account and, if the Administrative Agent determines is applicable, amounts on deposit in the Escrow

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Account. In the event that the Borrower shall have objected to such Alternative Information Notice in accordance with this Section 2.3(b), then the Borrower and the Administrative Agent shall negotiate in good faith to resolve such objection within five (5) days, and the amount subject to such objection shall be retained in the Collection Account and distributed by the Securities Intermediary as follows: (i) if such objection is resolved, on the Business Day following the date on which such objection is resolved (which the Securities Intermediary shall have no duty to determine), in which case such amounts shall be distributed in accordance with written instructions executed by both the Borrower and the Administrative Agent or (ii) if such objection is not resolved (which the Securities Intermediary shall have no duty to determine), on the first Business Day following the day that is five (5) days following the date on which the Borrower objects to the Alternative Information Notice, in which case such amounts shall be distributed in accordance with the relevant Alternative Information Notice. Notwithstanding the foregoing sentence, the Securities Intermediary shall distribute any amounts it is instructed to distribute within one (1) Business Day of its receipt of the joint written instructions described in clause (i) or the relevant Alternative Information Notice described in clause (ii) of the immediately preceding sentence; provided, however, that the Securities Intermediary shall in no event be required to make any payment of premiums to any Issuing Insurance Company in accordance with such written instructions or Alternative Information Notice less than three (3) Business Days after the Securities Intermediary's receipt of such written instructions or Alternative Information Notice.

(c) If the Securities Intermediary shall have received from the Administrative Agent written notice of an Unmatured Event of Default or Event of Default but shall not have received a Cure Notice from the Administrative Agent with respect to such Unmatured Event of Default or Event of Default, the Securities Intermediary shall distribute all of the Available Amount then on deposit in the Collection Account and, on or after the date the Partial Repayment Date shall have occurred and the Securities Intermediary shall have received from the Administrative Agent written notice of the Partial Repayment Date, amounts on deposit in the Escrow Account and the Available Amount then on deposit in the Collection Account, in each case, in accordance with the written instructions executed solely by the Administrative Agent (with a copy sent by the Administrative Agent to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such written instructions). Notwithstanding any other provision hereof or any other agreement to the contrary, the Securities Intermediary shall not be deemed to have knowledge of any Unmatured Event of Default, Event of Default or Partial Repayment Date unless it has received a written notice from the Administrative Agent specifying that an Unmatured Event of Default, Event of Default or Partial Repayment Date, as the case may be, has occurred, and shall have no duty with respect to any such Unmatured Event of Default, Event of Default or Partial Repayment Date, except as expressly set forth in this Agreement. In making distributions required under this Section 2.3, the Securities Intermediary shall be entitled to rely absolutely and exclusively upon the information in the latest written instructions of the Administrative Agent (including any Alternative Information Notice), acting alone, or in the latest joint written instructions of the Administrative Agent and the Borrower, as applicable, received by it pursuant to this Section 2.3 prior to the applicable date on which funds are to be distributed hereunder.

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Section 2.4 Payment Account. The Securities Intermediary shall distribute amounts on deposit in the Payment Account in accordance with the written instructions of the Borrower (a copy of which the Borrower shall concurrently send to the Administrative Agent; provided that the delivery of such copy shall not be a condition to the effectiveness of such written instructions) or from the Servicer in relation to the payment of Premiums (a copy of which the Borrower shall cause the Servicer to concurrently send to the Administrative Agent; provided that the delivery of such copy shall not be a condition to the effectiveness of such written instructions), which amount shall be used for the purposes set forth in Section 2.8 of the Loan Agreement and in the related Borrowing Request (which the Securities Intermediary shall have no duty to determine).

Section 2.5 Policy Account. On each of the Initial Closing Date and December 29, 2016, the Borrower delivered or caused to be delivered one or more Policies to the Securities Intermediary, and the Borrower, in accordance with Section 3.3(a), instructed the Securities Intermediary to credit such Policy or Policies to the Policy Account, which instructions were substantially in the form of the entitlement order attached as Exhibit C hereto and also signed by the Administrative Agent. On any other date agreed to by the Administrative Agent pursuant to an Additional Policy Advance Acceptance, the Borrower shall deliver or cause to be delivered one or more Policies to the Securities Intermediary, and the Borrower shall, in accordance with Section 3.3(a), instruct the Securities Intermediary to credit such Policy or Policies to the Policy Account, which instructions shall be substantially in the form of the entitlement order attached as Exhibit C hereto and also signed by the Administrative Agent. The Securities Intermediary shall receive and accept for credit to the Policy Account such Policies and any other assets that the Borrower from time to time contributes or transfers for deposit therein in accordance with an entitlement order. The Securities Intermediary may not debit or release Policies from the Policy Account except in connection with Section 3.3(b) or 4.6 hereof. Within two (2) Business Days of the date on which one or more Policies are credited to the Policy Account pursuant to the terms hereof, the Securities Intermediary shall deliver a written confirmation thereof to the Borrower and the Administrative Agent. On each Advance Date (other than the Advance Date for the Initial Advance), the Securities Intermediary shall deliver a written notice to the Borrower and the Administrative Agent, substantially in the form attached hereto as Exhibit L-1, which notice shall identify each Policy (i) which has been credited to the Policy Account, (ii) for which the Securities Intermediary has received an Acknowledgement, (iii) for which the Securities Intermediary, in accordance with Section 4.3(a)(xi) at the prior written direction of the Administrative Agent, has previously delivered a fully executed copy of the related collateral assignment, naming the Administrative Agent as collateral assignee, to the related Issuing Insurance Company, (iv) for which the Securities Intermediary has received written confirmation from the Insurance Consultant that the Insurance Consultant has confirmed that the related Issuing Insurance Company has orally acknowledged to the Insurance Consultant that it has accepted third-party authorization forms that name the Insurance Consultant as an authorized party to request information from such Insurance Company and (v) for which the Securities Intermediary has received a purportedly completed Change Form and which has been executed by the Securities Intermediary in blank; provided, that, the Securities Intermediary shall only be obligated to deliver such written notice if the Administrative Agent has given the Securities

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Intermediary written notice at least five (5) Business Days prior to such Advance Date of the specific date on which such Advance Date shall occur. On the Advance Date for the Initial Advance, the Securities Intermediary delivered a written notice to the Borrower and the Administrative Agent, substantially in the form attached hereto as Exhibit L-2, which notice identified each Policy (i) which had been credited to the Policy Account, (ii) for which the Securities Intermediary had received an Acknowledgement, (iii) for which the Securities Intermediary, in accordance with Section 4.3(a)(xi) at the prior written direction of the Administrative Agent, had previously delivered a fully executed copy of the related collateral assignment, naming the Administrative Agent as collateral assignee, to the related Issuing Insurance Company and (iv) for which the Securities Intermediary had received written confirmation from the Insurance Consultant that the Insurance Consultant has confirmed that the related Issuing Insurance Company had orally acknowledged to the Insurance Consultant that it had accepted third-party authorization forms that name the Insurance Consultant as an authorized party to request information from such Insurance Company. With respect to each Advance Date (other than the Advance Date for the Initial Advance), the Borrower shall complete and deliver or cause the Servicer to complete and deliver, in each case, at least five (5) Business Days prior to such Advance Date, complete but unsigned Change Forms, to be executed by the Securities Intermediary in blank for each Policy to be credited to the Policy Account on such Advance Date. The Securities Intermediary shall execute any such Change Forms in accordance with the Borrower's or Servicer's written instructions where the Borrower or the Servicer has indicated a signature block for the Securities Intermediary and deliver copies of such Change Forms to the Administrative Agent. On each Advance Date (other than the Advance Date for the Initial Advance), the Securities Intermediary shall hold such Change Forms delivered to it by the Borrower or the Servicer and executed by it in blank with respect to each Policy to be credited to the Policy Account on such Advance Date for the benefit of the Administrative Agent. Within two (2) Business Days of the Initial Closing Date, the Borrower completed and delivered or caused the Initial Servicer to complete and deliver, complete but unsigned Change Forms, to be executed by the Securities Intermediary in blank for each Policy which was credited to the Policy Account on the Initial Closing Date. The Securities Intermediary executed such Change Forms in accordance with the Borrower's or Initial Servicer's written instructions where the Borrower or the Initial Servicer indicated a signature block for the Securities Intermediary and delivered copies of such Change Forms to the Administrative Agent. On and after the date of its receipt of such Change Forms, the Securities Intermediary held and shall continue to hold such Change Forms delivered to it by the Borrower or the Initial Servicer and executed by it in blank for the benefit of the Administrative Agent. Within five (5) Business Days of its receipt of such Change Forms, the Securities Intermediary delivered a written notice to the Borrower and the Administrative Agent, substantially in the form attached hereto as Exhibit L-3, which notice identified each Policy for which the Securities Intermediary had received a purportedly completed Change Form and which had been executed by the Securities Intermediary in blank. If any form of any Change Form previously delivered to the Securities Intermediary is subsequently changed by any Issuing Insurance Company, at the Administrative Agent's request, the Borrower shall deliver or cause the Servicer to complete and deliver within five (5) Business Days of such request, complete but unsigned updated Change Forms for the related Pledged Policies. The Securities Intermediary shall execute such Change Forms in accordance with the

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Borrower's or the Servicer's written instructions where the Borrower or the Servicer has indicated a signature block for the Securities Intermediary and deliver copies of such Change Forms to the Administrative Agent. On and after the date of its receipt of such Change Forms, the Securities Intermediary shall hold such Change Forms to be executed by it in blank for the benefit of the Administrative Agent. If the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default but shall not have received a Cure Notice from the Administrative Agent with respect to such Event of Default, then the Securities Intermediary shall deliver all Change Forms previously delivered to it to the Administrative Agent for completion and then the Administrative Agent may complete such Change Forms and deliver such completed Change Forms either to the applicable Issuing Insurance Companies or to the Securities Intermediary. If the Administrative Agent delivers such completed Change Forms to the Securities Intermediary, upon receipt of such completed (which the Securities Intermediary shall have no duty to determine) Change Forms from the Administrative Agent, the Securities Intermediary shall deliver such completed Change Forms to the applicable Issuing Insurance Companies as instructed in writing by the Administrative Agent. The Securities Intermediary shall deliver copies of all such completed Change Forms to the Borrower.

Section 2.6 Deposits into and Disbursements from Escrow Account. Within two (2) Business Days of its receipt thereof, the Securities Intermediary shall comply with any written instruction delivered by the Administrative Agent to the Securities Intermediary, with a copy to the Borrower, instructing the Securities Intermediary to withdraw funds from the Escrow Account and deposit such funds into the Borrower Account, the Collection Account or the Administrative Agent's Account; provided that the Securities Intermediary shall not be obligated pursuant to any such written instruction to withdraw an amount greater than is on deposit in the Escrow Account.

Section 2.7 Consent of the Administrative Agent. The Administrative Agent authorizes the Securities Intermediary to take such actions with respect to the Pledged Accounts as are specified herein until such time as the Administrative Agent shall notify the Securities Intermediary in writing that all the Obligations (including, without limitation, the Aggregate Participation Interest) have been paid in full in cash, satisfied in full and discharged or otherwise to the contrary. Whenever the Securities Intermediary is required or permitted hereunder to take direction from the Borrower, with the consent of the Administrative Agent, in this Agreement, such consent shall mean the prior written consent of the Administrative Agent provided directly by the Administrative Agent to the Securities Intermediary. The Administrative Agent shall provide a copy of any such written consent to the Borrower.

Section 2.8 Pledged Accounts. Each Pledged Account shall be a non-interest bearing segregated trust account established with and maintained by the Securities Intermediary. If the Securities Intermediary is at any time not an Eligible Institution or the Securities Intermediary acquires actual knowledge that any Pledged Account is at any time not an Eligible Account, the Securities Intermediary shall promptly give notice thereof to the Borrower and the Administrative Agent. If the Securities Intermediary ceases to be an Eligible Institution, or any Pledged Account ceases to be an Eligible Account, to the extent so directed by the Administrative Agent, at the sole expense of the Borrower, such Pledged Account then

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maintained with the Securities Intermediary shall be moved to a successor Securities Intermediary which is able to maintain such account as an Eligible Account, which shall be an Eligible Institution selected by the Administrative Agent, and so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, with the prior written approval of the Borrower.

Section 2.9 Borrower Account. Unless and until the Securities Intermediary shall have received from the Administrative Agent written notice of an Unmatured Event of Default or Event of Default, the Securities Intermediary shall distribute amounts on deposit in the Borrower Account in accordance with the written instructions of the Borrower (a copy of which the Borrower shall concurrently send to the Administrative Agent; provided that the delivery of such copy shall not be a condition to the effectiveness of such written instructions) within three (3) Business Days after receipt of such instructions. If the Securities Intermediary shall have received from the Administrative Agent written notice of an Unmatured Event of Default or Event of Default, the Securities Intermediary shall distribute amounts on deposit in the Borrower Account in accordance with the written instructions of the Administrative Agent within three (3) Business Days after receipt of such instructions.

ARTICLE III

GRANT OF SECURITY INTEREST IN PLEDGED ACCOUNTS Section 3.1 Security for Obligations.

(a) The Borrower hereby pledges and grants to the Administrative Agent, for the benefit of the Secured Parties, a first priority lien on and security interest in, all of the Borrower's right, title and interest in, the Pledged Accounts, and all related Pledged Financial Assets, cash or other financial assets on deposit therein or credited thereto to secure the related Obligations (including, without limitation, the Aggregate Participation Interest). The Borrower hereby notifies the Securities Intermediary of the pledge created over the Pledged Accounts, all related Pledged Financial Assets and, by signing this Agreement, the Securities Intermediary acknowledges receipt of such notification.

The security interest created hereby in the Pledged Accounts and the security entitlements therein constitutes continuing collateral security for all the Obligations (including, without limitation, the Aggregate Participation Interest), whether now existing or hereafter incurred.

Section 3.2 Financial Assets Election. The Securities Intermediary hereby agrees that any Policies, cash, all funds, investments and proceeds thereof held in and credited to a Pledged Account shall be treated for all purposes as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC.

Section 3.3 Entitlement Orders. Prior to the date on which the Administrative Agent provides written notice to the Securities Intermediary that all the Obligations (including, without limitation, the Aggregate Participation Interest) have been paid in full in cash, satisfied in full

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and discharged (such date, the "Termination Date"), (a) if the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default and the Securities Intermediary shall receive an "entitlement order" (within the meaning of Section 8-102(a)(8) of the UCC) with respect to a Pledged Account issued by the Administrative Agent and the Borrower, the Securities Intermediary shall comply with such entitlement order, or (b) if the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, and the Securities Intermediary shall receive an "entitlement order" (within the meaning of Section 8-102(a)(8) of the UCC) with respect to a Pledged Account issued by the Administrative Agent (and the Administrative Agent shall send a copy of such "entitlement order" to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such "entitlement order"), the Securities Intermediary shall comply with such entitlement order without further consent of the Borrower. On and after the date on which the Securities Intermediary has received from the Administrative Agent written notice that the Termination Date has occurred, if the Securities Intermediary shall receive an "entitlement order" (within the meaning of Section 8-102(a)(8) of the UCC) with respect to a Pledged Account issued by the Borrower, the Securities Intermediary shall comply with such entitlement order without further consent of the Administrative Agent. Without limiting the generality of the foregoing, the Securities Intermediary agrees to the following:

(a) The Securities Intermediary shall accept and credit to the Policy Account, Policies, set forth on Schedule I of an entitlement order substantially in the form attached hereto as **Exhibit C**, within one (1) Business Day of its receipt of (x) such entitlement order and (y) if any of such Policies are not already credited to a securities account maintained by the Securities Intermediary, a facsimile or other written acknowledgement from the related Issuing Insurance Company confirming that title to the applicable Policy is recorded as being held by "Wilmington Trust, National Association, as Securities Intermediary" or "Wilmington Trust, National Association" or a similar designation (each, an "Acknowledgement"), which Acknowledgement may be delivered to the Securities Intermediary by the applicable Issuing Insurance Company or any other party. The Securities Intermediary shall have no duty to take any action to obtain an Acknowledgement from any Issuing Insurance Company; provided that the Securities Intermediary shall cooperate, in accordance with the written direction of the Borrower, with the prior written consent of the Administrative Agent, or if the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, at the written direction of the Administrative Agent acting alone (with a copy sent by the Administrative Agent to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such written direction), in executing any completed change of ownership/beneficiary forms from Issuing Insurance Companies that require signature by the new owner of a Policy. Within two (2) Business Days of its receipt of an Acknowledgment, the Securities Intermediary shall deliver a copy thereof to the Administrative Agent and the Borrower.

(b) Prior to the Termination Date, the Securities Intermediary may not release any Policy from the Policy Account unless it receives an entitlement order executed by the Administrative Agent and the Borrower (unless the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, in which case the Securities

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Intermediary may not release any Policy from the Policy Account unless it receives an entitlement order executed by the Administrative Agent acting alone), substantially in the form attached hereto as **Exhibit D-1** or **D-2**, as applicable, in which case, the Securities Intermediary shall release the Policies that are the subject of such entitlement order and debit the Policy Account, in accordance with such entitlement order, to or as directed by the Administrative Agent and the Borrower, acting jointly, or the Administrative Agent, acting alone, as applicable, in such entitlement order, in each case, within two (2) Business Days of its receipt of such entitlement order. On and after the Termination Date, the Securities Intermediary may not release any Policy from the Policy Account unless it receives an entitlement order executed by the Borrower, substantially in the form attached hereto as **Exhibit D-3**, in which case, the Securities Intermediary shall release the Policies that are the subject of such entitlement order and debit the Policy Account, in accordance with such entitlement order, to or as directed by the Borrower in such entitlement order within two (2) Business Days of its receipt of such entitlement order.

Section 3.4 Subordination of Lien; Waiver of Set-Off. In the event that the Securities Intermediary, in such capacity, has or subsequently obtains by agreement of the parties hereto, operation of law or otherwise a security interest in a Pledged Account, any security entitlement in a Pledged Account or any Pledged Financial Assets, the Securities Intermediary hereby agrees that such security interest shall be subordinate to the security interests of the Administrative Agent on behalf of the Secured Parties. The financial assets and other items credited to or deposited in the Pledged Accounts will not be subject to deduction, set-off, banker's lien or any other right in favor of the Securities Intermediary or (to the fullest extent permitted by law) any Person other than the Administrative Agent with respect to the Pledged Accounts.

Section 3.5 Choice of Law. The laws governing this Agreement shall be as set forth in Section 7.7 hereof. The Pledged Accounts (as well as the security entitlements related thereto) shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any conflicts of law principles that would apply the laws of another jurisdiction. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the location of the Securities Intermediary and the Pledged Accounts, and New York shall be deemed to be the jurisdiction of the Securities Intermediary as a "securities intermediary" for the purposes of and within the meaning of the UCC.

Section 3.6 Conflict with Other Agreements; Amendments. As of the date hereof, there are no other agreements entered into between the Securities Intermediary, in its capacity as Securities Intermediary, and the Borrower with respect to the Pledged Accounts or any security entitlements or other financial assets credited thereto (other than the standard and customary documentation with respect to the establishment and maintenance of the Pledged Accounts). Neither the Securities Intermediary nor the Borrower shall enter into any other agreement with respect to the Pledged Accounts, including but not limited to agreements for creation or perfection of any security interest in, or control of security entitlements maintained in, the Pledged Accounts, without the prior written consent of the Administrative Agent acting in its sole discretion. In the event of any conflict with respect to "control" over a Pledged Account between this Agreement (or any portion hereof) and any other existing or future agreement to

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which any of the parties hereto is a party, such party agrees that the terms of this Agreement shall prevail. No amendment or modification of this Agreement or waiver of any rights hereunder shall be binding on any party hereto unless it is in writing and signed by all the parties hereto.

Section 3.7 Adverse Claims. Except for the claims and interest of the Administrative Agent and the Borrower in any Pledged Financial Assets, the Securities Intermediary on the date hereof has no actual knowledge of any claim to, or security interest in, the Pledged Accounts or in any "financial asset" (as defined in Section 8-102(a)(9) of the UCC) credited thereto and does not have actual knowledge of any claim that any person other than the Administrative Agent has been given "control" of a Pledged Account or any such financial asset. If, to the actual knowledge of the Securities Intermediary, any Person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process or any claim of "control") against any financial asset carried in a Pledged Account, the Securities Intermediary shall notify the Borrower and the Administrative Agent thereof within two (2) Business Days of obtaining such actual knowledge.

For so long as any Pledged Financial Assets are credited to the Pledged Accounts, the Securities Intermediary shall maintain possession or control of all such Pledged Financial Assets and other property credited to the Pledged Accounts in its proprietary collateral tracking and safe keeping system. The Securities Intermediary shall segregate such Pledged Financial Assets from its proprietary assets and keep the Pledged Accounts free of any lien, charge or claim of any third party granted or created by the Securities Intermediary.

Section 3.8 Maintenance of Pledged Accounts. In addition to, and not in lieu of, the obligation of the Securities Intermediary to honor entitlement orders as agreed in Section 3.3 hereof, the Securities Intermediary agrees to maintain the Pledged Accounts as follows:

(a) Except as expressly otherwise provided in this Agreement, on and after the Initial Closing Date and prior to the Termination Date, the Securities Intermediary agrees to take instructions with regards to all of the Pledged Accounts as follows: (a) if the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, at the direction of the Borrower and the Administrative Agent acting jointly, or (b) if the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, at the direction of the Administrative Agent acting alone (with a copy sent by the Administrative Agent to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such direction). Without limiting the generality of the first sentence of this paragraph, prior to the Termination Date, the Securities Intermediary shall not permit any transfers, sales, exchanges or other transactions with respect to any Policy credited to the Policy Account or any other Pledged Financial Assets to be initiated by the Borrower acting alone or any representative of, or investment manager appointed by the Borrower acting alone or any of their respective Affiliates acting alone and the Securities Intermediary shall only follow all instructions given by any of the Authorized Representatives of the Administrative Agent and the Borrower acting jointly (unless the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, in which case the Securities

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Intermediary may permit any transfers, sales, exchanges or other transactions with respect to any Policy credited to the Policy Account or any other Pledged Financial Assets to be initiated by the Administrative Agent acting alone), including without limitation instructions for distribution or transfer of any Pledged Financial Assets in a Pledged Account to be made to the Administrative Agent.

(b) Prior to the Termination Date and so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, only the Administrative Agent and the Borrower acting jointly shall have the right to (i) direct the Securities Intermediary with respect to the voting of any Pledged Financial Assets with voting rights credited to any Pledged Account or (ii) direct the Securities Intermediary with respect to the sale, purchase, investment, exchange or transfer of Pledged Financial Assets held in a Pledged Account. Prior to the Termination Date, upon the receipt by the Securities Intermediary of written notice of an Event of Default from the Administrative Agent, only the Administrative Agent acting alone shall have the right to (i) direct the Securities Intermediary with respect to the voting of any Pledged Financial Assets with voting rights credited to any Pledged Account or (ii) direct the Securities Intermediary with respect to the sale, purchase, investment, exchange or transfer of Pledged Financial Assets held in a Pledged Account.

(c) The Securities Intermediary acknowledges that, prior to the Termination Date, in the event that it should come into possession of any certificate representing any securities or other assets held as Pledged Financial Assets in a Pledged Account, the Securities Intermediary shall register such certificate in the name of the Securities Intermediary or cause such certificate to be indorsed to the Securities Intermediary or indorsed in blank and shall retain possession of the same for the benefit of the Administrative Agent (and such act shall cause the Securities Intermediary to be deemed the collateral agent of and bailee for the Administrative Agent, if necessary) to perfect the Administrative Agent's security interest in such securities or assets. Notwithstanding the foregoing, the standard of care to which the Securities Intermediary shall be held shall be as set forth in Section 5.2 hereof.

(d) No later than two (2) Business Days after its receipt thereof, the Securities Intermediary agrees to inform the Borrower, the Servicer, the Portfolio Manager and the Administrative Agent, in writing regarding any notifications or other correspondence the Securities Intermediary receives with respect to any Policy from any Issuing Insurance Company, Insured or other Person and, if such notification or correspondence is in writing, to deliver a copy of such notification or correspondence to the Borrower, the Servicer, the Portfolio Manager and the Administrative Agent.

(e) With respect to the Policies credited to the Policy Account, the Securities Intermediary shall provide online access to reports to the Administrative Agent, the Borrower, the Portfolio Manager and the Servicer, of the inventory of Policies credited to the Policy Account, in accordance with Section 4.1.

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MAINTENANCE OF PLEDGED ACCOUNTS AND POLICIES

Section 4.1 Notice of Pledged Account Activity. The Securities Intermediary shall make available to the Administrative Agent and the Borrower an electronic record of the cash balances held in the Pledged Accounts via on-line access. The Securities Intermediary hereby agrees to communicate electronically with the Borrower and the Administrative Agent. The Securities Intermediary warrants to the Administrative Agent and the Borrower that such electronic record will reflect accurately the cash and/or other assets held in the Pledged Accounts as of the end of the Business Day prior to the date accessed.

Section 4.2 Authorized Representatives. Attached as **Exhibit F** hereto is a list of the authorized representatives of the Administrative Agent, the Servicer, the Portfolio Manager and the Borrower as of the date hereof (the "Authorized Representatives") authorized to give approvals or instructions under this Agreement, and the Securities Intermediary shall be entitled to rely on written communications (including in the form of electronic mail) from an Authorized Representative with respect to the rights and obligations of any such Person under this Agreement, until the earlier of the termination of this Agreement in accordance with the terms hereof or notification by an Authorized Representative of a change of Authorized Representatives.

Section 4.3 Duties with Respect to Pledged Financial Assets.

(a) In connection with holding Policies in the Policy Account and being the registered owner of such Policies as recorded by the Issuing Insurance Companies, the duties of the Securities Intermediary hereunder shall include, among the other things otherwise expressly set forth herein, the following:

- (i) maintaining records of all payments made, and distributions received, in connection with the Pledged Policies;
- (ii) responding to inquiries of the Administrative Agent, the Servicer, the Portfolio Manager and the Borrower as soon as practicable (and in any event within two (2) Business Days) regarding the Pledged Policies by providing any information within the actual knowledge of a Responsible Officer that is responsive to such inquiries;
- (iii) upon receipt of a written claim form prepared by the Servicer, the Administrative Agent, the Portfolio Manager or the Borrower in respect of Death Benefits owed following the death of an Insured, filing the related claim form with the applicable Issuing Insurance Company within three (3) Business Days after confirmation from the Administrative Agent or the Servicer of the death of such Insured, instructing the Issuing Insurance Company to remit the Death Benefit to the Securities Intermediary or directly to the Collection Account and taking such other actions as instructed by the

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Administrative Agent, the Borrower, the Portfolio Manager or the Servicer to collect the Death Benefits payable under any Pledged Policy;

(iv) if the Securities Intermediary receives a payment of Death Benefits from an Issuing Insurance Company, depositing such amount in the Collection Account within one (1) Business Day after receipt;

(v) subject to Section 4.5(a), providing to the Administrative Agent, the Borrower, the Portfolio Manager and the Servicer by e-mail or in any other acceptable electronic format any correspondence, reports or illustrations received from any Issuing Insurance Company or Insured within three (3) Business Days after Security Intermediary's receipt thereof;

(vi) delivering or causing to be delivered to the Servicer, the Borrower, the Portfolio Manager and the Administrative Agent, within two (2) Business Days after the Security Intermediary's receipt thereof, a copy of each material written notice or other letter or document given by any Person relating to a Pledged Policy other than the Borrower in connection with a Pledged Policy or the Services provided by the Servicer under the Servicing Agreement;

(vii) delivering or causing to be delivered to the Servicer, the Borrower, the Portfolio Manager and the Administrative Agent, promptly upon (and in any event within three (3) Business Days after) Securities Intermediary's receipt thereof, a copy of any written notice of any threatened or pending action by or before any Governmental Authority or purported arbitrator or any other Person (other than such notices received by the Securities Intermediary from the Servicer);

(viii) providing written notice to the Administrative Agent, the Borrower, the Portfolio Manager and the Servicer of any assignment of Pledged Policies or other disposition of any Pledged Financial Assets within two (2) Business Days after such disposition;

(ix) cooperating with any efforts of the Servicer to obtain in force, life insurance policy illustrations with respect to Pledged Policies; provided, however, that the Securities Intermediary shall only be obligated to so reasonably cooperate if the Servicer first provides to the Securities Intermediary confirmation by telephone or electronic mail that it has made commercially reasonable efforts to obtain such illustrations from the Issuing Insurance Company using a document executed by the Securities Intermediary that provide the Servicer with third party authorization to request information;

(x) using commercially reasonable efforts to cooperate with any efforts to request from Issuing Insurance Companies updated account values, cash surrender values and verifications of coverage for any Pledged Policy as and when directed in writing by the Administrative Agent, the Borrower or the Servicer in substantially the form specified

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in such written request, and upon receipt of such information, forwarding copies to the Administrative Agent, the Portfolio Manager and the Servicer within two (2) Business Days of the receipt thereof; provided, however, that the Securities Intermediary shall only be obligated to so reasonably cooperate if the Servicer, the Borrower or the Administrative Agent first provides to the Securities Intermediary confirmation by telephone or electronic mail that the Servicer has made commercially reasonable efforts to obtain such information from the Issuing Insurance Company using a document executed by the Securities Intermediary that provide the Servicer with third party authorization to request information.

(xi) With respect to the Policies set forth on the Initial Advance Lexington Schedule attached to the Loan Agreement, the Securities Intermediary, in accordance with the written instructions of the Borrower, executed where indicated by the Borrower, and, upon the prior written direction of the Administrative Agent, filed with the Issuing Insurance Companies indicated by the Borrower, collateral assignments, naming the Administrative Agent as collateral assignee, delivered to it by the Borrower that have been completed by the Borrower for each Policy credited to the Policy Account, together with third-party authorization forms permitting the Initial Servicer and the Insurance Consultant to communicate directly with such Issuing Insurance Companies in regards to all matters relating to such Pledged Policies, each as completed and delivered by, and with respect to which instructions have been received from, the Borrower. The Securities Intermediary provided copies of such executed third-party authorizations to the Administrative Agent and the Borrower. With respect to each such Policy, following receipt of any Issuing Insurance Company's written confirmation to the Securities Intermediary, if any, that such Issuing Insurance Company had recorded on its books and records the related collateral assignment, naming the Administrative Agent as collateral assignee, and/or the related third-party authorization forms permitting the Initial Servicer and the Insurance Consultant to communicate directly with the related Issuing Insurance Company in regards to all matters relating to such Policy, the Securities Intermediary provided copies by e-mail of such confirmation to the Administrative Agent and Borrower. With respect to the Policies pledged to the Administrative Agent in connection with the funding of the Initial Advance, within three (3) Business Days of receipt from the Borrower or the Administrative Agent, the Securities Intermediary shall, in accordance with the written instructions of the Borrower, execute where indicated by the Borrower, and, upon the prior written direction of the Administrative Agent, file with the Issuing Insurance Companies indicated by the Borrower, third-party authorization forms permitting the Servicer to communicate directly with such Issuing Insurance Companies in regards to all matters relating to such Pledged Policies, each as completed and delivered by, and with respect to which instructions have been received from, the Borrower. The Securities Intermediary shall provide copies of such executed third-party authorizations to the Administrative Agent, the Servicer, the Portfolio Manager and the Borrower. With respect to each such Policy, within three (3) Business Days of the Securities Intermediary's receipt of any Issuing Insurance Company's written confirmation to the Securities Intermediary, if any, that such Issuing Insurance Company

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has recorded on its books and records the related third-party authorization forms permitting the Servicer to communicate directly with the related Issuing Insurance Company in regards to all matters relating to such Policy, the Securities Intermediary shall provide copies by e-mail of such confirmation to the Administrative Agent, the Servicer, the Portfolio Manager and Borrower. With respect to Policies to be pledged to the Administrative Agent in connection with an Additional Policy Advance, within three (3) Business Days of receipt from the Borrower or the Administrative Agent, the Securities Intermediary shall, in accordance with the written instructions of the Borrower, execute where indicated by the Borrower, and, upon the prior written direction of the Administrative Agent, file with the Issuing Insurance Companies indicated by the Borrower, collateral assignments, naming the Administrative Agent as collateral assignee, delivered to it by the Borrower that have been completed by the Borrower for each Policy to be credited to the Policy Account, together with third-party authorization forms permitting the Servicer and the Insurance Consultant to communicate directly with such Issuing Insurance Companies in regards to all matters relating to such Pledged Policies, each as completed and delivered by, and with respect to which instructions have been received from, the Borrower. The Securities Intermediary shall provide copies of such executed third-party authorizations to the Administrative Agent, the Servicer, the Portfolio Manager and the Borrower. With respect to each such Policy, within three (3) Business Days of the Securities Intermediary's receipt of any Issuing Insurance Company's written confirmation to the Securities Intermediary, if any, that such Issuing Insurance Company has recorded on its books and records the related collateral assignment, naming the Administrative Agent as collateral assignee, and/or the related third-party authorization forms permitting the Servicer and the Insurance Consultant to communicate directly with the related Issuing Insurance Company in regards to all matters relating to such Policy, the Securities Intermediary shall provide copies by e-mail of such confirmation to the Administrative Agent, the Servicer, the Portfolio Manager and Borrower.

(xii) using commercially reasonable efforts, at the expense of the Borrower, with respect to a Pledged Policy, to take such commercially reasonable action as may be reasonably requested in writing by the Borrower, the Servicer, the Portfolio Manager or the Administrative Agent, including, but not limited to, sending notices and communicating with Issuing Insurance Companies to resolve contestability issues, assisting with filing "notice of servicer" forms with the applicable Issuing Insurance Company designating Servicer with respect to each Pledged Policy, and assisting with obtaining premium and annual statement information and being reasonably available in order to make or participate in Issuing Insurance Company calls with Servicer, which calls may include, among other things, confirming that payments or wire transfers made with respect to the Pledged Policies were received by the applicable Issuing Insurance Company or inquiring whether any Pledged Policy is in good standing or in grace status; provided, however, that the Securities Intermediary shall only be obligated to be reasonably available for such Issuing Insurance Company calls if the Servicer first provides to the Securities Intermediary confirmation by telephone or electronic mail that it

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has made commercially reasonable efforts to obtain any required information from the Issuing Insurance Company (i) using a document executed by the Securities Intermediary that provides the Servicer with third party authorization to request information or, if applicable (ii) by requesting the reasonable cooperation of the Borrower, which the Borrower hereby agrees to provide.

(b) The Securities Intermediary may retain subcontractors or agents by agreement, power of attorney or otherwise to assist the Securities Intermediary in performing its duties under this Agreement; provided, however, that any delegation of duties to any subcontractor or agent shall not relieve the Securities Intermediary of any of its obligations hereunder; provided, further, that any subcontractor or agent shall agree in writing to be bound by the confidentiality provisions of this Agreement; provided, further, the Securities Intermediary shall provide prompt written notice to the Administrative Agent, the Servicer, the Portfolio Manager and the Borrower of any such delegation which written notice shall include the identity of any such subcontractor or agent.

(c) With respect to any Policy in respect of which the Borrower and the Administrative Agent have executed and delivered to the Securities Intermediary an entitlement order in the form of **Exhibit C** (for the crediting of such Policy to the Policy Account), the Securities Intermediary shall (i) no later than two (2) Business Days after it has received from the Borrower or another Person identified in a writing delivered by the Borrower to the Securities Intermediary, including a purported prior owner of such Policy, the applicable completed change of ownership and beneficiary forms naming the Securities Intermediary as the owner or beneficiary of the related Policy, sign such forms where indicated by the presence of a signature block for the Securities Intermediary (it being understood that the Securities Intermediary is not responsible for performing any act in respect thereof other than signing such forms) and deliver such forms to the applicable Issuing Insurance Company or to such other party as the Borrower may instruct in writing and (ii) track whether or not it has received the Acknowledgement related to such Policy. Within two (2) Business Days after Securities Intermediary's receipt of any such Acknowledgement, it shall send a copy of such Acknowledgement by facsimile, electronic mail or certified letter to the Administrative Agent, the Borrower, the Portfolio Manager and the Servicer.

Section 4.4 Records.

(a) The Securities Intermediary shall maintain accurate and complete accounts, books, records and computer systems with respect to (i) the Pledged Accounts, (ii) all funds and other receipts with respect to the Pledged Financial Assets, (iii) the Pledged Financial Assets credited to the Pledged Accounts, and (iv) all matters related directly to the administration of the Policies, in each case consistent with the customary procedures of the Securities Intermediary. The Securities Intermediary shall make available to the Administrative Agent, the Borrower, the Portfolio Manager and the Servicer an electronic record of the activity of the Pledged Financial Assets and the Pledged Accounts via online access in accordance with Section 4.1.

(b) The Securities Intermediary shall make available to the Borrower and the Administrative Agent, and their respective duly authorized representatives, attorneys and

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auditors, the files and accounts, books, records and computer systems maintained by the Securities Intermediary or any subcontractor or agent thereof in respect of the Pledged Financial Assets at the locations where such files, accounts, books, records and computer systems are maintained pursuant to this Agreement, during normal business hours and subject to reasonable prior written notice; subject to such Persons not unreasonably interfering with the normal business operations of the Securities Intermediary.

(c) The Securities Intermediary shall promptly report to Servicer, the Administrative Agent, the Portfolio Manager and the Borrower any material failure on the part of the Securities Intermediary to hold or retain possession of the files, accounts, books, records and computer systems in accordance with the requirements of this Agreement. The Securities Intermediary shall promptly take appropriate action to remedy any such failure.

(d) The Securities Intermediary shall provide online, electronic access to the current account activity in the Pledged Accounts to the Administrative Agent and the Borrower in such form of access as shall be agreed among the Administrative Agent, the Borrower and the Securities Intermediary.

Section 4.5 Lapse Notices.

(a) If the Securities Intermediary receives a notice from an Issuing Insurance Company or the Servicer that a Policy credited to the Policy Account will lapse or has entered into grace status or will enter into grace status unless the premium amount referred to therein is promptly paid (each, a "Lapse Notice"), the Securities Intermediary hereby agrees that:

(i) within one (1) Business Day following its receipt of such notice at Wilmington Trust, National Association, 300 Park Street, Suite 390, Birmingham, Michigan 48009, or such other location as the Securities Intermediary may notify the other parties hereto and the Issuing Insurance Companies in writing, from time to time, the Securities Intermediary shall forward such Lapse Notice by facsimile or electronic transmission to an Authorized Representative of the Servicer, an Authorized Representative of the Borrower, an Authorized Representative of the Portfolio Manager and an Authorized Representative of the Administrative Agent, and use all commercially reasonable efforts to confirm by telephone or e-mail with each of such Authorized Representatives that he or she has received such notice; provided, however, that, if Securities Intermediary should receive such Lapse Notice at an address different from the one stated above, it shall use its good faith commercially reasonable efforts to promptly forward such Lapse Notice to an Authorized Representative of the Servicer, an Authorized Representative of the Borrower, an Authorized Representative of the Portfolio Manager and an Authorized Representative of the Administrative Agent;

(ii) after forwarding such notice to such Authorized Representatives, the Securities Intermediary shall comply with any written instructions thereupon received from the Servicer, the Borrower or the Administrative Agent; provided that the Borrower

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shall provide or cause to provide such written instructions to the Securities Intermediary at least five (5) days prior to the date set forth in the Lapse Notice; and

(iii) in the event the Servicer notifies the Securities Intermediary in writing within five (5) Business Days (the "Lapse Response Date") of the Securities Intermediary's delivery to the Servicer of any Lapse Notice that such Lapse Notice is purportedly illegible, the Securities Intermediary shall provide the original copy of such Lapse Notice to the Servicer within two (2) Business Days of the Servicer's request therefor; provided, however, that in no event shall the Securities Intermediary be obligated to provide an original copy of a Lapse Notice if the Securities Intermediary does not receive the Servicer's written request therefor by the Lapse Response Date.

Section 4.6 Sale of Pledged Financial Assets.

(a) Subject to Section 4.6(c) below, the Securities Intermediary shall take such commercially reasonable actions as it may be directed in writing by the Administrative Agent, or, subject to the limitations set forth in this Agreement, the Borrower (in either case, at the Borrower's expense), in order to facilitate the sale of any Policies.

(b) Upon the written direction of (i) if the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, the Borrower or the Servicer, in each case, with the prior written consent of the Administrative Agent or (ii) if the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, the Administrative Agent acting alone (with a copy sent by the Administrative Agent to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such written direction) (in either case under clause (i) or (ii), at the Borrower's expense), the Securities Intermediary shall, within a commercially reasonable time period after receipt of such written direction, provide any Person specified in such direction with such information and documentation in the Securities Intermediary's possession and received by it in connection with this Agreement that is specified in such direction as necessary or desirable to sell any Policies.

(c) Notwithstanding any provisions to the contrary, prior to the Termination Date, the Securities Intermediary agrees not to sell or otherwise transfer any Policies credited to the Policy Account without the Securities Intermediary's receipt of prior written directions as follows: (a) if the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, the joint written directions of the Administrative Agent and the Borrower, or (b) if the Securities Intermediary shall have received from the Administrative Agent written notice of an Event of Default, the written directions of the Administrative Agent (with a copy sent simultaneously by the Administrative Agent to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such directions), without further direction from the Borrower. The Securities Intermediary shall provide the Administrative Agent, the Borrower, the Portfolio Manager and the Servicer with copies of all documentation that it has provided to an escrow agent or any other party in connection with such sale. In connection with any sale of Policies to Wilmington Trust, National Association, as

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agent, trustee or securities intermediary on behalf of the Borrower or a third party, the Securities Intermediary shall notify the Administrative Agent, the Borrower, the Portfolio Manager and the Servicer, promptly upon the effectiveness of such sale.

(d) In the event the signature of the Securities Intermediary is required in connection with any such sale, the language set forth on **Exhibit E** shall be included in any document, other than any change of beneficiary or owner form required by the Issuing Insurance Company, where such signature(s) may be required. The failure for such language to be so included shall excuse the Securities Intermediary from being required to join in the execution of such documents, other than any change of beneficiary or owner form required by the Issuing Insurance Company, without regard to any consequences that may result therefrom.

Section 4.7 Custody of Custodial Packages.

(a) The Borrower shall deliver to the Custodian, or cause the delivery to the Custodian of, any Custodial Package in both an electronic form acceptable to the Custodian and in physical form for each Policy credited to the Policy Account. With respect to Policies to be pledged to the Administrative Agent in connection with the funding of the Initial Advance, each of which is listed on Schedule I hereto, the Borrower has delivered to the Custodian, or caused the delivery to the Custodian of, the related Custodial Packages. With respect to Policies to be pledged to the Administrative Agent in connection with an Additional Policy Advance, the Borrower shall deliver to the Custodian, or cause the delivery to the Custodian of, the related Custodial Package on or prior to the date of the making of such Additional Policy Advance. The Custodian shall not have any duty to verify (i) any information with respect to any document contained in any purported Custodial Packages it receives, (ii) the contents of any such document, or (iii) any other criteria with respect to such Custodial Packages or the documents therein. The Custodian shall have no duty to determine whether any such documents contained in any such Custodial Packages are genuine, enforceable or appropriate for the represented purpose or that they are other than what they purport to be on their face.

(b) In respect of each Custodial Package, the Custodian shall perform the duties set forth below:

(i) Safekeeping. At any time when any Custodial Package (or any document a part of such Custodial Package) is in the Custodian's possession, the Custodian shall hold such Custodial Package (or such document) in the Custodian's secure, fire resistant vault facility for the benefit of the Administrative Agent (for the benefit of the Secured Parties) and, so long as the Custodian shall not have received from the Administrative Agent written notice of an Event of Default, the Borrower, as provided in Section 4.7(c) below, and maintain accurate records pertaining to each such Custodial Package.

(ii) Reports and Records. Prior to a complete Custodial Package being delivered to the Custodian, the Borrower shall cause the delivery to the Custodian (with a copy to the Administrative Agent) of an Excel spreadsheet (or other similar electronic document) identifying such Custodial Package (including the name of each insured under

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the related Policy and the policy number thereof (including the name of the insurance carrier that issued such Policy)). Each document delivered to the Custodian as part of a Custodial Package shall be so delivered to its address set forth in Section 7.2 in a Custodial Package relating to the respective Policy and shall be accompanied by one of the indices (as determined by the Borrower) substantially in the form attached hereto as **Exhibit M** (a "Custodial Package Index") which index shall identify each document required to be verified pursuant to the terms of this Agreement and setting forth the name of the insured, and the policy number (including the name of the insurance carrier that issued such Policy), with respect to which each such document relates. With respect to Policies pledged to the Administrative Agent in connection with the funding of the Initial Advance, each of which is listed on **Schedule I** hereto (i) on the Initial Closing Date, the Custodian executed and delivered to the Administrative Agent and the Borrower a notice substantially in the form of **Exhibit I-1** hereto, certifying, subject to any exceptions noted in the schedule of exceptions attached thereto, as to the Custodian's receipt of such Policies listed on **Schedule I** hereto (excluding any Policies listed on **Schedule VII** hereto) and (ii) within sixty (60) days of the date it delivered to the Administrative Agent and the Borrower in accordance with this Section 4.7(b)(ii) a notice substantially in the form of **Exhibit N**, the Custodian, based solely on the criteria set forth in this Section 4.7(b)(ii) and the related Custodial Package Index, executed and delivered to the Administrative Agent and the Borrower a notice substantially in the form of **Exhibit I-2** hereto, certifying, subject to any exceptions noted in the schedule(s) of exceptions attached thereto, as to the Custodian's receipt of such purported Custodial Package purportedly containing each of the documents labeled as or purporting to be each of the documents referenced in the related Custodial Package Index with respect to such Custodial Package. If the Custodian receives any of the Policies listed on **Schedule VII** hereto, within five (5) Business Days after receipt thereof the Custodian shall execute and deliver to the Administrative Agent and the Borrower a notice substantially in the form of **Exhibit I-3** hereto, certifying as to the Custodian's receipt of such Policies. With respect to Policies to be pledged to the Administrative Agent in connection with an Additional Policy Advance, within five (5) Business Days after the Custodian's receipt of what purports to be a complete Custodial Package and Custodial Package Index from or on behalf of the Borrower, the Custodian shall, based solely on the criteria set forth in this Section 4.7(b)(ii) and the related Custodial Package Index, execute and deliver to the Administrative Agent and the Borrower a notice substantially in the form of **Exhibit I-2** hereto, certifying, subject to any exceptions noted in the schedule(s) of exceptions attached thereto, as to the Custodian's receipt of such Custodial Package purportedly containing each of the documents labeled as or purporting to be each of the documents referenced in the related Custodial Package Index with respect to such Custodial Package; provided, however, that if the Borrower causes to be delivered Custodial Packages for more than twenty-five (25) Policies in any week, then the five (5) Business Day period set forth in this Section 4.7(b)(ii) shall be a time period that is mutually acceptable to the Borrower and the Custodian. Subject to the provisions of this Section 4.7(b)(ii), the Custodian shall reflect in its books and records that it has received such purported Custodial Packages with respect to which the Securities Intermediary has

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received an Entitlement Order for credit to the Policy Account as a Pledged Financial Asset. The Custodian shall segregate and maintain continuous custody of all documents in each Custodial Package delivered to it in accordance with this Agreement and its customary standards for such custody. The Custodian shall maintain electronic records of each Custodial Package (to the extent electronic copies of the Custodial Package documents are delivered to it) and shall provide the Lenders, Administrative Agent and the Borrower, upon written request, with secure electronic access to such electronic records for each Custodial Package (to the extent electronic copies of the Custodial Package and such documents included therein are delivered to it) that is in the Custodian's possession. In addition, upon request, the Custodian shall provide the Administrative Agent with electronic copies of any document within the Custodian's possession that comprise a Custodial Package. The Custodian has executed and delivered to the Administrative Agent and the Borrower a notice substantially in the form of **Exhibit N** hereto, which notice identified each of the Policies transferred as of the Initial Closing Date for which the Custodian has accepted delivery of the related purported Custodial Package in its possession. It is understood and agreed that by delivering such notice, the Custodian was not deemed to have made any representation or warranty regarding, and had no obligation to verify, the contents, authenticity, validity, sufficiency or enforceability of any of such Custodial Packages, or the documents purportedly contained therein. Notwithstanding the foregoing, or any other provision of this Agreement to the contrary, the Borrower was not required to deliver any Custodial Package Index with respect to any Policy listed on Schedule XXIII hereto subject to the Additional Policy Advance that was made on December 29, 2016 and the Custodian was not required to make any certification or review any documents hereunder related to such Policies. Any packages of documents related to such Policies and delivered to or held by the Custodian hereunder shall be referred to in this Agreement as the "Previously Verified Packages." The parties hereto acknowledge that the Previously Verified Packages relate to Policies previously held by Wilmington as securities intermediary and custodian under that certain Securities Account Control and Custodian Agreement, dated as of July 16, 2015 (as amended, the "Red Falcon SACCA"), among CLMG Corp., Red Falcon Trust and Wilmington, as securities intermediary and custodian. Wilmington, in its capacity as custodian under the Red Falcon SACCA, hereby confirms to the Administrative Agent that it may rely on any "Custodial Package Index Receipt Letter" and any "Policy Certification" delivered to CLMG Corp. and Red Falcon Trust pursuant to the Red Falcon SACCA with respect to such Previously Verified Packages; provided, that as a condition to such reliance each of the parties hereto agrees that the rights, privileges, protections, immunities, and indemnities provided to the Custodian hereunder shall apply mutatis mutandis to Wilmington as custodian under the Red Falcon SACCA with respect to the Previously Verified Packages, as if such Previously Verified Packages had at all times been Custodial Packages as defined herein. The parties hereto also agree that, with respect to any Previously Verified Packages, the Previously Verified Packages shall be deemed to be Custodial Packages for all purposes of this Agreement.

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(c) Unless otherwise provided herein, the Custodian shall hold each Custodial Package for the exclusive use and benefit of the Administrative Agent (for the benefit of the Secured Parties) and, so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, the Borrower, and shall make disposition thereof only in accordance with Section 4.7(e) below.

(d) At any time when a Custodial Package is in the Custodian's possession, the Custodian shall maintain each such Custodial Package at (i) Wilmington Trust, National Association, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-1600, Attention: Capital Markets Insurance Services, (ii) Wilmington Trust, National Association, 300 Park Street, Suite 390, Birmingham, Michigan 48009, or (iii) such other location designated by the Custodian, provided each of the Administrative Agent and the Borrower receives written notice of such other location prior to the transfer.

(e) Within two (2) Business Days after its receipt of written instructions from the Borrower, with the Administrative Agent's prior written consent (prior to the Custodian having received from the Administrative Agent written notice of an Event of Default), or from the Administrative Agent alone (if the Custodian shall have received from the Administrative Agent written notice of an Event of Default, with a copy sent simultaneously by the Administrative Agent to the Borrower; provided that the delivery of such copy shall not be a condition to the effectiveness of such written instructions), in the form attached hereto as **Exhibit H** (each, a "Custodial Package Release Instruction"), the Custodian shall, at the expense of Borrower, release any Custodial Package in accordance with such written instructions. With respect to any release of Custodial Packages or any portion thereof in accordance with this Agreement, including as contemplated by this Section 4.7(e), the Custodian shall use United Parcel Service, Federal Express or other nationally recognized overnight courier service for the purpose of transmission of such Custodial Packages or portions thereof in the performance of the Custodian's duties hereunder. The Borrower shall provide the Custodian with Borrower's preferred courier and related account number to be used for the purpose of any such release. The Borrower shall maintain such insurance against loss or damage to Custodial Packages or any portion thereof as the Borrower deems appropriate. In no event shall the Custodian have any liability for any losses or damages suffered by any Person arising out of actions of the Custodian in accordance with instructions of any Person relating to the transmission of Custodial Packages or any portion thereof, except for any losses or damages resulting from the willful misconduct, bad faith or gross negligence of the Custodian. The Custodian is hereby authorized to use a nationally recognized courier service in accordance with the foregoing provisions, and shall have no liability for any negligence, gross negligence or misfeasance by any such courier service.

(f) Neither the Securities Intermediary nor the Custodian shall have any duty with respect to the validity, legality or sufficiency of any documents comprising any Custodial Package.

(g) The parties hereto acknowledge and agree that the Custodian shall be entitled to all the rights (including, but not limited to the right to resign in accordance with Section 5.2), protections, indemnities and immunities provided to the Securities Intermediary under this

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Agreement, all of which rights, protections, indemnities and immunities shall apply equally and without diminishment to the Custodian, *mutatis mutandis*.

ARTICLE V

CONCERNING THE SECURITIES INTERMEDIARY

Section 5.1 Representations, Warranties and Covenants of the Securities Intermediary. The Securities Intermediary hereby makes the following representations, warranties and covenants to each of the other parties hereto:

(a) The Pledged Accounts have been established as described in Article II hereof and the Pledged Accounts will be maintained in the manner set forth herein until termination of this Agreement. The Securities Intermediary shall not change the name or account number of any Pledged Account without the prior written consent of the Administrative Agent.

(b) No financial asset constituting a Pledged Financial Asset is or will be registered in the name of the Borrower or any of its Affiliates, payable to such Person's order or specially indorsed to such Person.

(c) The Securities Intermediary is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation and has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder and the execution, delivery, and performance by it of this Agreement has been duly authorized by all necessary company action. This Agreement has been duly executed and delivered by the Securities Intermediary and is a legal, valid and binding obligation of the Securities Intermediary enforceable against it in accordance with its terms, except as such enforceability may be subject to or limited by bankruptcy, insolvency, reorganization, moratorium, liquidation, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law.

(d) None of the execution and delivery of this Agreement by the Securities Intermediary, the consummation of the transactions contemplated hereby or the compliance with the provisions hereof will conflict with, violate or result in a breach of, or constitute a default (or an event that would constitute a default with notice or passage of time or both) under any provision of any law, regulation, order, writ, injunction, judgment, decree, determination or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, applicable to or binding upon the Securities Intermediary or under its organizational documents or bylaws, or any provision of any material indenture, contract, agreement or other instrument to which it is a party or by which it is bound.

(e) Any registration, declaration or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required of the Securities Intermediary in connection with the valid execution, delivery,

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acceptance and performance by the Securities Intermediary under this Agreement or the consummation by the Securities Intermediary of any transaction contemplated hereby has been completed, made or obtained.

(f) The Securities Intermediary has not entered into any agreement pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) with respect to Financial Assets credited to a Pledged Account, other than this Agreement. Until the Securities Intermediary shall have received from the Administrative Agent written notice of the termination of the Loan Agreement, the Securities Intermediary will not, without the prior written approval of the Administrative Agent or, so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, both of the Administrative Agent and the Borrower, enter into any agreement with any Person pursuant to which the Securities Intermediary agrees to comply with entitlement orders with respect to the Pledged Financial Assets. Until the Securities Intermediary shall have received from the Administrative Agent written notice of the termination of the Loan Agreement, the Securities Intermediary will not, without the prior written approval of the Administrative Agent or, so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, both of the Administrative Agent and the Borrower, enter into any agreement with any Person relating to any Pledged Account or any financial assets credited thereto pursuant to which the Securities Intermediary agrees to comply with entitlement orders of such Person. Subject to Section 4.3(a)(xi), the Securities Intermediary has not executed or filed with any Issuing Insurance Company any collateral assignments with respect to any Policies credited to the Policy Account other than such collateral assignments in favor of the Administrative Agent and, until the Securities Intermediary shall have received from the Administrative Agent written notice of the termination of the Loan Agreement, the Securities Intermediary will not, without the prior written approval of the Administrative Agent or, so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, both of the Administrative Agent and the Borrower, execute and file with any Issuing Insurance Company a collateral assignment with respect to any Policy credited to the Policy Account.

(g) Other than this Agreement, the Securities Intermediary has not entered into any other agreement with the Borrower or the Administrative Agent, purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders with respect to financial assets credited to a Pledged Account as set forth in Section 3.3 hereof.

(h) The Securities Intermediary is a "securities intermediary" as defined in Section 8-102(a)(14)(ii) of the UCC under and pursuant to Section 8-501(a) of the UCC.

Section 5.2 Special Provisions Relating to the Securities Intermediary. The following provisions shall govern the Securities Intermediary's rights, powers, obligations and duties under this Agreement, notwithstanding anything herein to the contrary:

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(a) The Securities Intermediary undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement. No implied covenants or obligations shall be read into this Agreement.

(b) The Securities Intermediary shall not be personally liable or accountable to any Person (including, without limitation, the Borrower, the Servicer, the Portfolio Manager, the Insurance Consultant or the Administrative Agent), under any circumstances except for its own grossly negligent action, grossly negligent failure to act or willful misconduct, nor shall the Securities Intermediary have any personal liability for any error or judgment made in good faith by any employee or agent of the Securities Intermediary unless such employee or agent was grossly negligent or acted with willful misconduct. In particular, but not by way of limitation (and subject to the exceptions set forth in the preceding sentence):

(i) the Securities Intermediary shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the written instructions (which form of instructions may include, but is not limited to, any exhibit hereto, an entitlement order, or an Alternative Information Notice) provided by the Administrative Agent or, if permitted under this Agreement, the Borrower, the Servicer, the Portfolio Manager, the Insurance Consultant or any other Person in accordance with and subject to this Agreement;

(ii) no provision of this Agreement shall require the Securities Intermediary to expend or risk funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder, if the Securities Intermediary shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to it;

(iii) the Securities Intermediary shall not be responsible for or in respect of and makes no representation as to the validity or sufficiency of any provision of this Agreement with respect to the Borrower or the Administrative Agent or for the due execution hereof by the Borrower or the Administrative Agent;

(iv) the Securities Intermediary shall incur no liability if, by reason of any provision of any present or future law or regulation thereunder, or by any force majeure event, including but not limited to natural disaster, war or other circumstances beyond its reasonable control, the Securities Intermediary shall be prevented or forbidden from doing or performing any act or thing which the terms of this Agreement provide shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for in this Agreement;

(v) the Securities Intermediary shall not be required to take any action hereunder or pursuant to any written instruction delivered in accordance with the provisions hereof if the Securities Intermediary shall have reasonably determined, or shall have been advised by counsel, that such action is likely to result in liability on the part of

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the Securities Intermediary or is contrary to the terms hereof or is otherwise contrary to law; and

(vi) whenever the Securities Intermediary is in good faith unable to decide between alternative courses of action permitted or required by the terms of this Agreement or any written instruction delivered pursuant to the terms hereof, or is unsure as to the application, intent, interpretation or meaning of any provision of this Agreement, or receives conflicting or inconsistent instructions from the Borrower, the Servicer, the Insurance Consultant, the Portfolio Manager and the Administrative Agent delivered pursuant to the terms hereof, the Securities Intermediary shall promptly give notice (in such form as shall be appropriate under the circumstances) to the Administrative Agent and the Borrower, requesting instruction as to the course of action to be adopted and, to the extent an instruction from the Administrative Agent, or so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, from both of the Administrative Agent and the Borrower, is provided to the Securities Intermediary and the Securities Intermediary acts in good faith in accordance with such instruction received, the Securities Intermediary shall not be liable on account of such action to any Person. If the Securities Intermediary shall not have received appropriate instructions within ten (10) calendar days of sending such notice (or within such shorter period of time as reasonably may be specified in such notice to be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action which is consistent, in its view, with this Agreement, and the Securities Intermediary shall have no liability to any Person for any such action or inaction.

(c) The Securities Intermediary shall incur no liability to anyone in acting upon any signature, written instrument, or notice reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties and need not investigate any fact or matter in any such document as long as the Securities Intermediary has otherwise satisfied its obligations under this Agreement.

(d) The Securities Intermediary shall be compensated for its services in accordance with the Fee and Indemnification Agreement.

(e) Without prejudice to any other agreement regarding the indemnification of any Indemnified Bank Person, including the Fee and Indemnification Agreement, the Borrower shall indemnify, protect, save and hold the Securities Intermediary, and its officers, directors, shareholders and employees (each an "Indemnified Bank Person") harmless against any and all Loss, liability, obligation, damage, claim, penalty, tax (excluding any taxes on the Securities Intermediary on, or measured by, any compensation received by the Securities Intermediary) or expense of any kind or nature whatsoever arising out of or in connection with this Agreement or the Original Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its rights, powers or duties hereunder (each of the foregoing, a "Claim"); provided, however, the Borrower shall not be required to indemnify, protect, save and hold any Indemnified Bank Person harmless from any

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Claim (or portion thereof) resulting from gross negligence or willful misconduct on the part of such Indemnified Bank Person. Upon the Securities Intermediary's becoming aware of the occurrence of an event that results in any Loss, liability or expense to an Indemnified Bank Person, the Securities Intermediary shall promptly send written notice thereof to the Borrower and the Administrative Agent. The indemnity contained in this Section 5.2(e) shall survive the termination of this Agreement and the resignation and removal of the Securities Intermediary. Any amounts owed by the Borrower to an Indemnified Bank Person in accordance with this Section 5.2(e) will be paid pursuant to Section 5.2 of the Loan Agreement; provided, however, that if such amounts have not been fully paid pursuant to Section 5.2 of the Loan Agreement within five (5) Business Days of the Borrower's receipt of a written notice from the Securities Intermediary that such amounts have not been fully paid, shall be paid by the Borrower.

(f) The Securities Intermediary may resign as Securities Intermediary hereunder upon ninety (90) days' prior written notice to the Borrower and the Administrative Agent, such resignation to become effective only upon the appointment of a successor Securities Intermediary by the Administrative Agent, with the consent of the Borrower, which consent shall not be unreasonably withheld or delayed. The Administrative Agent may appoint a successor Securities Intermediary within twenty (20) days after the expiration of the ninety (90) day period referred to above without the consent of the Borrower or any other Person. If no successor Securities Intermediary is appointed, and shall have accepted such appointment, as provided herein, then the Securities Intermediary, and so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, the Borrower, may, in either case at the sole expense of the Borrower, petition any court of competent jurisdiction for the appointment of a successor Securities Intermediary.

(g) The Administrative Agent is, and so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, the Borrower and the Administrative Agent acting jointly are, authorized to remove the Securities Intermediary hereunder and appoint a successor. No such removal shall be effective until a successor Securities Intermediary has been appointed and has accepted such appointment. Neither the Borrower nor any Affiliate thereof shall terminate this Agreement without the prior written consent of the Administrative Agent. Any successor Securities Intermediary or Custodian shall be a commercial bank organized under the laws of the United States or any state thereof which has a combined capital and surplus of at least \$50,000,000. If no successor Securities Intermediary is appointed, and shall have accepted such appointment, as provided herein then the Securities Intermediary may, at the expense of the Borrower, petition any court of competent jurisdiction for the appointment of a successor Securities Intermediary.

(h) Any corporation or other entity (i) into which the Securities Intermediary shall be merged, or with which it shall be consolidated, (ii) resulting from any merger or consolidation to which the Securities Intermediary shall be a party or (iii) succeeding to all or substantially all of the assets or corporate trust business of the Securities Intermediary, shall, if it is otherwise qualified pursuant to the criteria set forth in Section 5.2(g), be the Securities Intermediary under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto; provided, however, such successor Securities Intermediary shall be subject to the

removal rights of the Administrative Agent, and so long as the Securities Intermediary shall not have received from the Administrative Agent written notice of an Event of Default, the Borrower and the Administrative Agent acting jointly, pursuant to Section 5.2(g).

(i) The Borrower and the Administrative Agent hereby agree that as determined by the Securities Intermediary in its reasonable discretion, any amendment to the Loan Agreement that adversely affects the amounts payable to, or the obligations of, the Securities Intermediary, including, without limitation, any such amendment to any capitalized term defined in the Loan Agreement or any such amendment to Section 5.2 or Section 13.1 of the Loan Agreement that affects the amounts payable to, or the obligations of, the Securities Intermediary, shall require the prior written consent of the Securities Intermediary, which shall not be unreasonably withheld.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE BORROWER AND THE ADMINISTRATIVE AGENT

Section 6.1 Representations and Warranties of the Borrower. The Borrower hereby represents and warrants to the Administrative Agent and the Securities Intermediary that:

(a) The Borrower is a Delaware limited partnership, duly formed, validly existing, and in good standing under the laws of the State of Delaware and has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder and the execution, delivery, and performance by it of this Agreement has been duly authorized by all necessary limited partnership action. This Agreement has been duly executed and delivered by the Borrower and constitutes its legal, valid, binding, and enforceable obligation, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally and the availability of equitable remedies.

(b) Neither the execution, delivery, and performance by the Borrower of this Agreement nor the consummation by it of the transactions contemplated hereby or the compliance with the provisions hereof (i) will conflict with, violate, or result in a breach of, or constitute a default (or an event that would constitute a default with notice or passage of time or both) under, any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, applicable to it or binding upon it, or (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of its constituent documents or any provision of any material indenture, contract, agreement or other instrument to which it is a party or by which it is bound.

(c) Any registration, declaration, or filing with, or consent, approval, license, permit, or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required of the Borrower in connection with the valid execution, delivery, acceptance, and performance by it under this Agreement or the consummation by it of any transaction contemplated hereby has been completed, made, or obtained.

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(d) There is no order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority to which the Borrower is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the knowledge of the Borrower, threatened, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against the Borrower that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; and there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the knowledge of the Borrower, threatened, before or by any court, regulatory body, administrative agency, or other tribunal, governmental instrumentality or any other Person (A) asserting the invalidity of this Agreement or any other Transaction Document or (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document.

Section 6.2 Representations and Warranties of the Administrative Agent. The Administrative Agent hereby represents and warrants to the Borrower and the Securities Intermediary that:

(a) The Administrative Agent is a Texas corporation, duly formed, validly existing, and in good standing under the laws of the State of Texas and has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder and the execution, delivery, and performance by it of this Agreement has been duly authorized by all necessary company action. This Agreement has been duly executed and delivered by the Administrative Agent and constitutes its legal, valid, binding, and enforceable obligation, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally and the availability of equitable remedies.

(b) The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms and conditions hereof and thereof, will not and do not (a) conflict with or result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under the organizational documents of the Administrative Agent, or (b) violate any Applicable Law.

(c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body required for the due execution, delivery or performance by the Administrative Agent of this Agreement remains or remained unobtained or unfiled.

ARTICLE VII MISCELLANEOUS

Section 7.1 Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assignees; provided that so long as the Loan Agreement is in effect, the Borrower may

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not assign this Agreement without the prior written consent of the Administrative Agent, which consent shall be granted or withheld in its sole and absolute discretion.

Section 7.2 Notices. All notices, reports, directions, instructions, requests, consents and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy) and mailed, e-mailed (provided any such communications sent by e-mail shall include an executed document(s) in Adobe portable document format), faxed, transmitted or delivered, as to each party hereto, at its address (or specified addresses) below. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five (5) Business Days after being deposited in the United States mail, first class postage prepaid, (b) notice by e-mail, when verbal or electronic communication of receipt is obtained, or (c) notice by facsimile copy, when verbal or electronic communication of receipt is obtained. The addresses for notices of the parties are as follows:

To the Securities Intermediary:

Wilmington Trust, National Association
300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Facsimile: (248) 723-5424
Telephone: (248) 723-5422
E-mail: SpecializedInsurance@wilmingtontrust.com

With a copy by e-mail only to (which shall not constitute notice to the Securities Intermediary):

K&L Gates LLP
Attention: Scott Waxman, Esq.
E-mail: scott.waxman@klgates.com

To the Borrower:

White Eagle Asset Portfolio, LP
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX Bermuda
Email: whiteeagle@lamington.ie

With a copy to: COreilly@emergentcapital.com

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To the Servicer:

MLF LexServ, LP
4350 East-West Highway, Suite 905
Bethesda, Maryland 20814
Attention: Nathan A. Evans, President and Chief Executive Officer
Facsimile No. 301.951.2123
E-mail: nevens@mlflexserv.com

With a copy to:

MLF LexServ, LP
4350 East-West Highway, Suite 905
Bethesda, Maryland 20814
Attention: Mario Coniglio, Chief Operating Officer
Facsimile No. 301.951.2123
E-mail: mconiglio@mlflexserv.com

To the Portfolio Manager: Lamington Road Bermuda Ltd.

c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX Bermuda
Email: lrbermuda@lamington.ie

With a copy to: COreilly@emergentcapital.com

To the Administrative Agent: CLMG Corp.

7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Telephone: (469) 467-5414
Facsimile: (469) 467-3433
E-mail: jerwin@clmgcorp.com

If to the Custodian:

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Wilmington Trust, National Association, Custodian
300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Facsimile: (248) 723-5424
Telephone: (248) 723-5422
E-mail: SpecializedInsurance@wilmingtontrust.com

or at such other address as the specified entity most recently may have designated in writing in accordance with this Section 7.2.

Section 7.3 Termination. Subject to Section 5.2(e) through Section 5.2(g), the obligations of the Securities Intermediary hereunder shall continue in effect until the security interests of the Administrative Agent with respect to the Pledged Financial Assets have been terminated and an Authorized Representative of the Administrative Agent has delivered to the Securities Intermediary and the Borrower at least five (5) Business Days prior written notice of such termination, whereupon the Administrative Agent shall cease to be a party hereto and cease to have any further rights, obligations or remedies hereunder and the Securities Intermediary, the Custodian and the Borrower shall, subject to each of the Securities Intermediary's and the Custodian's rights to (i) resign in accordance with this Agreement, and (ii) in its respective sole discretion, refuse to continue as Securities Intermediary and Custodian hereunder, or amend and restate this Agreement to reflect the cessation of the Administrative Agent as a party hereto.

Section 7.4 U.S.A. PATRIOT Act. In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering (collectively, "Applicable Regulations"), Wilmington Trust, National Association, in the relevant capacities (the "Relevant Provider"), is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with the Relevant Provider. Accordingly, each of the parties agrees to provide the Relevant Provider, upon its request from time to time, such identifying information and documentation as may be necessary in order to enable the Relevant Provider to comply with such Applicable Regulations. It is expressly agreed that the Relevant Provider shall have no duty to perform any services hereunder for, on behalf of or for the benefit of, any party not having furnished such information as the Relevant Provider, in its sole discretion, determines to be necessary to comply with the Applicable Regulations.

Section 7.5 No Waiver; Remedies. No failure on the part of the Administrative Agent to exercise, and no delay in exercising, any right or remedy under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

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Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association*

Section 7.6 Binding Effect; Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the Administrative Agent, the Secured Parties, the Borrower and their respective successors and permitted assigns.

Section 7.7 Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue; Process Agent. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW PROVISIONS THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). EACH OF THE PARTIES HERETO HEREBY AGREES TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

EACH OF THE PARTIES IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO SUCH PARTY AT ITS ADDRESS SPECIFIED PURSUANT TO SECTION 7.2. NOTHING IN THIS SECTION 7.7 SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 7.8 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

Section 7.9 Amendments and Modifications.

(a) Neither this Agreement nor any term, condition, covenant or agreement hereof may be changed, modified, amended, waived, discharged, or terminated orally, or by a course of conduct or performance, but only by an instrument in writing, expressly stating therein that it is intended as a change, waiver, modification, amendment, discharge or termination, as the case may be, and, in all such instances, must be signed by each party hereto after the date hereof. In no event shall Securities Intermediary be required to join in any amendment hereto which adversely affects its rights, duties, obligations, privileges, protections, indemnifications or immunities hereunder.

Second Amended and Restated Securities Account Control and Custodian Agreement, among White Eagle Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association

(b) A modification to any procedure set forth herein shall be effected by a written agreement of such modification executed by each party hereto, without further evidence of authority. Unless an earlier or later time is specified in the written agreement of modification, any modification shall be effective on the first day of the first month starting after the last date of execution of the agreement of modification by all parties.

Section 7.10 Confidentiality.

(a) The Securities Intermediary shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement, all information regarding the other parties, the Pledged Accounts and the Pledged Financial Assets, including all information regarding the Borrower, the Administrative Agent, the Servicer, the Portfolio Manager, the Initial Servicer and their respective businesses obtained by it in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that the Securities Intermediary and its directors, officers and employees may disclose (i) such information to its external accountants, internal and external auditors and attorneys, (ii) such information to investors, potential investors and policy purchasers (including the directors, officers, agents, representatives, external accountants, attorneys of the foregoing Persons) and (iii) such information to the employees, the agents, external accountants, internal and external auditors, attorneys, and advisors of the Securities Intermediary ("Excepted Persons"); *provided, however*, that each Excepted Person shall be advised by the party disclosing such information of the confidential nature of the information being disclosed, (iv) the existence of this Agreement and the parties hereto, but not the financial terms thereof except as required by Applicable Law, (v) such information as is required by Applicable Law, and (vi) this Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) related to this Agreement for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with this Agreement.

(b) Anything herein to the contrary notwithstanding, disclosure is permitted (i) to the Administrative Agent, the Borrower, the Insurance Consultant, the Portfolio Manager, the Initial Servicer, the Initial Portfolio Manager and the Servicer, (ii) by the Administrative Agent to any prospective or actual assignee or pledgee, Lender, participant or assignee of any of them or an Affiliate, or (iii) by the Administrative Agent or any Lender to any rating agency, provider of a surety, guaranty or credit or liquidity enhancement to the Administrative Agent or any Person providing financing to, or holding equity interests in, the Administrative Agent or any Lender, as applicable, and to any officers, directors, employees, outside accountants, advisors, attorneys and sub-contractors of any of the foregoing, provided each such Person in the case of clauses (ii) and (iii) is informed of the confidential nature of such information. In addition, the Administrative Agent and credit enhancers to the Administrative Agent may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

Second Amended and Restated Securities Account Control and Custodian Agreement, among White Eagle Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known, (ii) disclosure of any and all information (A) if required to do so by any applicable statute, law, rule or regulation, (B) to any government agency or regulatory body having or claiming authority to regulate or oversee any respects of the Servicer's, the Securities Intermediary's, the Borrower's, the Portfolio Manager's, the Initial Servicer's, the Initial Portfolio Manager's or the Administrative Agent's business or that of their Affiliates, (C) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Securities Intermediary, the Administrative Agent or an officer, director, employer, shareholder or affiliate of any of the foregoing is a party, or (D) to any affiliate, independent or internal auditor agent, employee or attorney of the Securities Intermediary, or the Administrative Agent; or (iii) any other disclosure authorized by the Borrower.

(d) The Securities Intermediary and Custodian agree that if any unauthorized disclosure, access or loss of, or inability to account for any of Borrower's Confidential Information in Securities Intermediary's or Custodian's possession occurs while such Confidential Information is in the Securities Intermediary's or the Custodian's possession, the Securities Intermediary or Custodian will promptly, at their own reasonable expense: (i) make commercially reasonable efforts to terminate such unauthorized access; (ii) report such incident to Borrower and the Administrative Agent, describing in detail the disclosed, accessed or lost Confidential Information; (iii) take such actions as may be reasonably necessary or reasonably requested by Borrower to investigate and mitigate the effects of the problem; (iv) cooperate in all reasonable respects with Borrower to mitigate the effects of the problem and any damage resulting therefrom; and (v) reasonably assist Borrower in the Borrower's or its Affiliates' making any reports or notifications required by law as a result of such loss or disclosure. For the avoidance of doubt, notwithstanding the foregoing, the parties hereto agree that the Securities Intermediary and the Custodian shall only be responsible for any expenses pursuant to this Section 7.10(d) to the extent such expenses result from the Securities Intermediary's or Custodian's gross negligence, willful misconduct or bad faith.

Section 7.11 Execution in Counterparts; Severability; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. Except with respect to the Securities Intermediary and the Custodian, this Agreement, and any agreements or letters (including fee letters) executed in connection herewith contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings with respect thereto. With respect to the Securities Intermediary and the Custodian, this Agreement, including the exhibits and schedules hereto, contains a final and

Second Amended and Restated Securities Account Control and Custodian Agreement, among White Eagle Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association

complete integration of all prior expressions by the parties hereto with respect to all of the rights and duties of the Securities Intermediary and the Custodian and, as to the Securities Intermediary and the Custodian, shall constitute the entire agreement of all the parties hereto with respect to such rights and duties of the Securities Intermediary and the Custodian, superseding all prior oral or written understandings with respect thereto.

Section 7.12 Waiver of Setoff. The Securities Intermediary hereby irrevocably waives any right of setoff it may have or to which it may be entitled under this Agreement from time to time against the Borrower, the Administrative Agent, the Portfolio Manager, the Initial Servicer, the Initial Portfolio Manager or Servicer or their assets.

Section 7.13 Heading and Exhibits. The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 7.14 Non-Confidentiality of Tax Treatment. All parties hereto agree that each of them and each of their employees, representatives, and other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including, without limitation, opinions or other tax analyses) that are provided to any of them relating to such tax treatment and tax structure. "Tax treatment" and "tax structure" shall have the same meaning as such terms have for purposes of Treasury Regulation Section 1.6011-4; provided that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, the provisions of this Section 7.14 shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the transactions contemplated hereby.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

WHITE EAGLE ASSET PORTFOLIO, LP

By: White Eagle General Partner, LLC, its General Partner

By: Name: Title:

ADMINISTRATIVE AGENT:

CLMG CORP., as Administrative Agent

By: Name: Title:

SECURITIES INTERMEDIARY AND CUSTODIAN:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Securities Intermediary and Custodian

By: Name: Title:

Second Amended and Restated Securities Account Control and Custodian Agreement, among White Eagle Asset Portfolio, LP, CLMG Corp. and Wilmington Trust, National Association

EXHIBIT A

Loan Agreement

(See Exhibit 10.18 of the Form 10-K)

EXHIBIT B

**PLEGGED ACCOUNTS
ACCOUNT INFORMATION**

POLICY ACCOUNT:

Wilmington Trust, N.A. ABA:

Acct:

Acct Name: White Eagle Asset Portfolio, LP Policy Account for the benefit of CLMG Corp., as
Administrative Agent

PAYMENT ACCOUNT:

Wilmington Trust, N.A. ABA:

Acct:

Acct Name: White Eagle Asset Portfolio, LP Payment Account for the benefit of CLMG Corp., as Administrative Agent

COLLECTION ACCOUNT:

Wilmington Trust, N.A. ABA:

Acct:

Acct Name: White Eagle Asset Portfolio, LP Collection Account for the benefit of CLMG Corp., as Administrative Agent

ESCROW ACCOUNT:

Wilmington Trust, N.A. ABA:

Acct:

Acct Name: White Eagle Asset Portfolio, LP Escrow Account for the benefit of CLMG Corp., as
Administrative Agent

BORROWER ACCOUNT:

Wilmington Trust, N.A. ABA:

Acct:

Acct Name: White Eagle Asset Portfolio, LP Borrower Account for the benefit of CLMG Corp., as Administrative Agent

FORM OF ENTITLEMENT ORDER

To: Wilmington Trust, National Association

300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Facsimile: (248) 723-5424
Telephone: (248) 723-5422
E-mail: SpecializedInsurance@wilmingtontrust.com

Re: Transfer of Assets

Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "**Account Control Agreement**"), by and among CLMG Corp., as administrative agent (in such capacity, the "**Administrative Agent**"), White Eagle Asset Portfolio, LP, as the borrower (the "**Borrower**"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "**Securities Intermediary**") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "**Custodian**"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Account Control Agreement. In consideration of the transfers and payments described below, the undersigned parties to this Entitlement Order (the "**Entitlement Order**") hereby agree as follows:

1. The Borrower hereby irrevocably directs the Securities Intermediary to credit the Policy Account detailed below established with the Securities Intermediary pursuant to the Account Control Agreement (the "**Policy Account**") with the Policy or Policies, and all proceeds thereof (the "**Financial Assets**") identified on Schedule I attached hereto:

Wilmington Trust, National Association
ABA #: Account #: Account Name: Reference:

The Borrower hereby agrees that, upon the crediting to the Policy Account of the security entitlements (as defined in Section 8-102(a)(17) of the UCC) relating to the Financial Assets identified on Schedule I by the Securities Intermediary, all parties to this Entitlement Order have satisfied all of their respective obligations with respect to the transfers of the Financial Assets hereunder to the Policy Account.

2. The Administrative Agent hereby directs the Securities Intermediary to hold legal title and ownership to the Financial Assets transferred into the Policy Account as contemplated in paragraph 1 above in the Policy Account until the Administrative Agent delivers an Entitlement Order to the Securities Intermediary with respect to some or all of such Financial Assets identified on Schedule I.

The Administrative Agent hereby agrees that, upon the crediting to the Policy Account of the Security Entitlements (as defined in Section 8-102(a)(17) of the UCC) relating to the Financial Assets identified on Schedule I by the Securities Intermediary, all parties to this Entitlement Order have satisfied all of their respective obligations with respect to the transfers of the Financial Assets hereunder to the Policy Account.

It is expressly understood and agreed that the Securities Intermediary makes no representations or warranties as to (i) the validity, legality, completeness, enforceability, or genuineness of any document delivered to it by or on behalf of the Borrower, including but not limited to any document delivered to it in accordance herewith or (ii) the collectability, insurability, effectiveness or suitability of any such document. The Securities Intermediary shall be under no duty to conduct an independent review of any document delivered in accordance herewith.

IN WITNESS WHEREOF, the undersigned have caused this Entitlement Order to be executed by their duly authorized officers as of this ___ day of ___, 20__.

WHITE EAGLE ASSET PORTFOLIO, LP

By: White Eagle General Partner, LLC, its General Partner

Name: Title:

ADMINISTRATIVE AGENT:

CLMG CORP., as Administrative Agent

By: Name: Title:

Acknowledged and Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,

not in its individual capacity
but solely as Securities Intermediary

By: Name: Title:

[SCHEDULE I]

Name of Insured

Policy Number

Issuing Insurance
Company

Amount of Death
Benefit



FORM OF ENTITLEMENT ORDER FOR DEBIT AND TRANSFER OF ASSETS FROM THE POLICY ACCOUNT PRIOR TO THE TERMINATION DATE (PRIOR TO THE OCCURRENCE AND CONTINUATION OF AN EVENT OF DEFAULT)

To: Wilmington Trust, National Association
300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Facsimile: (248) 723-5424
Telephone: (248) 723-5422
E-mail: SpecializedInsurance@wilmingtontrust.com

Re: Transfer of Pledged Financial Assets

Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "**Account Control Agreement**"), by and among CLMG Corp., as administrative agent (in such capacity, the "**Administrative Agent**"), White Eagle Asset Portfolio, LP, as the borrower (the "**Borrower**"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "**Securities Intermediary**") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "**Custodian**"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Account Control Agreement. In consideration of the transfers and payments described below, the undersigned parties to this Entitlement Order (the "**Entitlement Order**") hereby agree as follows:

1. Reference is hereby made to the Policy Account detailed below, established with the Securities Intermediary pursuant to the Account Control Agreement (the "**Policy Account**"):

Wilmington Trust, National Association
ABA #: Account #: Account Name: Reference:

2. The Administrative Agent and the Borrower hereby irrevocably direct the Securities Intermediary, against payment therefor of the amounts (if any) detailed in the attached Schedule II, on the specified date, to effectuate a transfer of the Security Entitlements (as defined in Section 8-102(a)(17) of the UCC) carried in the Policy Account with respect to the Financial Assets relating to the Policies identified on Schedule I attached hereto to the [THIRD PARTY] by debiting the Policy Account and crediting the [THIRD PARTY] Account detailed below

established with the Securities Intermediary pursuant to the [THIRD PARTY] Agreement (the “[THIRD PARTY] Account”):

Wilmington Trust, National Association
ABA #: Account #: Account Name: Reference:

The Administrative Agent and the Borrower hereby agree that, upon the Administrative Agent’s receipt of funds (if any) from [THIRD PARTY] in accordance with the Disbursement Schedule attached hereto as Schedule II, and such concurrent crediting to the account of the [THIRD PARTY] of Security Entitlements relating to the indicated Financial Assets relating to the Policies identified on Schedule I, all parties to this Entitlement Order have satisfied all obligations with respect to the transfers of Financial Assets hereunder.

3. [THIRD PARTY] hereby directs the Securities Intermediary to hold the Financial Assets transferred into the [THIRD PARTY] Account as contemplated in paragraph 2 above in the [THIRD PARTY] Account until the [THIRD PARTY] delivers an entitlement order to the Securities Intermediary.

[THIRD PARTY] hereby agrees that, upon its disbursement of funds (if any) in accordance with the Disbursement Schedule attached hereto as Schedule II, and such concurrent crediting to the account of the [THIRD PARTY] of Security Entitlements relating to the indicated Financial Assets relating to the Policies identified on Schedule I, all parties to this Entitlement Order have satisfied all obligations with respect to the transfers of Financial Assets hereunder.

IN WITNESS WHEREOF, the undersigned have caused this Entitlement Order to be executed by their duly authorized officers as of this __ day of __, 20_.

CLMG CORP., as Administrative Agent

By: Name: Title:

By: Name: Title:

WHITE EAGLE ASSET PORTFOLIO, LP, as
Borrower

**By: White Eagle General Partner, LLC, its
General Partner**

By: Name: Title:

[THIRD PARTY]

By: Name: Title:

Acknowledged and Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,

not in its individual capacity
but solely as Securities Intermediary

By: Name: Title:

SCHEDULE I

Name of Insured

Policy Number

Issuing Insurance
Company

Amount of Death
Benefit

D-1-4

SCHEDULE II DISBURSEMENT SCHEDULE

[THIRD PARTY] confirms that, pursuant to the [PURCHASE AGREEMENT], it has disbursed the following amounts, in each case on the indicated dates in satisfaction of the Entitlement Order to which this Disbursement Schedule is attached:

FORM OF ENTITLEMENT ORDER FOR DEBIT AND TRANSFER OF ASSETS FROM THE POLICY ACCOUNT PRIOR TO THE TERMINATION DATE (AFTER THE OCCURRENCE AND CONTINUANCE OF AN EVENT OF DEFAULT)

To: Wilmington Trust, National Association
300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Facsimile: (248) 723-5424
Telephone: (248) 723-5422
E-mail: SpecializedInsurance@wilmingtontrust.com

Re: Transfer of Pledged Financial Assets

Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "**Account Control Agreement**"), by and among CLMG Corp., as administrative agent (in such capacity, the "**Administrative Agent**"), White Eagle Asset Portfolio, LP, as the borrower (the "**Borrower**"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "**Securities Intermediary**") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "**Custodian**"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Account Control Agreement. In consideration of the transfers and payments described below, the undersigned parties to this Entitlement Order (the "**Entitlement Order**") hereby agree as follows:

1. Reference is hereby made to the Policy Account detailed below, established with the Securities Intermediary pursuant to the Account Control Agreement (the "**Policy Account**"):

Wilmington Trust, National Association
ABA #: Account #: Account Name: Reference:

2. The Administrative Agent hereby irrevocably directs the Securities Intermediary, against payment therefor of the amounts (if any) detailed in the attached Schedule II, on the specified date, to effectuate a transfer of the Security Entitlements (as defined in Section 8-102(a)(17) of the UCC) carried in the Policy Account with respect to the Financial Assets relating to the Policies identified on Schedule I attached hereto to the [THIRD PARTY] by debiting the Policy Account and crediting the [THIRD PARTY] Account detailed below

established with the Securities Intermediary pursuant to the [THIRD PARTY] Agreement (the "[THIRD PARTY] Account"):

Wilmington Trust, National Association
ABA #: Account #: Account Name: Reference:

The Administrative Agent hereby agrees that, upon its receipt of funds (if any) from [THIRD PARTY] in accordance with the Disbursement Schedule attached hereto as Schedule II, and such concurrent crediting to the account of the [THIRD PARTY] of Security Entitlements relating to the indicated Financial Assets relating to the Policies identified on Schedule I, all parties to this Entitlement Order have satisfied all obligations with respect to the transfers of Financial Assets hereunder.

3. [THIRD PARTY] hereby directs the Securities Intermediary to hold the Financial Assets transferred into the [THIRD PARTY] Account as contemplated in paragraph 2 above in the [THIRD PARTY] Account until the [THIRD PARTY] delivers an entitlement order to the Securities Intermediary.

[THIRD PARTY] hereby agrees that, upon its disbursement of funds (if any) in accordance with the Disbursement Schedule attached hereto as Schedule II, and such concurrent crediting to the account of the [THIRD PARTY] of Security Entitlements relating to the indicated Financial Assets relating to the Policies identified on Schedule I, all parties to this Entitlement Order have satisfied all obligations with respect to the transfers of Financial Assets hereunder.

IN WITNESS WHEREOF, the undersigned have caused this Entitlement Order to be executed by their duly authorized officers as of this __ day of __, 20__.

CLMG CORP., as Administrative Agent

By: Name: Title:

By: Name: Title:

[THIRD PARTY]

By: Name: Title:

Acknowledged and Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
not in its individual capacity
but solely as Securities Intermediary

By: Name: Title:

SCHEDULE I

Name of Insured

Policy Number

Issuing Insurance
Company

Amount of Death
Benefit

D-2-4

SCHEDULE II DISBURSEMENT SCHEDULE

[THIRD PARTY] confirms that, pursuant to the [PURCHASE AGREEMENT], it has disbursed the following amounts, in each case on the indicated dates in satisfaction of the Entitlement Order to which this Disbursement Schedule is attached:

FORM OF ENTITLEMENT ORDER FOR DEBIT AND TRANSFER OF ASSETS FROM THE POLICY ACCOUNT ON AND AFTER THE TERMINATION DATE

To: Wilmington Trust, National Association
300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Facsimile: (248) 723-5424
Telephone: (248) 723-5422
E-mail: SpecializedInsurance@wilmingtontrust.com

Re: Transfer of Pledged Financial Assets

Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "**Account Control Agreement**"), by and among CLMG Corp., as administrative agent (in such capacity, the "**Administrative Agent**"), White Eagle Asset Portfolio, LP, as the borrower (the "**Borrower**"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "**Securities Intermediary**") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "**Custodian**"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Account Control Agreement. In consideration of the transfers and payments described below, the undersigned parties to this Entitlement Order (the "**Entitlement Order**") hereby agree as follows:

1. Reference is hereby made to the Policy Account detailed below, established with the Securities Intermediary pursuant to the Account Control Agreement (the "**Policy Account**"):

Wilmington Trust, National Association
ABA #: Account #: Account Name: Reference:

2. The Borrower hereby irrevocably directs the Securities Intermediary, against payment therefor of the amounts (if any) detailed in the attached Schedule II, on the specified date, to effectuate a transfer of the Security Entitlements (as defined in Section 8-102(a)(17) of the UCC) carried in the Policy Account with respect to the Financial Assets relating to the Policies identified on Schedule I attached hereto to the [THIRD PARTY] by debiting the Policy Account and crediting the [THIRD PARTY] Account detailed below established with the

Wilmington Trust, National Association
ABA #: Account #: Account Name: Reference:

The Borrower hereby agrees that, upon its receipt of funds (if any) from [THIRD PARTY] in accordance with the Disbursement Schedule attached hereto as Schedule II, and such concurrent crediting to the account of the [THIRD PARTY] of Security Entitlements relating to the indicated Financial Assets relating to the Policies identified on Schedule I, all parties to this Entitlement Order have satisfied all obligations with respect to the transfers of Financial Assets hereunder.

3. [THIRD PARTY] hereby directs the Securities Intermediary to hold the Financial Assets transferred into the [THIRD PARTY] Account as contemplated in paragraph 2 above in the [THIRD PARTY] Account until the [THIRD PARTY] delivers an entitlement order to the Securities Intermediary.

[THIRD PARTY] hereby agrees that, upon its disbursement of funds (if any) in accordance with the Disbursement Schedule attached hereto as Schedule II, and such concurrent crediting to the account of the [THIRD PARTY] of Security Entitlements relating to the indicated Financial Assets relating to the Policies identified on Schedule I, all parties to this Entitlement Order have satisfied all obligations with respect to the transfers of Financial Assets hereunder.

IN WITNESS WHEREOF, the undersigned have caused this Entitlement Order to be executed by their duly authorized officers as of this __ day of __, 20__.

WHITE EAGLE ASSET PORTFOLIO, LP, as
Borrower

By: White Eagle General Partner, LLC, its
General Partner

By: Name: Title:

[THIRD PARTY]

By: Name: Title:

Acknowledged and Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
not in its individual capacity
but solely as Securities Intermediary

By: Name: Title:

SCHEDULE I

Name of Insured

Policy Number

Issuing Insurance
Company

Amount of Death
Benefit

D-3-4

SCHEDULE II DISBURSEMENT SCHEDULE

[THIRD PARTY] confirms that, pursuant to the [PURCHASE AGREEMENT], it has disbursed the following amounts, in each case on the indicated dates in satisfaction of the Entitlement Order to which this Disbursement Schedule is attached:

EXHIBIT E

LIMITED RECOURSE LANGUAGE

It is expressly understood and agreed by the parties hereto that (i) this [specify name of agreement] is executed by Wilmington Trust, National Association, not in its individual capacity but solely as Securities Intermediary under that certain Second Amended and Restated Securities Account Control and Custodian Agreement dated as of January 31, 2017 (in such capacity, the “**Securities Intermediary**”), by and among CLMG Corp., as administrative agent, White Eagle Asset Portfolio, LP, as the borrower, and Wilmington Trust, National Association, as Securities Intermediary and custodian (ii) in no event shall Wilmington Trust, National Association, in its individual capacity have any liability for the representations, warranties, covenants, agreements or other obligations of the seller hereunder, as to all of which recourse shall be had solely to the assets of White Eagle Asset Portfolio, LP, (iii) in no event shall the Securities Intermediary have any obligation to perform any of the obligations and covenants of the seller under this [specify name of agreement], and (iv) under no circumstances shall the Securities Intermediary be personally liable for the payment of any indebtedness or expenses of the seller under this [specify name of agreement].

EXHIBIT F AUTHORIZED REPRESENTATIVES

Wilmington Trust, National Association
300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Facsimile: (248) 723-5424
Telephone: (248) 723-5422
E-mail: SpecializedInsurance@wilmingtontrust.com

Re: Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "**Agreement**"), by and among CLMG Corp., as administrative agent (in such capacity, the "**Administrative Agent**"), White Eagle Asset Portfolio, LP, as the borrower (the "**Borrower**"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "**Securities Intermediary**") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "**Custodian**")

Ladies and Gentlemen:

Reference is made to the Agreement. All capitalized terms used, but not defined, herein shall have the meanings given to such terms in the Agreement.

Administrative Agent

CLMG Corp., as Administrative Agent, hereby authorizes, for all purposes of the Agreement, Wilmington Trust, National Association, as Securities Intermediary, to rely upon any document, approval, instruction, instrument or notice signed and delivered by any of the following authorized representatives of CLMG Corp., as Administrative Agent:

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>

Very truly yours,

CLMG CORP., as Administrative Agent

By: Name: Title:

Borrower

White Eagle Asset Portfolio, LP, as the Borrower, hereby authorizes, for all purposes of the Agreement, Wilmington Trust, National Association, as Securities Intermediary, to rely upon any document, approval, instruction, instrument or notice signed and delivered by any of the following authorized representatives of White Eagle Asset Portfolio, LP, as the Borrower:

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>

Very truly yours,

**WHITE EAGLE ASSET PORTFOLIO, LP, as
Borrower**

**By: White Eagle General Partner, LLC, its General
Partner**

By: Name: Title:

Servicer

MLF LexServ, L.P., as Servicer, hereby authorizes, for all purposes of the Agreement, Wilmington Trust, National Association, as Securities Intermediary, to rely upon any document, approval, instruction, instrument or notice signed and delivered by any of the following authorized representatives of MLF LexServ, L.P., as Servicer:

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>

Very truly yours,

MLF LEXSERV, L.P., as Servicer

By: Name: Title:

Portfolio Manager

Lamington Road Bermuda Ltd., as Portfolio Manager, hereby authorizes, for all purposes of the Agreement, Wilmington Trust, National Association, as Securities Intermediary, to rely upon any document, approval, instruction, instrument or notice signed and delivered by any of the following authorized representatives of Lamington Road Bermuda Ltd., as Portfolio Manager:

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>

Very truly yours,

LAMINGTON ROAD BERMUDA LTD., as Portfolio
Manager

By: Name: Title:

FORM OF CUSTODIAL PACKAGE RELEASE INSTRUCTION

___, 20___

Wilmington Trust, National Association

[]

Facsimile: [] Telephone: [] Email: []

Re: Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "**Agreement**"), by and among CLMG Corp., as administrative agent (in such capacity, the "**Administrative Agent**"), White Eagle Asset Portfolio, LP, as the borrower (the "**Borrower**"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "**Securities Intermediary**") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "**Custodian**")

Ladies and Gentlemen:

Reference is made to the Agreement. All capitalized terms used, but not defined, herein shall have the meanings given to such terms in the Agreement.

In connection with the Custodial Packages held by you as Custodian under the Agreement, the Borrower hereby authorizes and directs the Custodian to release the Custodial Package(s) described below to [insert address] using the following courier and account [insert name of courier and account number to charge]:

Insured's Name: Policy Number: Insurer:

Reason for Release:

WHITE EAGLE ASSET PORTFOLIO, LP

**By: White Eagle General Partner, LLC, its General
Partner**

Name: Title:

[Acknowledged and Accepted:

CLMG CORP.

By: Name:
Title:}]¹

¹ For insertion prior to the Termination Date.

FORM OF CUSTODIAN'S POLICY RECEIPT LETTER

[DATE]

VIA EMAIL

White Eagle Asset Portfolio, LP
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX Bermuda
Email: whiteeagle@lamington.ie

With a copy to: COreilly@emergentcapital.com

CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Facsimile: 469-467-3433
Telephone: 469-467-5414
Email: jerwin@clmgcorp.com

Re: [POLICY NUMBER; INSURED'S LAST NAME] Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "Agreement"), by and among CLMG Corp., as administrative agent (in such capacity, the "Administrative Agent"), White Eagle Asset Portfolio, LP, as the borrower (the "Borrower"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "Securities Intermediary") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "Custodian"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Agreement.

The Custodian hereby confirms to the Borrower and the Administrative Agent that, except for the Policies expressly listed in the attached schedule of exceptions, the Custodian has

received from or on behalf of the Borrower what appears or purports to be an original or a copy of each Policy set forth on Schedule I to the Agreement (other than each Policy set forth on Schedule VII to the Agreement), a copy of which is annexed hereto.

It is expressly understood and agreed by the recipients hereof that this notice is subject to the terms of the Agreement and the rights, protections and limitations on liability conferred on the Custodian therein.

Very truly yours,

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as
Custodian

By: Name: Title:

FORM OF CUSTODIAN'S CUSTODIAL PACKAGE INDEX RECEIPT LETTER

[DATE] VIA EMAIL

White Eagle Asset Portfolio, LP
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX Bermuda
Email: whiteeagle@lamington.ie

With a copy to: COreilly@emergentcapital.com

CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Facsimile: 469-467-3433
Telephone: 469-467-5414
Email: jerwin@clmgcorp.com

Re: [POLICY NUMBER; INSURED'S LAST NAME] Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "Agreement"), by and among CLMG Corp., as administrative agent (in such capacity, the "Administrative Agent"), White Eagle Asset Portfolio, LP, as the borrower (the "Borrower"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "Securities Intermediary") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "Custodian"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Agreement.

The Custodian hereby confirms to the Borrower and the Administrative Agent that, except for the items expressly listed in the attached schedule of exceptions, the Custodian has received from or on behalf of the Borrower, documents that match the names of, or otherwise

purport to be, all of the documents listed for each Policy referenced in the Custodial Package Index dated __, 20_, a copy of which is annexed hereto.

It is expressly understood and agreed by the recipients hereof that this notice is subject to the terms of the Agreement and the rights, protections and limitations on liability conferred on the Custodian therein.

Very truly yours,

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as
Custodian

By: Name: Title:

FORM OF CUSTODIAN'S POLICY DELIVERY EXCEPTION POLICY RECEIPT LETTER

[DATE] VIA EMAIL

White Eagle Asset Portfolio, LP
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX Bermuda
Email: whiteeagle@lamington.ie

With a copy to: COreilly@emergentcapital.com

CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Facsimile: 469-467-3433
Telephone: 469-467-5414
Email: jerwin@clmgcorp.com

Re: [POLICY NUMBER; INSURED'S LAST NAME] Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "Agreement"), by and among CLMG Corp., as administrative agent (in such capacity, the "Administrative Agent"), White Eagle Asset Portfolio, LP, as the borrower (the "Borrower"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "Securities Intermediary") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "Custodian"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Agreement.

The Custodian hereby confirms to the Borrower and the Administrative Agent that the Custodian has received from or on behalf of the Borrower what appears or purports to be an original or a copy of a Policy set forth on Schedule VII to the Agreement, a copy of which is annexed hereto.

It is expressly understood and agreed by the recipients hereof that this notice is subject to the terms of the Agreement and the rights, protections and limitations on liability conferred on the Custodian therein.

Very truly yours,

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as
Custodian

By: Name: Title:

EXHIBIT K

RESERVED

K-1

FORM OF POLICY CERTIFICATION (FOR EACH ADVANCE DATE OTHER THAN THE ADVANCE DATE FOR THE INITIAL ADVANCE)

[DATE] VIA EMAIL

White Eagle Asset Portfolio, LP
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX Bermuda
Email: whiteeagle@lamington.ie

With a copy to: COreilly@emergentcapital.com

CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Facsimile: 469-467-3433
Telephone: 469-467-5414
Email: jerwin@clmgcorp.com

Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "Agreement"), by and among CLMG Corp., as administrative agent (in such capacity, the "Administrative Agent"), White Eagle Asset Portfolio, LP, as the borrower (the "Borrower"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "Securities Intermediary") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "Custodian"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Agreement.

The Securities Intermediary is delivering this notice pursuant to Section 2.5 of the Agreement. Set forth on Schedule I is a list identifying each Policy which has been credited to the Policy Account. Set forth on Schedule II is a list identifying each Policy for which the Securities Intermediary has received an Acknowledgement. Set forth on Schedule III is a list identifying each Policy for which the Securities Intermediary has previously delivered a fully

executed copy of the related collateral assignment, naming the Administrative Agent as collateral assignee, to the related Issuing Insurance Company. Set forth on Schedule IV is a list identifying each Policy for which the Securities Intermediary has received written confirmation from the Insurance Consultant that the Insurance Consultant has confirmed that each Issuing Insurance Company has orally acknowledged to the Insurance Consultant that it has accepted third-party authorization forms that name the Insurance Consultant as an authorized party to request information from the related Issuing Insurance Company. Set forth on Schedule V is a list identifying each Policy for which the Securities Intermediary has received a purportedly completed Change Form and which has been executed by the Securities Intermediary in blank.

Very truly yours,

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as
Securities Intermediary

By: Name: Title:

L-1-3

FORM OF POLICY CERTIFICATION (FOR THE ADVANCE DATE FOR THE INITIAL ADVANCE)

[DATE] VIA EMAIL

White Eagle Asset Portfolio, LLC
701 Park of Commerce Blvd., Suite 301
Boca Raton, FL 33487
Attention: General Counsel
Facsimile: 561-995-4207
Telephone: 561-995-4206
Email: maltschuler@imperial.com

White Eagle Asset Portfolio, LLC
701 Park of Commerce Blvd., Suite 301
Boca Raton, FL 33487
Attention: Michael Vale
Facsimile: 866-726-7185
Telephone: 561-995-4264
Email: servicing@imperial.com

CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Facsimile: 469-467-3433
Telephone: 469-467-5414
Email: jerwin@clmgcorp.com

Ladies and Gentlemen:

Reference is hereby made to the Securities Account Control and Custodian Agreement, dated as of April 29, 2013 (the "Agreement"), by and among CLMG Corp., as administrative agent (in such capacity, the "Administrative Agent"), White Eagle Asset Portfolio, LLC, as the borrower (the "Borrower"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "Securities

Intermediary”) and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the “Custodian”). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Agreement.

The Securities Intermediary is delivering this notice pursuant to Section 2.5 of the Agreement. Set forth on Schedule I is a list identifying each Policy which has been credited to the Policy Account. Set forth on Schedule II is a list identifying each Policy for which the Securities Intermediary has received an Acknowledgement. Set forth on Schedule III is a list identifying each Policy for which the Securities Intermediary has previously delivered a fully executed copy of the related collateral assignment, naming the Administrative Agent as collateral assignee, to the related Issuing Insurance Company. Set forth on Schedule IV is a list identifying each Policy for which the Securities Intermediary has received written confirmation from the Insurance Consultant that the Insurance Consultant has confirmed that each Issuing Insurance Company has orally acknowledged to the Insurance Consultant that it has accepted third-party authorization forms that name the Insurance Consultant as an authorized party to request information from the related Issuing Insurance Company.

Very truly yours,

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as
Securities Intermediary

By: Name: Title:

L-2-3

SCHEDULE IV

L-2-7

FORM OF CHANGE FORM CERTIFICATION (FOR THE INITIAL ADVANCE)

[DATE] VIA EMAIL

White Eagle Asset Portfolio, LLC
701 Park of Commerce Blvd., Suite 301
Boca Raton, FL 33487
Attention: General Counsel
Facsimile: 561-995-4207
Telephone: 561-995-4206
Email: maltschuler@imperial.com

White Eagle Asset Portfolio, LLC
701 Park of Commerce Blvd., Suite 301
Boca Raton, FL 33487
Attention: Michael Vale
Facsimile: 866-726-7185
Telephone: 561-995-4264
Email: servicing@imperial.com

CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Facsimile: 469-467-3433
Telephone: 469-467-5414
Email: jerwin@clmgcorp.com

Ladies and Gentlemen:

Reference is hereby made to the Securities Account Control and Custodian Agreement, dated as of April 29, 2013 (the "Agreement"), by and among CLMG Corp., as administrative agent (in such capacity, the "Administrative Agent"), White Eagle Asset Portfolio, LLC, as the borrower (the "Borrower"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "Securities Intermediary") and Wilmington Trust, National Association, a national banking association, as

the custodian (together with its successors, the "Custodian"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Agreement.

The Securities Intermediary is delivering this notice pursuant to Section 2.5 of the Agreement. Set forth on Schedule I is a list identifying each Policy for which the Securities Intermediary has received a purportedly completed Change Form and which has been executed by the Securities Intermediary in blank.

Very truly yours,

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as
Securities Intermediary

By: Name: Title:

L-3-3

EXHIBIT M

FORM OF CUSTODIAL PACKAGE INDEX

M-1

FORM OF CUSTODIAL PACKAGE INDEX FOR TERTIARY FILE

Dated: , 201__

TOP PORTION TO BE COMPLETED BY OR ON BEHALF OF BORROWER PRIOR TO DELIVERY TO CUSTODIAN

Insured Name – Policy number

Issuing Insurance Company –

Name of Current Policy Owner - Wilmington Trust, N.A., as Securities Intermediary

Seller Name – [Insured/Not Insured] If Seller was not Insured, Seller was: [Individual/Trust/Limited Partnership/Corporation/LLC.]

Was Policy issued as a result of a conversion of a prior existing Policy? - [Yes/No.] Is original Policy included, or has original been lost and a duplicate copy included?

[Original/Duplicate]

No.	Document
1.	Purchase and Sale Agreement or bill of sale or assignment that on its face refers to (i) a Master Purchase and Sale Agreement or (ii) an origination agreement
2.	Unless such Policy is set forth on Schedule XII to the Securities Account Control and Custodial Agreement, (i) each of (a) Authorization for Disclosure of Protected Health Information and (b) Death Certificate Authorization or (ii) Power of Attorney and Medical Records Release
3.	Unless such Policy is set forth on Schedule XIII to the Securities Account Control and Custodial Agreement, Life Settlement Contract or premium finance loan, financing or security agreement
4.	Unless such Policy is set forth on Schedule XIV to the Securities Account Control and Custodial Agreement, Insured's ID (one of the following: driver's license, passport, military ID, State ID card)
5.	Unless such Policy is set forth on Schedule XV to the Securities Account Control and Custodial Agreement, if designated by Borrower above that seller was not the Insured and that seller was an individual, copy of seller's ID (one of the following: driver's license, passport, military ID, State ID card) , or if designated by Borrower above that seller was a trust, and the trustee was an individual, copy of trustee's ID (one of the following: driver's license, Social Security card, passport, military ID, State ID card), <u>and</u> if designated by Borrower above that seller was (1) a trust, a Trust Agreement, (2) a limited partnership, a limited partnership agreement, (3) a corporation, bylaws, or (4) an LLC, a limited liability company agreement or operating agreement
6.	Unless such Policy is set forth on Schedule XIX to the Securities Account Control and Custodial Agreement, what appears to be an original Policy or, if designated by Borrower above that the original is lost, a duplicate copy of the Policy
7.	Unless such Policy is set forth on Schedule XVI to the Securities Account Control and Custodial Agreement, Insured's application for life insurance policy included with the Policy

No.	Document
8.	Entitlement order that refers to the transfer of the Policy to the Current Policy Owner and , unless such Policy is set forth on Schedule XVII to the Securities Account Control and Custodial Agreement, Change Forms reflecting the transfer of the Policy to the Current Policy Owner
9.	Unless such Policy is set forth on Schedule XVIII to the Securities Account Control and Custodial Agreement, Contacts For the Insured
10.	If the Borrower has designated above that Policy was issued as a result of a conversion of a prior existing Policy, a statement in the form of a confirming document or rider from the Issuing Insurance Company or a written summary of a recorded verification of coverage call purporting to reflect such conversion and purporting to confirm that the contestability and suicide periods for such Policy have expired
11.	Policy Illustration, and unless such Policy is set forth on Schedule I or Schedule II, and Schedule III to the Securities Account Control and Custodial Agreement, such Policy Illustration is not dated more than three hundred sixty-five (365) days prior to the date of receipt by the Securities Intermediary
12.	Unless such Policy is set forth on Schedule XX to the Securities Account Control and Custodial Agreement, Annual Policy Statement
13.	Social Security confirmation for Insured (any one of a SS card, Medicare, Driver's License, Accurint, TLO, LexisNexis or similar search or copy of purported tax return or other documentation from the Social Security Administration showing the Social Security number)
14.	Unless such Policy is set forth on Schedule I or Schedule II, and Schedule V to the Securities Account Control and Custodial Agreement, a Letter of Competency, Physician's Statement for Insured, Physician's Letter of Competency Regarding Insured or other document with similar title regarding insured's competency or state of mind.
15.	Unless such Policy is set forth on Schedule I or Schedule II, and Schedule VI to the Securities Account Control and Custodial Agreement, Spousal Consent/Release

EXHIBIT M

FORM OF CUSTODIAL PACKAGE INDEX FOR LIFE SETTLEMENT FILE (ONLY IF SUCH FILE WAS ORIGINATED BY IMPERIAL LIFE SETTLEMENTS, LLC)

Dated: , 201__

TOP PORTION TO BE COMPLETED BY OR ON BEHALF OF BORROWER PRIOR TO DELIVERY TO CUSTODIAN

Insured Name – Policy number -

Issuing Insurance Company –

Name of Current Policy Owner - Wilmington Trust, N.A., as Securities Intermediary

Seller Name – [Insured/Not Insured] If Seller was not Insured, Seller was: [Individual/Trust/Limited Partnership/Corporation/LLC.] [if Trust, was Trustee an individual - Yes/No]

Was Policy issued as a result of a conversion of a prior existing Policy? - [Yes/No.] Retained Death Benefit Transaction?

[Yes/No.]

Is Original Policy included, or has original been lost and a duplicate copy included? [Original/Duplicate]

No.	Document
1.	Unless such Policy is set forth on Schedule XXI to the Securities Account Control and Custodial Agreement, Life/Viatical Settlement Application
2.	Power of Attorney for Medical Records Release and Death Certificate Authorization
3.	Life/Viatical Settlement Purchase and Sale Agreement (including Designation Side Letter for Retained Death Benefit transactions, if designated by Borrower above that this is a Retained Death Benefit Transaction)
4.	Insured's ID (one of the following: driver's license, Social Security card, passport, military ID, State ID card)
5.	If designated by Borrower above that seller was not the Insured and that seller was an individual, copy of seller's ID (one of the following: driver's license, passport, military ID, State ID card) , or if designated by Borrower above that seller was a trust, and the trustee was an individual, copy of trustee's ID (one of the following: driver's license, Social Security card, passport, military ID, State ID card), <u>and</u> if designated by Borrower above that seller was (1) a trust, a Trust Agreement, (2) a limited partnership, a limited partnership agreement, (3) a corporation, bylaws, or (4) an LLC, a limited liability company agreement or operating agreement
6.	What appears to be an original Policy or, if designated by Borrower above that original is lost, a duplicate

No.	Document
	copy of the Policy
7.	Beneficiary's Consent to Change Beneficiary/Beneficiary Release of Policy
8.	Insured's application for life insurance policy included with the Policy
9.	Change Forms and entitlement order that refer to the transfer of the Policy to the Current Policy Owner
10.	Change Forms that refer to the transfer of the Policy to Imperial Life Settlements, LLC, Bank of Utah, as securities intermediary, Wilmington Trust, as securities intermediary or Wells Fargo, as securities intermediary.
11.	Designees of Insured
12.	If the Borrower has designated above that Policy was issued as a result of a conversion of a prior existing Policy, a statement in the form of a confirming document or rider from the Issuing Insurance Company purporting to reflect such conversion and purporting to confirm that the contestability and suicide periods for such Policy have expired
13.	Policy Illustration, and unless such Policy is set forth on Schedule I or Schedule II, and Schedule III to the Securities Account Control and Custodial Agreement, such Policy Illustration is not dated more than three hundred sixty-five (365) days prior to the date of receipt by the Securities Intermediary
14.	Annual Policy Statement
15.	W-9 for the Seller
16.	Social Security confirmation for Insured (any one of a SS card, Medicare card, Driver's License, Accurant, TLO, LexisNexis or similar search or copy of a purported tax return or other documentation from the Social Security Administration showing the Social Security number)
17.	Unless such Policy is set forth on Schedule I or Schedule II, and Schedule X to the Securities Account Control and Custodial Agreement, Physician's Statement
18.	Unless such Policy is set forth on Schedule I or Schedule II, and Schedule XI to the Securities Account Control and Custodial Agreement, Spousal Consent/Release

EXHIBIT M

FORM OF CUSTODIAL PACKAGE INDEX FOR PREMIUM FINANCE FILE (ONLY IF ORIGINALLY FINANCED BY IMPERIAL PREMIUM FINANCE, LLC)

Dated: , 201__

TOP PORTION TO BE COMPLETED BY OR ON BEHALF OF BORROWER PRIOR TO DELIVERY TO CUSTODIAN

Insured Name – Policy number-

Issuing Insurance Company –

Name of Current Policy Owner - Wilmington Trust, N.A., as Securities Intermediary

Seller Name – [Insured/Not Insured] If Seller was not Insured, Seller was: [Individual/Trust/Limited Partnership/Corporation/LLC.] [if Trust, was Trustee an individual - Yes/No]

Was Policy issued as a result of a conversion of a prior existing Policy? - [Yes/No.] Is Original Policy included, or has original been lost and a duplicate copy included?

[Original/Duplicate]

No.	Document
1.	Unless such Policy is set forth on Schedule I or Schedule II, and Schedule XXII to the Securities Account Control and Custodial Agreement, Application and Loan Agreement
2.	Authorization for Disclosure of Protected Health Information
3.	Unless such Policy is set forth on Schedule I or Schedule II, and Schedule VIII to the Securities Account Control and Custodial Agreement, Death Certificate Authorization
4.	Unless such Policy is set forth on Schedule I or Schedule II, and Schedule XIV to the Securities Account Control and Custodial Agreement, Insured's ID (one of the following: driver's license, Social Security card, passport, military ID, State ID card)
5.	If designated by Borrower above that seller was not the Insured and that seller was an individual, copy of seller's ID (one of the following: driver's license, passport, military ID, State ID card) , or if designated by Borrower above that seller was a trust, and the trustee was an individual, copy of trustee's ID (one of the following: driver's license, Social Security card, passport, military ID, State ID card), <u>and</u> if designated by Borrower above that seller was (1) a trust, a Trust Agreement, (2) a limited partnership, a limited partnership agreement, (3) a corporation, bylaws, or (4) an LLC, a limited liability company agreement or operating agreement
6.	What appears to be an original Policy or, if designated by Borrower above that original is lost, a duplicate copy of the Policy

No.	Document
7.	If Policy is set forth on Schedule IV to the Securities Account Control and Custodial Agreement, Beneficiary Pledge Agreement or Security Agreement
8.	Insured's application for life insurance policy included with the Policy
9.	Change Forms and entitlement order relating to the transfer of the Policy to the Current Policy Owner
10.	Change Forms that refer to a transfer of the Policy to one of: (i) Imperial PFC Financing, LLC, (ii) Imperial PFC Financing II, LLC, (iii) Imperial Life Financing, LLC, (iv) Imperial Life Financing II, LLC, (v) PSC Financial, LLC, (vi) OLIPP I, LLC, (vii) CTL Holdings, LLC, (viii) US Bank National Association, as Securities Intermediary, (ix) Bank of Utah, as Securities Intermediary, (x) Wilmington Trust, National Association, as Securities Intermediary or (xi) Wells Fargo Bank, National Association, as Securities Intermediary.
11.	If the Borrower has designated above that Policy was issued as a result of a conversion of a prior existing Policy, a statement in the form of a confirming document or rider from the Issuing Insurance Company purporting to reflect such conversion and purporting to confirm that the contestability and suicide periods for such Policy have expired
12.	Policy Illustration, and unless such Policy is set forth on Schedule I or Schedule II, and Schedule III to the Securities Account Control and Custodial Agreement, such Policy Illustration is not dated more than three hundred sixty-five (365) days prior to the date of receipt by the Securities Intermediary
13.	Annual Policy Statement
14.	Unless such Policy is set forth on Schedule I or Schedule II, and Schedule IX to the Securities Account Control and Custodial Agreement, W-9 for the Seller
15.	Social Security confirmation for Insured (any one of a SS card, Medicare card, Driver's License, Accurint, TLO, LexisNexis or similar search or copy of purported tax return or other documentation from the Social Security Administration showing the Social Security number)

EXHIBIT N

FORM OF CUSTODIAL PACKAGE RECEIPT

[DATE]

VIA EMAIL

White Eagle Asset Portfolio, LP
c/o AMS Limited
The Continental Building
25 Church Street
PO Box Hm265
Hamilton HMAX Bermuda
Email: whiteeagle@lamington.ie

With a copy to: COreilly@emergentcapital.com

CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Facsimile: 469-467-3433
Telephone: 469-467-5414
Email: jerwin@clmgcorp.com

Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Securities Account Control and Custodian Agreement, dated as of January 31, 2017 (the "Agreement"), by and among CLMG Corp., as administrative agent (in such capacity, the "Administrative Agent"), White Eagle Asset Portfolio, LP, as the borrower (the "Borrower"), Wilmington Trust, National Association, a national banking association, as the securities intermediary (together with its successors, the "Securities Intermediary") and Wilmington Trust, National Association, a national banking association, as the custodian (together with its successors, the "Custodian"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Agreement.

The Custodian is delivering this notice pursuant to Section 7(b)(ii) of the Agreement. Set forth on Schedule I is a list identifying each Policy for which the Custodian has accepted delivery of the related purported Custodial Package.

It is expressly understood and agreed by the recipients hereof that this notice is subject to the terms of the Agreement and the rights, protections and limitations on liability conferred on the Custodian therein.

Very truly yours,

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely
as Custodian

By:
Name:
Title:

INITIAL ADVANCE POLICIES



[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Insured Last Name	Insured First Name	Policy #	Insurance Company	Death Benefit
[*]	[*]	[*]	[*]	\$2,700,000.00
[*]	[*]	[*]	[*]	\$5,900,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,401,393.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$775,000.00
[*]	[*]	[*]	[*]	\$7,583,333.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,900,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00

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[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$7,500,000.00
[*]	[*]	[*]	[*]	\$1,800,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,100,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$9,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$1,100,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$4,500,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00

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[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$1,758,713.00
[*]	[*]	[*]	[*]	\$4,200,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$9,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,200,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$2,173,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$1,300,220.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$9,000,000.00
[*]	[*]	[*]	[*]	\$1,200,000.00

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[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	\$15,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$2,128,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,900,000.00
[*]	[*]	[*]	[*]	\$7,784,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$830,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00

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[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,200,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$1,600,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$8,412,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00

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[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$4,731,402.00
[*]	[*]	[*]	[*]	\$7,038,880.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$4,875,000.00
[*]	[*]	[*]	[*]	\$4,875,000.00
[*]	[*]	[*]	[*]	\$2,250,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00

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[*]	[*]	[*]	[*]	\$4,500,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,040,000.00
[*]	[*]	[*]	[*]	\$9,500,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$3,600,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$7,500,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$9,700,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$9,000,000.00
[*]	[*]	[*]	[*]	\$1,400,000.00
[*]	[*]	[*]	[*]	\$4,500,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00

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[*]	[*]	[*]	[*]	\$3,250,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$1,800,000.00
[*]	[*]	[*]	[*]	\$14,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,300,000.00
[*]	[*]	[*]	[*]	\$1,955,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$835,000.00

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[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,250,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,200,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,100,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$9,800,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$2,250,000.00

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[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$1,200,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$1,172,500.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$777,350.00
[*]	[*]	[*]	[*]	\$1,200,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,882,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,750,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$3,700,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00

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[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$2,300,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$947,100.00
[*]	[*]	[*]	[*]	\$3,750,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00

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[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$9,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$1,800,000.00
[*]	[*]	[*]	[*]	\$2,025,000.00
[*]	[*]	[*]	[*]	\$6,500,000.00
[*]	[*]	[*]	[*]	\$6,500,000.00
[*]	[*]	[*]	[*]	\$6,500,000.00
[*]	[*]	[*]	[*]	\$9,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,750,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$1,379,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,480,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$20,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$15,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00

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[*]	[*]	[*]	[*]	\$3,500,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$1,800,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$5,600,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,500,000.00
[*]	[*]	[*]	[*]	\$6,500,000.00
[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	\$826,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$3,125,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00

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[*]	[*]	[*]	[*]	\$7,850,000.00
[*]	[*]	[*]	[*]	\$500,000.00
[*]	[*]	[*]	[*]	\$500,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,342,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,405,000.00
[*]	[*]	[*]	[*]	\$6,000,000.00
[*]	[*]	[*]	[*]	\$7,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$4,850,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$5,200,000.00
[*]	[*]	[*]	[*]	\$3,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$1,000,000.00
[*]	[*]	[*]	[*]	\$7,000,000.00

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[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$2,345,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$10,000,000.00
[*]	[*]	[*]	[*]	\$8,000,000.00
[*]	[*]	[*]	[*]	\$4,000,000.00
[*]	[*]	[*]	[*]	\$5,000,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00
[*]	[*]	[*]	[*]	\$2,500,000.00

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Schedule II

Additional Advance Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$11,400,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,770,000
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$7,583,333
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$8,500,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000

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[*]	[*]	[*]	\$4,800,000
[*]	[*]	[*]	\$4,300,000
[*]	[*]	[*]	\$9,000,000
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$2,100,000
[*]	[*]	[*]	\$945,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$959,700
[*]	[*]	[*]	\$1,257,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$13,950,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,589,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$3,000,000

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[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$735,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$900,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$220,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$17,700,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000

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[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$690,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$2,100,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,300,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,548,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$3,399,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,034,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000

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[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$590,000
[*]	[*]	[*]	\$590,000
[*]	[*]	[*]	\$1,180,000
[*]	[*]	[*]	\$295,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,300,000
[*]	[*]	[*]	\$1,150,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$1,250,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$4,505,000
[*]	[*]	[*]	\$630,700
[*]	[*]	[*]	\$630,000
[*]	[*]	[*]	\$7,000,000
[*]	[*]	[*]	\$7,140,000
[*]	[*]	[*]	\$3,450,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$1,850,000
[*]	[*]	[*]	\$1,200,000
[*]	[*]	[*]	\$1,100,000
[*]	[*]	[*]	\$3,500,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$2,600,000

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[*]	[*]	[*]	\$1,255,000
[*]	[*]	[*]	\$5,800,000
[*]	[*]	[*]	\$1,600,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,140,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$863,000
[*]	[*]	[*]	\$892,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,990,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$7,339,026
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$850,000
[*]	[*]	[*]	\$2,500,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$840,000
[*]	[*]	[*]	\$500,000
[*]	[*]	[*]	\$10,950,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$6,650,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,585,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$2,538,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,250,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$1,600,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000

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[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,180,826
[*]	[*]	[*]	\$1,478,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$2,400,000
[*]	[*]	[*]	\$675,000
[*]	[*]	[*]	\$15,000,000
[*]	[*]	[*]	\$2,855,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,100,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$2,345,000
[*]	[*]	[*]	\$1,030,179

SCHEDULE III

POLICY ILLUSTRATIONS OLDER THAN 365 DAYS



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Schedule III

Policy Illustrations Older than 365 Days

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$2,100,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$8,990,000
[*]	[*]	[*]	\$1,478,000

BENEFICIARY PLEDGE OR SECURITY AGREEMENT POLICIES



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Schedule IV (Beneficiary Pledge Agreement or Security Agreement)

Last Name	First name	Policy #	Beneficiary Pledge Agreement or Security Agreement
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	N/A
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Security Agreement

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[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	N/A
[*]	[*]	[*]	Beneficiary Pledge
[*]	[*]	[*]	Security Agreement
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A
[*]	[*]	[*]	N/A

LETTER OF COMPETENCY EXCEPTION POLICIES



[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Insured	Insurance Carrier	Policy Number	Letter of Competency - Insured
[*]	[*]	[*]	No
[*]	[*]	[*]	No
[*]	[*]	[*]	No
[*]	[*]	[*]	No
[*]	[*]	[*]	No

SPOUSAL CONSENT POLICIES (TERTIARY FILES)



[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule VI

Spousal Consent Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$9,000,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$13,950,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$690,000
[*]	[*]	[*]	\$2,300,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$1,250,000
[*]	[*]	[*]	\$7,000,000
[*]	[*]	[*]	\$1,200,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$7,339,026
[*]	[*]	[*]	\$850,000
[*]	[*]	[*]	\$10,950,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,180,826
[*]	[*]	[*]	\$2,400,000
[*]	[*]	[*]	\$675,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$1,030,179

SCHEDULE VII

RESERVED



DEATH CERTIFICATE AUTHORIZATION EXCEPTION POLICIES



[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule VIII

Death Certificate Authorization Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,180,826

SELLER W-9 EXCEPTION POLICY



[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

W-9 Exception - Premium Finance File - SACCA Exhibit M

Last Name	First Name	Policy #
[*]	[*]	[*]

Schedule X

Physician's Statement Exception Policies

(N/A)

SCHEDULE XI

SPOUSAL CONSENT/RELEASE EXCEPTION POLICIES (LIFE SETTLEMENT FILES)



[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XI

Spousal Consent/Release Exception Policies (ILS)

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$690,000
[*]	[*]	[*]	\$590,000
[*]	[*]	[*]	\$590,000
[*]	[*]	[*]	\$1,180,000
[*]	[*]	[*]	\$295,000
[*]	[*]	[*]	\$500,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XII

HIPAA and DCA or POA w/ MRR

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,180,826

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Schedule XIII

Life Settlement Contract or Premium Finance Loan Agreement Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,000,000

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Schedule XIV

Insured's ID Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$900,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XV

Seller's ID

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,250,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000

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Schedule XVI

Insured's Application Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$220,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XVII

Change Form Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,300,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$1,250,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$6,650,000
[*]	[*]	[*]	\$5,000,000

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Schedule XVIII

Contacts for the Insured Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$6,000,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XIX

Original Policy or Duplicate Exception Policies

[*]	[*]	[*]	\$500,000.00
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[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XX

Annual Policy Statement Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$11,400,000
[*]	[*]	[*]	\$735,000
[*]	[*]	[*]	\$17,700,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$15,000,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XXI

Life Settlement Application Exception Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$295,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XXII

Application and Loan Agreement Exception Policies (Imperial Premium Finance)

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$1,700,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Schedule XXIII Red Falcon Policies

Name	Policy Number	Carrier	Net Death Benefit
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$11,400,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,770,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$4,800,000
[*]	[*]	[*]	\$4,300,000
[*]	[*]	[*]	\$9,000,000
[*]	[*]	[*]	\$1,700,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$10,000,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$2,100,000
[*]	[*]	[*]	\$945,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$959,700
[*]	[*]	[*]	\$1,257,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$13,950,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,589,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,997,090
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,039,615
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$735,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$220,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$750,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$17,700,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$2,100,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,300,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,125,000
[*]	[*]	[*]	\$5,548,000

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[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$1,800,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$3,399,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$1,034,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$590,000
[*]	[*]	[*]	\$590,000
[*]	[*]	[*]	\$1,180,000
[*]	[*]	[*]	\$295,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,300,000
[*]	[*]	[*]	\$1,150,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$1,250,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$4,505,000
[*]	[*]	[*]	\$630,700
[*]	[*]	[*]	\$630,000
[*]	[*]	[*]	\$7,000,000
[*]	[*]	[*]	\$7,140,000
[*]	[*]	[*]	\$3,450,000
[*]	[*]	[*]	\$2,000,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$1,850,000
[*]	[*]	[*]	\$1,200,000
[*]	[*]	[*]	\$1,100,000
[*]	[*]	[*]	\$2,500,000
[*]	[*]	[*]	\$1,255,000
[*]	[*]	[*]	\$5,800,000
[*]	[*]	[*]	\$1,600,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,140,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$863,000
[*]	[*]	[*]	\$892,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$6,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$8,990,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$7,339,026
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$850,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$840,000
[*]	[*]	[*]	\$500,000
[*]	[*]	[*]	\$10,950,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$6,650,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$1,585,000
[*]	[*]	[*]	\$4,000,000
[*]	[*]	[*]	\$8,000,000
[*]	[*]	[*]	\$2,538,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$2,250,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$10,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$1,600,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$2,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,000,000
[*]	[*]	[*]	\$5,000,000
[*]	[*]	[*]	\$3,180,826
[*]	[*]	[*]	\$1,478,000
[*]	[*]	[*]	\$1,500,000
[*]	[*]	[*]	\$2,400,000

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[*]	[*]	[*]	\$675,000
[*]	[*]	[*]	\$15,000,000
[*]	[*]	[*]	\$2,855,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$3,100,000
[*]	[*]	[*]	\$1,000,000
[*]	[*]	[*]	\$2,345,000
[*]	[*]	[*]	\$1,030,179

MASTER TERMINATION AGREEMENT

This MASTER TERMINATION AGREEMENT (this "Agreement"), dated as of December 29, 2016 (the "Closing Date"), is among CLMG Corp. ("CLMG"), LNV Corporation (the "Initial Lender"), Red Falcon Trust (the "Borrower"), Imperial Finance & Trading LLC (the "Guarantor"), Blue Heron Designated Activity Company ("Blue Heron"), Harbordale, LLC ("Harbordale"), Red Reef Alternative Investments, LLC ("Red Reef"), MLF LexServ, L.P. (the "Servicer"), Wilmington Trust, National Association ("Wilmington Trust"), in its capacities as securities intermediary under the SACCA (as defined below) (in such capacity, the "Securities Intermediary"), and as a custodian under the SACCA (in such capacity, the "Custodian"), Wilmington Savings Fund Society, FSB, D/B/A Christiana Trust, a federal savings bank ("Christiana Trust"), in its capacities as trustee of the Borrower and as registrar under the Trust Agreement (as defined below) (in such capacities, the "Trustee"), Michelle A. Dreyer, in her capacity as independent trustee of the Borrower (the "Independent Trustee") and Corporation Service Company ("CSC").

WITNESSETH:

WHEREAS, Blue Heron, the Trustee and the Independent Trustee entered into that certain Amended and Restated Trust Agreement of the Borrower, dated as of July 16, 2015 (as amended, the "Trust Agreement");

WHEREAS, the Borrower, the Guarantor, Blue Heron, the Initial Lender and CLMG entered into that certain Loan and Security Agreement, dated as of July 16, 2015 (as amended, the "Loan Agreement");

WHEREAS, the Borrower and Harbordale entered into that certain Sale Agreement, dated as of July 16, 2015 (the "Harbordale Sale Agreement");

WHEREAS, the Borrower and Red Reef entered into that certain Sale Agreement, dated as of July 16, 2015 (the "Red Reef Sale Agreement");

WHEREAS, Blue Heron and CLMG entered into that certain Residual Interest Pledge Agreement, dated as of July 16, 2015 (the "Residual Interest Pledge Agreement");

WHEREAS, the Borrower, Blue Heron and the Servicer entered into that certain Servicing Agreement, dated as of July 16, 2015 (the "Servicing Agreement");

WHEREAS, the Guarantor entered into that certain Guaranty, dated as of July 16, 2015, in favor of the Borrower, CLMG and the Initial Lender (the "Guaranty");

WHEREAS, CLMG, the Borrower, the Securities Intermediary and the Custodian entered into that certain Securities Account Control and Custodian Agreement, dated as of July 16, 2015 (as amended, the "SACCA");

WHEREAS, the Borrower and CSC entered into that certain Service Agreement, dated as of July 16, 2015 (the "CSC Service Agreement"), and, together with the Loan

Agreement, the Harbordale Sale Agreement, the Red Reef Sale Agreement, the Residual Interest Pledge Agreement, the Servicing Agreement, the Guaranty and the SACCA, the "Transaction Documents"; and

WHEREAS, the parties hereto wish to enter into this Agreement to terminate the Transaction Documents and each respective party's obligations thereunder subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises herein contained and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. To the extent capitalized terms are used in this Agreement but not specifically defined herein, such terms shall have the same meaning assigned thereto in the Loan Agreement.

2. Termination Payment. At or before 5:00 PM (New York time) on the Closing Date, the Borrower shall pay to the applicable party the applicable amounts set forth on Schedule I hereto (such payments, in the aggregate, the "Termination Payments") via wire transfer of immediately available funds to the applicable account set forth on Schedule I hereto.

3. Effective Time. The effective time (the "Effective Time") of this Agreement shall be the time, if any, on the Closing Date that each of the following conditions precedent has been satisfied:

(a) each party to this Agreement has received a duly executed copy of this Agreement; and

(b) each party to this Agreement has received its respective portion of the Termination Payments in accordance with Section 2 above. Each of CLMG and the Initial Lender hereby waives receipt of any Contingent Interest Yield Maintenance Fees, Interest Yield Maintenance Fees and Yield Maintenance Fee that may be due and payable under the Loan Agreement in connection with the repayment of the outstanding principal balance of the Advances contemplated hereunder.

4. Delivery of Lender Notes. Within three (3) Business Days after the date on which the Effective Time occurs, CLMG shall deliver via electronic mail a copy of the Lender Notes to the Borrower at the Borrower's e-mail address set forth on Schedule II hereto, which copy shall include a stamp, mark or other notation that indicates that the Lender Notes have been cancelled. Within five (5) Business Days after the date on which the Effective Time occurs, CLMG shall deliver, or cause the delivery of, the cancelled original Lender Notes to the Borrower at the Borrower's notice address set forth on Schedule II hereto.

5. Delivery of Residual Interest Certificates. The Borrower and CLMG hereby jointly instruct Wilmington Trust, as Agent under the Residual Interest Pledge Agreement, to within two (2) Business Days after the date on which CLMG or its counsel confirms orally or in writing to a Responsible Officer (as defined in the SACCA) of the Agent that the Effective

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MASTER TERMINATION AGREEMENT, among CLMG Corp., LNV Corporation, Red Falcon Trust, Imperial Finance & Trading LLC, Blue Heron Designated Activity Company, Harbordale, LLC, Red Reef Alternative Investments, LLC, MLF LexServ, L.P., Wilmington Trust, National Association, Wilmington Savings Fund Society, FSB, D/B/A Christiana Trust, Michelle A. Dreyer, and Corporation Service Company.

Time has occurred, deliver the original Residual Interest Certificate (as defined in the Residual Interest Pledge Agreement) and the original Transfer Instrument (as defined in the Residual Interest Pledge Agreement) to Blue Heron at its address set forth in Schedule II hereto and the Agent hereby agrees to make such delivery.

6. Termination of Loan Agreement. Each of the Borrower, the Guarantor, Blue Heron, the Initial Lender and CLMG hereby acknowledges and agrees that upon (but not before) the Effective Time:

(a) other than any provisions of the Loan Agreement that by their terms expressly survive termination, the Loan Agreement shall be terminated (without any further action by any party) and be of no further force or effect; and

(b) other than any commitments and obligations under the Loan Agreement that by their terms expressly survive termination, any and all commitments and obligations of the Borrower, the Guarantor, Blue Heron, the Initial Lender and CLMG with respect to the Loan Agreement shall be terminated.

7. Termination of Harbordale Sale Agreement. Each of the Borrower, Harbordale and CLMG hereby acknowledges and agrees that upon (but not before) the Effective Time:

(a) other than any provisions of the Harbordale Sale Agreement that by their terms expressly survive termination, the Harbordale Sale Agreement shall be terminated (without any further action by any party) and be of no further force or effect; and

(b) other than any commitments and obligations under the Harbordale Sale Agreement that by their terms expressly survive termination, any and all commitments and obligations of the Borrower and Harbordale with respect to the Harbordale Sale Agreement shall be terminated.

8. Termination of Red Reef Sale Agreement. Each of the Borrower, Red Reef and CLMG hereby acknowledges and agrees that upon (but not before) the Effective Time:

(a) other than any provisions of the Red Reef Sale Agreement that by their terms expressly survive termination, the Red Reef Sale Agreement shall be terminated (without any further action by any party) and be of no further force or effect; and

(b) other than any commitments and obligations under the Red Reef Sale Agreement that by their terms expressly survive termination, any and all commitments and obligations of the Borrower and Red Reef with respect to the Red Reef Sale Agreement shall be terminated.

9. Termination of Residual Interest Pledge Agreement. Each of Blue Heron and CLMG hereby acknowledges and agrees that upon (but not before) the Effective Time:

(a) other than any provisions of the Residual Interest Pledge Agreement that by their terms expressly survive termination, the Residual Interest Pledge Agreement shall be terminated (without any further action by any party) and be of no further force or effect; and

(b) other than any commitments and obligations under the Residual Interest Pledge Agreement that by their terms expressly survive termination, any and all commitments and obligations of Blue Heron and CLMG with respect to the Residual Interest Pledge Agreement shall be terminated.

10. Termination of Servicing Agreement . Each of the Borrower, the Servicer, Blue Heron and CLMG hereby acknowledges and agrees that upon (but not before) the Effective Time:

(a) other than any provisions of the Servicing Agreement that by their terms expressly survive termination, the Servicing Agreement shall be terminated (without any further action by any party) and be of no further force or effect; and

(b) other than any commitments and obligations under the Servicing Agreement that by their terms expressly survive termination, any and all commitments and obligations of the Borrower, Blue Heron and the Servicer with respect to the Servicing Agreement shall be terminated.

11. Termination of Guaranty. Each of the Guarantor, the Borrower, the Initial Lender and the Administrative Agent hereby acknowledges and agrees that upon (but not before) the Effective Time:

(a) other than any provisions of the Guaranty that by their terms expressly survive termination, the Guaranty shall be terminated (without any further action by any party) and be of no further force or effect; and

(b) other than any commitments and obligations under the Guaranty that by their terms expressly survive termination, any and all commitments and obligations of the Guarantor with respect to the Guaranty shall be terminated.

12. Termination of SACCA and Remittance

(a) The Borrower and CLMG hereby jointly instruct the Securities Intermediary to remit any remaining amounts credited to the Pledged Accounts (as defined in the SACCA, the "Pledged Accounts"), after CLMG or its counsel confirms orally or in writing to a Responsible Officer (as defined in the SACCA) of the Securities Intermediary that the Effective Time has occurred, in accordance with the wire instructions attached hereto as Schedule III. The Borrower hereby instructs the Securities Intermediary to remit any amounts credited to the Borrower Account after CLMG or its counsel confirms orally or in writing to a Responsible Officer (as defined in the SACCA) of the Securities Intermediary that the Effective Time has occurred, in accordance with the wire instructions attached hereto as Schedule III. The Securities Intermediary shall make such remittances from the Pledged Accounts and the

Borrower Account within one (1) Business Day after CLMG or its counsel confirms orally or in writing to a Responsible Officer (as defined in the SACCA) of the Securities Intermediary that the Effective Time has occurred. Each of the Securities Intermediary and the Custodian hereby acknowledges receipt of an entitlement order executed by CLMG, the Borrower and certain other parties thereto with respect to all the Policies (as defined in the SACCA) credited to the Policy Account on the date hereof, and the Securities Intermediary hereby agrees that it will transfer such Policies and the Custodian hereby agrees that it will transfer the Custodial Packages (as defined in the SACCA) it currently has in its possession, in each case, after CLMG or its counsel confirms orally or in writing to a Responsible Officer (as defined in the SACCA) of the Securities Intermediary that the Effective Time has occurred, in accordance with the terms of such entitlement order.

(b) Each of CLMG, the Borrower, the Securities Intermediary and the Custodian hereby acknowledges and agrees that upon the Securities Intermediary making the disbursements and transfers set forth in Section 12(a) above:

(i) other than any provisions of the SACCA that by their terms expressly survive termination, the SACCA shall be terminated (without any further action by any party) and be of no further force or effect; and

(ii) other than any commitments and obligations under the SACCA that by their terms expressly survive termination, any and all commitments and obligations of CLMG, the Borrower, the Securities Intermediary and the Custodian with respect to the SACCA shall be terminated.

13. Termination of CSC Service Agreement. Each of the Borrower and the CSC hereby acknowledges and agrees that upon (but not before) the Effective Time:

(a) other than any provisions of the CSC Service Agreement that by their terms expressly survive termination, the CSC Service Agreement shall be terminated (without any further action by any party) and be of no further force or effect; and

(b) other than any commitments and obligations under the CSC Service Agreement that by their terms expressly survive termination, any and all commitments and obligations of the Borrower and the CSC with respect to the CSC Service Agreement shall be terminated.

14. Trust Agreement. Upon the occurrence of the Effective Time, CLMG's security interest in the Collateral (as defined in the Residual Interest Pledge Agreement, the "Trust Collateral") shall be automatically terminated and the Trustee shall be deemed to have received notice from CLMG that the Obligations Termination Date (as defined in the Trust Agreement) has occurred. Upon such termination, the Trustee agrees that it shall remove the notation of the pledge of the Residual Interest Certificate (as defined in the Trust Agreement) to CLMG, as the Administrative Agent (as defined in the Trust Agreement, the "Administrative Agent") from the Register (as defined in the Trust Agreement). Each of Blue Heron, CLMG, the Trustee and the Independent Trustee hereby agrees upon the occurrence of the Effective Time

that any provisions of the Trust Agreement (including, without limitation, Section 3.5 and Section 9.1 thereof) requiring notice to, consent of or approval by the Administrative Agent, and any provisions of the Trust Agreement relating to the (i) Administrative Agent's security interest in the Trust Collateral, or (ii) power or authority of the Administrative Agent to give directions or instructions, shall, in each case, cease to operate and be of no force or effect upon (but not before) the Effective Time. In addition, upon (but not before) the Effective Time, the Independent Trustee shall automatically resign and each of CLMG, the Trustee and the Independent Trustee hereby agrees that any provisions of the Trust Agreement requiring notice to, consent of or approval by the Independent Trustee, any provisions of the Trust Agreement requiring the Borrower to have an Independent Trustee and any provisions of the Trust Agreement relating to the power or authority of the Independent Trustee to give directions or instructions, shall, in each case, cease to operate and be of no force or effect as of the Effective Time. Each of CLMG and the Independent Trustee hereby consents to the execution and delivery on the date hereof by the Borrower of that certain Bill of Sale, between the Borrower and Blue Heron, pursuant to which the Borrower distributes to Blue Heron all of the Borrower's rights, title and interest in and to substantially all of the assets owned by the Borrower.

15. Release of Security Interests. Upon the occurrence of the Effective Time, CLMG, in its capacity as Administrative Agent under the Loan Agreement, releases all security interests, liens and other rights the Administrative Agent has in the Collateral (as defined in the Loan Agreement). CLMG, in its capacity as Administrative Agent under the Loan Agreement, shall prepare and file, at the sole expense of the Borrower, UCC termination statements that have been previously approved by the Borrower with respect to all UCC financing statements filed under and in connection with the Transaction Documents and relating to the Collateral. Notwithstanding the foregoing, each of the Borrower, the Guarantor, Blue Heron, Harbordale and Red Reef, on behalf of itself and each of its Affiliates, hereby acknowledges and agrees that none of the collateral assignments filed with Issuing Insurance Companies in respect of any of the Pledged Policies that name CLMG as the collateral assignee shall be released or otherwise terminated, and each of the foregoing hereby directs CLMG not to file any releases, termination statements or other similar documents or agreements with respect to such collateral assignments (it being understood that after the occurrence of the Effective Time, the Pledged Policies will be pledged as collateral in connection with that certain credit facility pursuant to which CLMG serves as administrative agent and White Eagle Asset Portfolio, LP, a Delaware limited partnership and an Affiliate of the Borrower, acts as borrower, that such collateral assignments shall remain in full force and effect on file with the related Issuing Insurance Companies to secure such pledge and be subject to the terms of such credit facility).

16. Binding Effect; Third -Party Beneficiaries. This Agreement shall inure to the benefit of and be binding solely upon the parties hereto and their successors and assigns. Each of the parties hereto hereby agrees that this Agreement is not intended to create any rights of third party beneficiaries.

17. Entire Agreement. This Agreement contains the full and complete understanding and agreement among the parties hereto with respect to the subject matter hereof, and the parties acknowledge that none of them are entering into this Agreement in reliance upon any term, condition, representation or warranty not stated herein and that this Agreement

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replaces any and all prior agreements whether oral or written, pertaining to the subject matter hereof.

18. No Party Deemed Drafter. The parties to this Agreement understand and agree that this Agreement has been negotiated at arm's length and on equal footing as between all parties hereto, that such parties are sophisticated, and that such parties fully understand and agree to all the terms and conditions contained in this Agreement. Accordingly, in any dispute concerning the meaning of this Agreement, or any term or condition hereof, such dispute shall be resolved without any presumption or rule of construction in favor of any party or any related or similar doctrine.

19. Amendment. Neither this Agreement, nor any term or provision hereof, may be waived, modified or amended except in a written instrument agreed to and signed by each of the parties hereto.

20. GOVERNING LAW; JURY TRIAL

(a) EXCEPT AS SET FORTH IN SECTION 21 BELOW, THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, EXCLUDING CHOICE OF LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

(b) EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE TRANSACTION DOCUMENTS.

21. GOVERNING LAW OF SECTIONS 13 AND 14.

SECTIONS 13 AND 14 OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ANY OTHERWISE APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS.

22. Submission to Jurisdiction.

(a) Each party hereto hereby submits to the exclusive jurisdiction of the courts of the State of New York and of any Federal court located in the State of New York (or any appellate court from any thereof) in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, except as expressly set forth in Section 22(b) below. Each party hereto hereby irrevocably waives any objection that it may have to the laying of venue of any such proceeding and any claim that any such proceeding has been brought in an inconvenient forum.

(b) Each of the parties hereto hereby consents and agrees that the state or federal courts located in Wilmington, Delaware, shall have exclusive jurisdiction to hear and determine any claims or disputes between the parties pertaining to Section 13 or Section 14 of this Agreement or to any matter arising out of or relating to Section 13 or Section 14 of this Agreement. Each of the parties hereto expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court and hereby waives any objection it may have based upon lack of personal jurisdiction improper venue or forum non conveniens.

23. No Waiver. No failure or delay by a party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

24. Severability of Provisions. If any one or more provisions of this Agreement shall for any reason be held invalid, then such provisions shall be deemed severable from the remaining provisions of this Agreement and shall in no way affect the validity and enforceability of other provisions of this Agreement.

25. Further Assurances. Each party agrees to execute and deliver all such other documents or agreements and to take all such other action reasonably requested as may be reasonably necessary or desirable to further effectuate the purposes and intent of this Agreement, in each case at the sole expense of the requesting party.

26. Notices. All notices, directions, instructions, demands and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including electronic mail communication) and sent to each party entitled thereto, at its address set forth on Schedule II, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices, directions, instructions, demands and communications shall be effective: (a) if sent by overnight courier, on the Business Day after the day sent, (b) if by U.S. mail, three (3) Business Days after being deposited in the mail, (c) if delivered personally, when delivered, and (d) if sent by electronic mail, when the send thereof shall have received electronic confirmation of the transmission thereof (provided that should such day not be a Business Day, on the next Business Day), except any such notice, direction, demands or other communications to CLMG and the Initial Lender shall only be effective upon receipt.

27. Counterparts. This Agreement may be executed in counterparts, all of which when taken together shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by PDF file (portable document format file) shall be as effective as delivery of a manually executed counterpart of this Agreement.

28. Limited Recourse and Non -Petition in respect of Blue Heron. No recourse under any obligation, covenant or agreement of Blue Heron contained in this Agreement shall be had against any shareholder, officer or director of Blue Heron as such, by the enforcement of any

obligation or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is a corporate obligation of Blue Heron and no liability shall attach to or be incurred by the shareholders, officers or directors of Blue Heron as such, or any of them, under or by reason of any of the obligations, covenants or agreements of Blue Heron contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by Blue Heron of any of such obligations, covenants or agreement, either at law or by statute or constitution, is hereby expressly waived by the other parties hereto as a condition of and consideration for the execution of this Agreement.

The parties hereto agree that they shall not take any corporate action or other steps or legal proceedings for the winding-up, examinership, dissolution, or re-organisation or for the appointment of a receiver, administrator, examiner, administrative receiver, trustee in bankruptcy, liquidator, sequestrator or similar officer regarding some or all of the revenues and assets of Blue Heron.

The parties hereto acknowledge that the obligations of Blue Heron arising hereunder are limited recourse obligations payable solely from and to the extent of funds available to Blue Heron, and, following application of the proceeds thereof, any claims of the parties hereto arising out of or relating to such obligations against Blue Heron shall be extinguished.

With respect to each party hereto other than Blue Heron, the foregoing language shall not serve as any implication that any liability shall attach to or be incurred by the shareholders, officers or directors of such party.

29. It is expressly understood and agreed by the parties hereto that, notwithstanding anything to the contrary set forth in this Agreement or in any document or instrument related hereto (a) this Agreement and any related document, including, without limitation any document the form of which is annexed hereto as an Exhibit, is executed and delivered by Christiana Trust, not individually or personally but solely as Trustee of the Borrower, in the exercise of the powers and authority conferred and vested in it under the Trust Agreement, (b) each of the representations, undertakings and agreements herein and therein made by the Borrower and the Trustee is not made or intended as a personal representation, undertaking or agreement by Christiana Trust, (c) nothing herein or therein contained shall be construed as creating any liability on Christiana Trust, individually or personally, to perform on any covenant either expressed or implied contained herein or therein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall Christiana Trust be personally liable for the payment of any indebtedness or expenses of the Borrower or otherwise or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Borrower under this Agreement or any such other related documents. Each of Blue Heron, as Residual Interest Holder (as defined in the Trust Agreement) and CLMG, as Administrative Agent, hereby authorizes and directs the Trustee to execute and deliver this Agreement.

30. Section Headings. The various headings of this Agreement are included for convenience only and shall not affect the meaning or interpretation of this Agreement, any of the Transaction Documents, the Trust Agreement or any provision hereof or thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Closing Date.

CLMG CORP.

LNV CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

RED FALCON TRUST

By: Blue Heron Designated Activity Company, as Residual Interest Holder

**WILMINGTON TRUST,
NATIONAL ASSOCIATION**, solely as Securities Intermediary and Custodian and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

**WILMINGTON SAVINGS FUND SOCIETY, FSB, D/B/A
CHRISTIANA TRUST**, solely as Trustee and not in its individual capacity

By: _____
Name:
Title:

MLF LEXSERV, L.P.
By: _____
Name:
Title:

MICHELLE A. DREYER, as Independent Trustee

By: _____
Name:
Title:

CORPORATION SERVICE COMPANY

By: _____
Name:
Title:

HARBORDALE, LLC

By: _____
Name:
Title:

RED REEF ALTERNATIVE INVESTMENTS, LLC

By: _____
Name:
Title:

IMPERIAL FINANCE & TRADING, LLC

By: _____
Name:
Title:

BLUE HERON DESIGNATED ACTIVITY COMPANY

By: _____
Name:
Title:

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Termination Payment Information

Obligation	Amount	Recipient
Unpaid Principal Balance	\$64,964,770.76	CLMG
Accrued and unpaid interest	\$113,894.70	CLMG
Fees	\$6,235.00	Wilmington Trust
Unpaid service fees	\$7,200.00	CSC
TOTAL	\$65,092,100.46	

Wire information with respect to CLMG:

Federal Home Loans Bank of Dallas
ABA Number 111040195
Credit – Beal Bank Dallas, TX Bank Account No.: 4989902
Further Credit to: 7500134305
Attention: CLMG Corp. Cash Processing– Payoff Dept. Reference: 900000088 - Red Falcon Trust

Wire information with respect to CSC:

Bank Name: PNC Bank
Bank Address: 222 Delaware Avenue, 18th Floor
Wilmington, DE 19801
Account Name: Corporation Service Company
Account Number: 5603260058
ABA Number: 031100089
Reference: Account 7930966, Invoice #77178084

Wire information with respect to Wilmington Trust:

ABA 031100092
Bank Wilmington Trust
Acct 009974-000
Bfcy CCMS Closing and Fee Acct
Ref: Red Falcon Term Fee – RM Bob Donaldson

Schedule II

Addresses for Notices

To CLMG:

CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Telephone: 469-467-5414
Facsimile: 469-467-3433
[Email: jeerwin@clmgcorp.com](mailto:jeerwin@clmgcorp.com)

To the Initial Lender:

LNV Corporation c/o CLMG Corp.
7195 Dallas Parkway
Plano, TX 75024
Attention: James Erwin
Telephone: 469-467-5414
Facsimile: 469-467-3433
[Email: jeerwin@clmgcorp.com](mailto:jeerwin@clmgcorp.com)

To the Borrower:

Red Falcon Trust
Attention: The Directors
2nd Floor, Palmerston House
Fenian Street
Dublin 2, Ireland
[Email: directors@blueheron.ie](mailto:directors@blueheron.ie)

To the Guarantor:

Imperial Finance & Trading, LLC
5355 Town Center Rd #701
Boca Raton, FL 33486
Attention: Office of General Counsel
[Email: COreilly@emergentcapital.com](mailto:COreilly@emergentcapital.com)

To Harbordale:

Harbordale, LLC
5355 Town Center Rd #701
Boca Raton, FL 33486
Attention: Office of General Counsel
Email: COreilly@emergentcapital.com

To Red Reef:

Red Reef Alternative Investments, LLC
5355 Town Center Rd #701
Boca Raton, FL 33486
Attention: Office of General Counsel
Email: COreilly@emergentcapital.com

To the Servicer:

Nathan A. Evans, President and Chief Executive Officer
MLF LexServ, LP
4350 East-West Highway, Suite 905
Bethesda, Maryland 20814
Facsimile No. 301.951.2123
E-mail: nevans@mlflexserv.com

with a copy to (which shall not constitute notice): Mario Coniglio, Chief Operating Officer

MLF LexServ, LP
4350 East-West Highway, Suite 905
Bethesda, Maryland 20814
Facsimile No. 301.951.2123
E-mail: mconiglio@mlflexserv.com

To Blue Heron:

Blue Heron Designated Activity Company
Attention: The Directors
2nd Floor, Palmerston House
Fenian Street
Dublin 2, Ireland
Email: directors@blueheron.ie

With a copy to: COreilly@emergentcapital.com

To the Securities Intermediary:

Wilmington Trust, National Association
300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Telephone: 248-723-5422
Facsimile: 248-723-5424
E-mail: SpecializedInsurance@wilmingtontrust.com

with a copy by e-mail only to (which shall not constitute notice): K&L Gates LLP

Attention: Scott Waxman, Esq. Email: scott.waxman@klgates.com

To the Custodian:

Wilmington Trust, National Association, Custodian
300 Park Street, Suite 390
Birmingham, Michigan 48009
Attention: Capital Markets Insurance Services
Telephone: 248-723-5422
Facsimile: 248-723-5424
E-mail: SpecializedInsurance@wilmingtontrust.com

To the Trustee:

Corporate Trust Office
500 Delaware Avenue
11th Floor
Wilmington, DE 19801
Attention: Corporate Trust – Red Falcon Trust
Telephone: 302-888-7437
Facsimile: 302-421-9137
E-mail: Jeffrey.Everhart@christianatrust.com

with a copy to (which shall not constitute notice):

K&L Gates LLP
600 North King Street
Suite 901
Wilmington, Delaware 19801
Attention: Scott Waxman, Esq.
Telephone: (302) 416-7070
Facsimile: (302) 416-7020

To the Servicer:

Nathan A. Evans, President and Chief Executive Officer
MLF LexServ, LP
4350 East-West Highway, Suite 905
Bethesda, Maryland 20814
Facsimile No. 301.951.2123
E-mail: nevans@mflexserv.com

with a copy to (which shall not constitute notice): Mario Coniglio, Chief Operating Officer

MLF LexServ, LP
4350 East-West Highway, Suite 905
Bethesda, Maryland 20814
Facsimile No. 301.951.2123
E-mail: mconiglio@mflexserv.com

To CSC:

Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington, DE 19808
Attention: Independent Director Services
Facsimile: (302) 636-5454
Email: IDService@cscinfo.com

To the Independent Trustee:

Michelle A. Dreyer
c/o Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington DE 19808
Telephone: (302) 636-5608
Email: michelle.dreyer@cscglobal.com

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Subsidiaries of Emergent Capital, Inc., a Florida corporation

<u>Entity</u>	<u>Jurisdiction</u>
Blue Heron Designated Activity Company	Ireland
Golden Sparrow, LLC	Delaware
Harbordale, LLC	Delaware
Imperial Finance & Trading, LLC	Florida
Imperial Life Settlements, LLC	Delaware
Imperial Premium Finance, LLC	Florida
Imperial Settlements Financing 2010, LLC	Georgia
Lamington Road Bermuda Ltd.	Bermuda
Lamington Road Designated Activity Company	Ireland
Markley Asset Portfolio, LLC	Delaware
OLIPP IV, LLC	Delaware
Red Falcon Trust	Delaware
Red Reef Alternative Investments, LLC	Delaware
Washington Square Financial, LLC	Georgia
White Eagle Asset Portfolio, LP	Delaware
White Eagle General Partner, LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated March 21, 2017, with respect to the consolidated financial statements and Internal Control over financial reporting included in the Annual Report of Emergent Capital, Inc. on Form 10-K for the year ended December 31, 2016. We hereby consent to the incorporation by reference of said reports in the Registration Statements of Emergent Capital, Inc. on Forms S-3 (File No. 333-198659 and File No. 333-198658) and on Form S-8 (File No. 333-172114).

/s/ GRANT THORNTON LLP

Fort Lauderdale, Florida
March 21, 2017

CERTIFICATIONS

I, Antony Mitchell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Emergent Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Antony Mitchell

Antony Mitchell
Chief Executive Officer and Director
(Principal Executive Officer)

March 21, 2017

CERTIFICATIONS

I, Miriam Martinez, certify that:

1. I have reviewed this Annual Report on Form 10-K of Emergent Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Miriam Martinez

Miriam Martinez

Chief Financial Officer

(Principal Financial Officer)

March 21, 2017

**Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Emergent Capital, Inc. (the Registrant) on Form 10-K for the period ended December 31, 2016 as filed with the U.S. Securities and Exchange Commission on the date hereof (the Report), I, Antony Mitchell, Chairman and Chief Executive Officer of the Registrant, certify to the best of my knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Antony Mitchell

Antony Mitchell
Chief Executive Officer and Director

March 21, 2017

**Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Emergent Capital, Inc. (the Registrant) on Form 10-K for the period ended December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Miriam Martinez, Chief Financial Officer of the Registrant, certify to the best of my knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Miriam Martinez

Miriam Martinez

Chief Financial Officer

March 21, 2017