

# Exhibit “1”

**SELLER DRAFT: 09/26/08**

## **PURCHASE AND SALE AGREEMENT**

This Purchase and Sale Agreement (this "Agreement") is made and entered as of the Execution Date by and between Michael J. Quilling, solely in his capacity as receiver (the "Receiver") of the Receivership Estate as defined below (with the Receivership Estate and the Receiver being referred to herein as "Seller"), as seller, and Settlement Group, Inc., a Georgia corporation ("Purchaser"), as purchaser.

### **RECITALS**

1. Pursuant to an Order dated November 17, 2006, and a subsequent Order dated December 1, 2006 (collectively, the "Appointment Orders"), the United States District Court for the Northern District of Texas (the "Court") (Jorge A. Solis, Judge presiding) in the case of *SEC v. ABC Viaticals, et al* (Case No. 3:06-CV-2136-P) (the "Receivership Proceeding") appointed Michael J. Quilling as Receiver for ABC Viaticals, Inc., a Texas corporation, and related and affiliated entities, including various trusts (collectively referred to in the Appointment Orders as the Defendant, the Relief Defendants and the Trusts and hereinafter collectively as "ABC"), who was charged with the duties and obligations to hold, manage and dispose of the Receivership Assets and Receivership Records (as such terms are defined in the November 17, 2006 Appointment Order) of ABC (the "Receivership Estate").

2. Pursuant to the Appointment Orders, the Receiver is presently administering 55 life insurance policies scheduled in Addendum A hereto (hereinafter, the "Portfolio" or the "Policies" or the "Policies/Portfolio").

3. Seller desires to sell, assign and transfer all of the right, title and interest of Seller and ABC in, to and under the Portfolio and certain related assets, and Purchaser desires to purchase the Portfolio and such related assets, all pursuant to the terms, conditions and provisions set forth in this Agreement, including being subject to Court approval of such sale, assignment and transfer.


### **AGREEMENT**


NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

#### **ARTICLE I SALE AND PURCHASE**

##### **Section 1.1 Sale and Purchase of the Portfolio/Policies**

(a) Purchased Assets. This Agreement and the obligations of Seller hereunder are expressly subject to approval by the Court and to the entry by the Court of the Sale Order (as hereinafter defined). On the terms and subject to the conditions and provisions hereof (and

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without limiting Section 1.1(b)), at the Closing, Seller shall sell, assign, transfer, convey and deliver to Purchaser free and clear of all Encumbrances, and Purchaser shall purchase and accept from Seller, all of the right, title and interest of Seller and ABC in, to and under the Purchased Assets. Purchaser acknowledges that certain of the Purchased Assets are as of the Execution Date pledged and encumbered as collateral security for a line-of-credit loan (the "Loan") obtained by the Receiver from Sovereign Bank located at 17950 Preston Road – Suite 500, Dallas, Texas 75252 (the "Lender"), the proceeds of which Loan have been used by the Receiver to pay premiums on the Policies and for other purposes relating to the Receivership Estate. Seller and Purchaser acknowledge, and Seller agrees, that the Loan shall be repaid at the Closing with proceeds from the Purchase Price, and the liens of the Lender on such pledged and encumbered Purchased Assets shall be released at the Closing. For purposes of this Agreement, "Purchased Assets" means, collectively, the following items:

- (i) the Policies;
- (ii) the Policy Files;
- (iii) all death benefits payable under, pursuant to or otherwise in respect of any Policy as of September 24, 2008, whether or not any of such death benefits or other proceeds or amounts were or are paid or payable to Seller, ABC or any other Person prior to, on or after the Execution Date or the Closing Date;
- (iv) all prepaid premiums with respect to any Policy which were or are paid prior to the Closing Date and pertain to a time period on or after the Closing Date; and
- (v) all rights of recourse or recovery against any third party, and all other claims, rights, causes of action, remedies, powers and privileges, under, relating to or arising out of any of the foregoing; provided, however, that there is expressly excluded from the definition of "Purchased Assets" (A) any and all litigation relating to the Purchased Assets and instituted by the Receiver or by or on behalf of the Receivership Estate that is pending as of the Closing Date, and (B) any claim or cause of action that the Receiver and/or the Receivership Estate may have with respect to the Purchased Assets against a third party to the extent that such claim or cause of action does not and will not affect any right, title or interest of Purchaser from and after Closing in, to or under any Policy, including, without limitation, the right to exercise all incidents of ownership thereof, and the right to receive all proceeds payable thereunder.

(b) Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement or otherwise, Seller shall not (at the Closing or otherwise) sell, transfer, assign or deliver to Purchaser, and Purchaser shall not (at the Closing or otherwise) purchase or accept from Seller, ABC or any other Person, any right, title or interest in, to or under:

- (i) any asset or property (real or personal or tangible or intangible) that is not specifically set forth in any of clauses (i) through (v) of the second sentence of Section 1.1(a);
- (ii) any Bonding Document; or

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(iii) any Removed Policy (as defined in Section 3.3(b)(i)(E)) that is not assigned and transferred by Seller to Purchaser as provided in Section 3.3(b)(i)(E).

None of the assets or property listed in Section 1.1(b)(i) through Section 1.1(b)(iii) shall constitute a Purchased Asset.

(c) Retention of Liabilities. Notwithstanding anything to the contrary contained in this Agreement or otherwise, neither at the Closing nor otherwise shall Seller sell, assign, transfer or deliver to Purchaser, or shall Purchaser (or shall Purchaser be obligated to) assume, pay, perform, succeed to, discharge, become subject to or be responsible for, any Liability of any Seller Party. Without limiting the foregoing, Purchaser expressly acknowledges and agrees that (i) none of the Receiver, the Receivership Estate or ABC shall be obligated to pay any premium on any Policy from and after the Closing Date, and (ii) at the Closing, Purchaser shall reimburse Seller for the full amount of any and all cash premiums paid by Seller during the period beginning on July 1, 2008 and ending on the day immediately preceding the Closing Date with respect to the Policies (the "Premium Reimbursement Amount"), which Premium Reimbursement Amount shall include any such cash premiums so paid by Seller following Seller's becoming aware of a Policy being in its grace period pursuant to the confirmation procedures described in Section 3.3(b)(i). For purposes of clarification, the Premium Reimbursement Amount shall not include any premium payments made with respect to any of the Policies utilizing the cash value or other accumulated value of any such Policy.

## **Section 1.2 "As Is, Where Is and With All Faults" Sale and Purchase**

(a) As Is, Where Is and With All Faults. Purchaser is buying the Policies and other Purchased Assets as is, where is and with all faults, and without any representations or warranties whatsoever other than the representations and warranties expressly set forth in Section 5.1 or otherwise expressly made by or on behalf of Seller in this Agreement. At the Closing, Purchaser will accept the sale, conveyance, assignment, transfer and delivery of the Policies and the other Purchased Assets based solely on Purchaser's own inspection, examination and determination with respect thereto as to all matters, without reliance upon any express or implied representation or warranties of any nature made by or on behalf of or imputed to Seller, other than the representations and warranties expressly set forth in Section 5.1 or otherwise expressly made by or on behalf of Seller elsewhere in this Agreement.


(b) Disclaimer of Representations and Warranties by Seller. Subject only to the representations and warranties expressly set forth in Section 5.1 or any other express representation or warranty otherwise made by or on behalf of Seller elsewhere in this Agreement, neither Seller nor any person or entity acting by or through or on behalf of Seller (including National Viatical, Inc.) has made, and is not now making, any express or implied warranty, guaranty or representation of any kind or character, oral or written, past, present or future of, as to or concerning (i) the nature or condition of the Policies or the other Purchased Assets, (ii) the nature, condition or health of any insured/viator, (iii) the enforceability, validity or status of any of the Policies or the other Purchased Assets, (iv) the condition, nature, solvency or authority of any bonding company associated or affiliated in any manner with any of the Policies, (v) the condition, nature, solvency or authority of any insurance company that issued any of the Policies, (vi) the amount of premiums payable with respect to the Policies in the


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aggregate or any of them individually, the amount of any cash value, accumulated value or other policy benefit or the amount of death benefits available or payable with respect to or under any of the Policies, and/or (vii) the nature or process by which or in which any Policy or other Purchased Asset was acquired by ABC.

(c) No Reliance by Purchaser. With respect to the Policies and the other Purchased Assets, Purchaser has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of Seller or any agent of Seller (including National Viatical, Inc.) that is not set forth in Section 5.1 or otherwise expressly made by or on behalf of Seller in this Agreement, and Purchaser acknowledges that no representations or warranties have been made with respect to the Policies and the other Purchased Assets by or on behalf of Seller other than those representations and warranties set forth in Section 5.1 or otherwise expressly made by or on behalf of Seller in this Agreement. Further, Purchaser represents and warrants that (i) it is a knowledgeable, experienced and sophisticated purchaser with respect to life insurance policies, viaticated life insurance policies and life settlement contracts, (ii) it has conducted such examination and due diligence with respect to the Policies and the other Purchased Assets that in its sole determination has been required in connection with the transactions contemplated by this Agreement, and (iii) it is relying on its own expertise and that of Purchaser's consultants, accountants, actuaries, legal and tax consultants and advisors in determining whether to enter into this Agreement and with respect to the transactions contemplated hereby, including with respect to the purchase of the Policies/Portfolio. Upon Closing, Purchaser shall assume all of the risk that adverse matters, including, but not limited to, adverse and unknown facts which may not have been revealed by Purchaser's due diligence inspection and investigation, might arise following the Closing, and Purchaser hereby waives any claim Purchaser may have now or in the future in connection with any such adverse matters. Without limiting Section 5.1 or any other express representation or warranty made by or on behalf of Seller in this Agreement, at the Closing, Purchaser will accept the Portfolio in its then-current condition, "as is, where is and with all faults." Purchaser further represents and warrants that it has not relied on and will not rely on any oral agreements, warranties or representations with respect to the Policies or any of the other Purchased Assets made by or on behalf of the Receivership Estate, ABC, the Receiver, the Examiner or National Viatical, Inc. The terms and conditions of this Section 1.2 shall expressly survive the Closing and shall not merge with the provisions of any Closing documents. Without limiting Section 5.1 or any other express representation or warranty made by or on behalf of Seller in this Agreement, Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Policies or any other Purchased Asset furnished by any third party. Purchaser acknowledges that the amount of the Purchase Price reflects the "as is, where is and with all faults" nature of the sale of the Purchased Assets contemplated by this Agreement and, without limiting Section 5.1 or any other express representation or warranty made by or on behalf of Seller in this Agreement, reflects any faults, liabilities, defects or other adverse matters that may be associated with the Policies or any other Purchased Asset. Further, Purchaser acknowledges and represents that this Agreement and its provisions (including but not limited to this Section 1.2) have been fully reviewed by counsel of its own choosing, and Purchaser fully understands the significance and effects of this Agreement and its provisions (including but not limited to this Section 1.2). Purchaser further acknowledges that the provisions of this Section 1.2 are an integral part of the Agreement, and that Seller would

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not have agreed to sell the Policies and other Purchased Assets to Purchaser for the Purchase Price set forth herein without such provisions.

## ARTICLE II CONSIDERATION

### Section 2.1 Purchase Price

The aggregate total purchase price for the sale, assignment, transfer, conveyance and delivery of the Policies and other Purchased Assets to Purchaser pursuant to this Agreement is \$33,500,000.00 (the "Purchase Price"), subject to reduction (if any) pursuant to the provisions of Section 3.3(b). The Purchase Price (with the Deposit being credited against such Purchase Price) is payable to Seller at the Closing by wire transfer of immediate funds in United States dollars to the Seller's Account, in accordance with Section 3.2(b).

### Section 2.2 Deposit


Upon mutual execution of this Agreement and within one (1) Business Day following the Execution Date, Purchaser shall remit directly to the Seller's Account by wire transfer the sum of \$3,350,000.00 in United States dollars (including all interest accrued thereon, the "Deposit"), which Deposit shall be held by the Receiver (as an officer of the Court) in escrow in an interest-bearing trust account and be released (i) to Seller at the Closing (for credit against Purchaser's payment of the Purchase Price in accordance with Section 3.2(b)) or pursuant to Section 6.1 or (ii) to Purchaser pursuant to Section 6.2, as applicable. The interest accrued on the Deposit shall become and be a part of the Deposit for all purposes.


## ARTICLE III THE SALE, COURT PROCEDURES AND CLOSING

### Section 3.1 Court Sale Procedures

In accordance with the Court's Order of February 4, 2008, the following procedures shall apply with respect to the sale of the Policies and other Purchased Assets:

(a) Sale Motion; Purchaser as Winning Bidder. Seller has heretofore filed with the Court a Motion to Approve Purchase and Sale Agreement (the "Sale Motion"). On September 23 and September 24, 2008, the Court held an evidentiary hearing to consider the Sale Motion and to entertain qualified offers (in compliance with the qualified offers requirements of the Sale Motion) for the purchase of the Purchased Assets, which qualified offers were entertained by way of an auction conducted by the Receiver under the supervision of the Court (the "Auction"). Purchaser was the winning bidder at the Auction. Following the determination that Purchaser was the winning bidder at the Auction, the hearing on the Sale Motion was continued with respect to the merits of the Sale Motion, and the Court determined that the Purchased Assets should be sold to Purchaser, subject to Purchaser's execution and performance of this Agreement and subject to the entry of an Order from the Court granting the relief requested in the Sale Motion (the "Sale Order") and the other relief identified below. Seller will seek the Court's approval of the sale of the Purchased Assets in accordance with the terms and provisions of this

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Agreement and will seek the other relief identified below with respect to this Agreement and such sale of the Purchased Assets. A Sale Order that approves this Agreement and the transactions contemplated hereby and that authorizes Seller to sell and assign the Purchased Assets to Purchaser in accordance with the terms and provisions of this Agreement is referred to in this Agreement as a "Purchaser Sale Order". Seller shall file proposed findings of fact and conclusions of law with the Court as soon as reasonably possible and will request the entry of a Purchaser Sale Order by the Court granting the relief requested in the Sale Motion, including findings of fact and conclusions of law that:

(i) Purchaser acted in good faith and will be deemed a "good faith purchaser" of the Purchased Assets upon the Closing;

(ii) the Receiver, acting for and on behalf of the Receivership Estate, and Seller have the sole and absolute authority to convey all of the right, title and interest of Seller and ABC in, to and under the Policies and other Purchased Assets;


(iii) upon the Closing, Purchaser will be vested with good and valid title to, and all right, title and interest in, to and under, the Policies and other Purchased Assets, "free and clear" of all Encumbrances;


(iv) the purchase price for the Policies and the other Purchased Assets shall be the Purchase Price as defined herein;

(v) Purchaser shall not be deemed a successor of, and shall not acquire any successor liability for or any other Liability of, any Seller Party as a result of any transaction contemplated by this Agreement (including the sale of the Policies and other Purchased Assets to Purchaser) or otherwise; the sale of the Purchased Assets to Purchaser pursuant to this Agreement is not a *de facto* merger or a consolidation of the business of Purchaser and any Seller Party; Purchaser's business is not a mere continuation of any Seller Party's business; the transactions contemplated by this Agreement are not for the purpose of avoiding any Liability of any Seller Party; and the Seller Parties and each creditor of a Seller Party are precluded and estopped from asserting, at law or in equity, that Purchaser is a successor of any Seller Party;

(vi) neither this Agreement nor any of the transactions contemplated by this Agreement, including the sale of the Purchased Assets to Purchaser in accordance with the terms and provisions of this Agreement, is precluded by or contrary to any prior Order of the Court or any stay, and no further consent or approval of any Person (including any Governmental Authority) is required to convey the Purchased Assets to Purchaser in accordance with the terms and provisions of this Agreement;

(vii) from and after the Closing, Purchaser and any subsequent owner of any Policy shall have the right, from time to time (and at least annually), to obtain updated contact and medical information regarding each viator/insured under such Policy, including (A) pursuant to 45 C.F.R. § 164.512(e)(1)(i), all health care providers who are served with a copy of the Sale Order and a written request by Purchaser or any subsequent owner of such Policy shall be authorized and compelled to immediately release a copy to Purchaser or such subsequent owner of such Policy, as the case may be, of all records relative to the care,

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treatment and health of an insured/viator under such Policy so requested by Purchaser or such subsequent owner thereof, as the case may be, for the purpose of evaluating and predicting health and life expectancy and (B) each insured/viator under such Policy being required to provide Purchaser and any subsequent owner of such Policy with (I) current contact information for such insured/viator, (II) Health Insurance Portability and Accountability Act of 1996 compliant medical authorizations, (III) contact information for all physicians and other medical providers who have treated such insured/viator during the previous five-year period, and (IV) any and all medical information generated during the previous five-year period pertaining to such insured's/viator's health and/or medical condition, and Purchaser and each subsequent owner of such Policy shall be entitled to seek enforcement of this paragraph as to any Person, including by way of example, and not limitation, an application for a finding of contempt;

(viii) the sale, conveyance and transfer of the Purchased Assets to Purchaser pursuant to this Agreement shall not be subject to any sales tax, stamp tax, transfer or recording tax or other similar tax or fee of any Governmental Authority;

(ix) from and after the Closing Date, no Seller Party shall be obligated to pay any premium on any Policy;

(x) as of the Closing, each Seller Party waives any and all claims that such Seller Party may have against Purchaser as the successor of any Seller Party and/or any other claim based on any similar legal or equitable theory; and

(xi) such other and further relief as Seller deems appropriate.


(b) **[Intentionally Deleted]**


### Section 3.2 Closing

(a) Closing and Closing Date. The closing of the transactions contemplated by this Agreement shall take place at a closing (the "Closing") to be held at (i) 10:00 a.m., local time, on the Business Day next following the day on which all of the conditions set forth in Section 3.3(a) and Section 3.3(c) have been satisfied or waived by the respective party (other than any such condition that is to be satisfied at the Closing, but subject to the satisfaction or waiver of such condition), or (ii) such other time and/or on such other day as the parties hereto may mutually agree in writing. The Closing shall take place at Seller's offices or at such other place as the parties hereto may mutually agree in writing. For all purposes of this Agreement, the sale and assignment of the Purchased Assets by Seller to Purchaser pursuant to this Agreement shall be deemed effective, and as having occurred, as of 12:00 a.m., Dallas, Texas time, on the day of the Closing (the "Closing Date").

(b) Purchaser Deliveries. At or prior to the Closing:

(i) Purchaser shall pay to the Seller's Account by wire transfer of immediate funds in United States dollars the amount equal to (A) the Purchase Price plus (B) the Premium Reimbursement Amount minus (C) the Deposit; and

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(ii) Purchaser shall deliver to Seller a certificate, in form and substance reasonably satisfactory to Seller, certifying that the individual executing and delivering this Agreement as an officer of Purchaser had the authority to execute and deliver this Agreement in the name of and on behalf of Purchaser.

(c) Seller Deliveries. At or prior to the Closing:

(i) Seller shall pay to Purchaser the aggregate amount (if any) required to be paid pursuant to clause (i) of the last sentence of Section 4.3(c);

(ii) Seller shall deliver to Purchaser a bill of sale in the form attached hereto as Addendum B (the "Bill of Sale") that has been executed by Seller;


(iii) Seller shall deliver to Purchaser a power of attorney in the form attached hereto as Addendum C (the "Power of Attorney") that has been executed by Seller;


(iv) with respect to each Policy, Seller shall deliver to Purchaser the Requested Form or Forms (with "Requested Form or Forms" meaning such form or forms that Seller has received from each related Insurer that issued or that is administering such Policy in response to Seller's request to such related Insurer for the form or forms required to change the record owner and each beneficiary of such Policy from the current owner to a third party) to change the record owner and each beneficiary of such Policy from the current owner to a third party, each of which Requested Form or Forms shall be fully and properly completed (other than with respect to any information regarding the new owner or beneficiary of such Policy) and executed by the current owner of such Policy (if required);

(v) with respect to each Policy and to the extent possessed by or on behalf of Seller or ABC (including by any Servicer), Seller shall deliver to Purchaser (A) the original of such Policy, or (B) a duplicate of such Policy issued by the related Insurer;

(vi) Seller shall deliver to Purchaser all of the Policy Files (including all originals thereof), and in the case of any Policy File that is in an electronic format, such Policy File shall be delivered to Purchaser by means of electronic transfer via the internet or by other means reasonably acceptable to Purchaser (and in an electronic format reasonably acceptable to Seller and Purchaser); and

(viii) Seller shall deliver to Purchaser a pay-off letter or other document from Lender which concurrently with the Closing (or prior thereto) releases any Encumbrances that Lender may have on any Purchased Asset. Seller shall also deliver to Purchaser either Form UCC-3 Termination Statements with respect to the termination any and all security interests held by Lender in any of the Purchased Assets, or written documentation from Lender (in the form of a pay-off letter or other document) authorizing Seller or Purchaser to file any and all Form UCC-3 Termination Statements with respect to the Purchased Assets from and after Closing. Purchaser acknowledges and agrees that the cost of recording the UCC-3 Termination Statements or other similar instrument shall be borne by Purchaser.

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### Section 3.3 Conditions to Closing; Pre-Closing Confirmation by Purchaser

(a) Conditions to Purchaser's Obligation to Close. The obligation under this Agreement of Purchaser to purchase and accept the Purchased Assets from Seller at the Closing, and to consummate the other transactions contemplated by this Agreement to occur at the Closing, is subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived in whole or in part by Purchaser:

(i) (A) the Court shall have entered a Purchaser Sale Order, in form and substance reasonably satisfactory to Purchaser, containing the findings of fact and conclusions of law set forth in clauses (i) through (xi) of the last sentence of Section 3.1(a), and such Purchaser Sale Order shall be a Final Order, and (B) a period of fifteen (15) Business Days shall have elapsed since the satisfaction of the condition described in Section 3.3(a)(i)(A);

(ii) Seller shall have delivered, or irrevocably tendered delivery of, all of the items set forth in Section 3.2(c) in accordance with the terms thereof;

(iii) there shall have been no material adverse change in the Portfolio since the Execution Date;

(iv) Seller shall have performed and complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Seller at or before the Closing;


(v) the representations and warranties of Seller contained in Section 5.1 of this Agreement shall be true and correct in all material respects as of the Closing Date, as if made at and as of such date;


(vi) no preliminary or permanent injunction or other Order issued by, and no Proceeding before, any Governmental Authority, and no Law, shall be in effect which restrains, enjoins or otherwise prohibits the transactions contemplated by this Agreement; and

(vii) any reduction of the Purchase Price required to be effected pursuant to Section 3.3(b)(i)(C) shall have been agreed upon by Purchaser and Seller.

(b) Pre-Closing Confirmation by Purchaser.

(i) Seller acknowledges and agrees that from and after the entry of a Purchaser Sale Order by the Court, Purchaser at its sole expense shall be entitled to contact the Insurer with respect to each Policy by telephone or otherwise and to obtain information reasonably desirable to facilitate Purchaser's ownership and servicing of such Policy from and after the Closing as well as to confirm any of the information described in clauses (A) through (E) below with respect to such Policy. With respect to each Policy, during the period beginning upon the entry of a Purchaser Sale Order by the Court and ending upon the Closing, and unless Seller has theretofore provided Purchaser with written confirmation from the related Insurer acknowledging that such Insurer will respond to Purchaser's oral and written requests for such information, Seller shall reasonably cooperate, or cause a Servicer to reasonably cooperate, with

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Purchaser to enable Purchaser to so obtain and confirm such information, including by having a representative of Servicer participate in telephone conferences with Purchaser and the Insurer relating to such Policy.

(A) Purchaser shall be permitted to confirm the then-currently payable death benefit of each Policy. In the event that the actual then-currently payable death benefit of any Policy (as confirmed by the related Insurer) is less than the current death benefit of such Policy shown in Addendum A, then the Purchase Price shall be reduced by an amount equal to the following product: The Purchase Price shall be multiplied by a fraction, the denominator of which is the aggregate current death benefits of all the Policies as shown in Addendum A, and the numerator of which is the actual aggregate then current death benefits of all the Policies as confirmed by the related Insurer(s) (or if the actual then current death benefit of any Policy has not been confirmed by an Insurer, then the current death benefit of such Policy as shown in Addendum A shall be used for purposes of the numerator of such fraction).

(B) Purchaser shall be permitted to confirm with respect to each Policy that, since the most recent annual statement for such Policy reviewed by Purchaser prior to the Execution Date, there has been no Policy Loan or cash withdrawal (other than Policy Loans and cash withdrawals used to pay premiums on a Policy). In the event that there has been such a Policy Loan or cash withdrawal (other than Policy Loans and cash withdrawals used to pay premiums on a Policy), in each case as confirmed by the related Insurer, the Purchase Price shall be reduced dollar-for-dollar by the aggregate amount of such Policy Loans and cash withdrawals.

(C) Purchaser shall be permitted to confirm the cash surrender value and account value of each Policy. If the cash surrender value or account value of any Policy (as reflected in the most recent annual statement for such Policy reviewed by Purchaser prior to the Execution Date) has decreased (as confirmed by the related Insurer) by an amount which is in excess of the amount by which such cash surrender value or account value, as the case may be, should have normally decreased since the date of such annual statement, recognizing that Seller may have been using the account value and/or cash surrender value of one or more Policies for the payment of premiums thereon (with such abnormal decrease to be determined in good faith by both Seller and Purchaser or their authorized representatives, including actuaries), then there shall be a reduction of the Purchase Price. Purchaser and Seller shall use their good faith efforts to mutually agree upon such an appropriate reduction of the Purchase Price prior to the Closing.

(D) Purchaser shall be permitted to confirm that none of the Policies has lapsed. If any Policy is confirmed by the related Insurer to have lapsed, then the Purchase Price shall be reduced by an amount equal to the following product: The Purchase Price shall be multiplied by a fraction, the denominator of which is the aggregate current death benefits of all the Policies as shown in Addendum A, and the numerator of which is aggregate current death benefits of all the Policies as shown in Addendum A, other than each such Policy as to which a condition described in clause (i) or (ii) of this Section 3.3(b)(i)(D) has occurred.

(E) With respect to each Policy, Purchaser shall be permitted to confirm that the sole record owner and sole record beneficiary of such Policy is the appropriate trust for which the related Insurer recognizes the Receiver as the trustee thereof or as otherwise having control over such trust pursuant to an Order of the Court or otherwise. If based upon


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such confirmation the record owner and record beneficiary of any Policy do not meet the requirements of the immediately preceding sentence, then Seller (at its sole cost) shall take any and all action necessary to correct the record owner and record beneficiary of such Policy as quickly as possible. If the record ownership and record beneficiary of any Policy is not in accordance with the first sentence of this Section 3.3(b)(i)(E) on the date on which all of the conditions set forth in Section 3.3(a) have been satisfied or waived by Purchaser, then Purchaser may, in its sole discretion, provide the Receiver with written notice, on or prior to the first (1st) Business Day immediately preceding the Closing Date, informing the Receiver that such Policy is a "Removed Policy". If Purchaser so provides the Receiver with any such notice, then the Purchase Price payable at Closing by Purchaser shall not be reduced; provided, however, that Seller shall not assign and transfer such Removed Policy to Purchaser at Closing; and provided further, that Seller shall, with respect to any Removed Policy, hold and retain in escrow an amount equal to the following product: The Purchase Price shall be multiplied by a fraction, the denominator of which is the aggregate current death benefits of all the Policies as shown in Addendum A, and the numerator of which is aggregate current death benefits of all the Policies as shown in Addendum A, other than the death benefit the Removed Policy. If during the sixty (60) day period beginning on the Closing Date, the Receiver provides Purchaser with written documentation satisfactory to Purchaser demonstrating with respect to any Removed Policy that the record ownership and record beneficiary status of such Removed Policy is in accordance with the first sentence of this Section 3.3(b)(i)(E), then Seller shall assign and transfer the Removed Policy to Purchaser, and the funds being held in escrow with respect to such Removed Policy shall be released to Seller. If upon the expiration of the sixty (60) day period beginning on the Closing Date, the Receiver has not provided Purchaser with written documentation satisfactory to Purchaser demonstrating with respect to any Removed Policy that the record ownership and record beneficiary status of such Removed Policy is in accordance with the first sentence of this Section 3.3(b)(i)(E), then the Removed Policy shall not be assigned and transferred to Purchaser, and the funds being held in escrow with respect to such Removed Policy shall be released to Purchaser.

(ii) If upon receiving from a related Insurer the information set forth above with respect to any Policy, Purchaser believes that any of the adjustments or actions set forth in any of clauses (A) through (E) of Section 3.3(b)(i) are required to be made or taken, and Purchaser desires that any such adjustment or action be made or taken, as the case may be, Purchaser shall provide Seller with written notice detailing the facts that Purchaser believes require such adjustment or action to be made or taken, together with any documentation in the possession of Purchaser supporting the proposed adjustment or action (other than any confidential or proprietary documentation). Any such written notice from Purchaser must be provided to Seller on or prior to the eleventh (11th) Business Day immediately following the date upon which the condition described in Section 3.3(a)(i)(A) is satisfied.

(iii) Seller and Purchaser acknowledge and agree that clauses (A) through (E) of Section 3.3(b)(i) are independent of each other and that the Purchase Price may be reduced pursuant to any one or more of such clauses in accordance with their respective terms; provided, however, the Purchase Price shall not be reduced more than once with respect to any single Policy pursuant to clauses (A), (D) and (E).

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(c) Conditions to Seller's Obligation to Close. The obligation under this Agreement of Seller to sell and assign the Purchased Assets to Purchaser at the Closing, and to consummate the other transactions contemplated by this Agreement to occur at the Closing, is subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived in whole or in part by Seller:

(vii) the Court shall have entered a Purchaser Sale Order;

(viii) Purchaser shall have delivered, or irrevocably tendered delivery of, all of the items set forth in Section 3.2(b) in accordance with the terms thereof;

(ix) Purchaser shall have performed and complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Purchaser at or before the Closing;

(x) the representations and warranties of Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as of the Closing Date, as if made at and as of such date; and

(xi) no preliminary or permanent injunction or other Order issued by, and no Proceeding before, any Governmental Authority, and no Law, shall be in effect which restrains, enjoins or otherwise prohibits the transactions contemplated by this Agreement.


### **Section 3.4 Closing Costs and Other Expenses of the Transaction**

Each party hereto will bear its own costs, fees and expenses incident to its negotiation and preparation of this Agreement and to its performance and compliance with all agreements contained herein on its part to be performed, including the fees, expenses and disbursements of its respective professionals, agents and representatives. Purchaser shall be solely responsible for all costs and expenses (including the transfer, recordation or similar fees, if any, imposed by the insurance companies that issued the Policies) relating in any manner to any releases of assignment and any subsequent recordation of assignments, transfers of ownership, changes of beneficiary or other similar actions with respect to the Policies which shall be required to effect the transactions contemplated by this Agreement and shall be solely responsible for paying any other recording costs; provided, however, that Seller shall bear the costs of correcting any record owner or record beneficiary of a Policy as provided in Section 3.3(b)(i)(E).

## **ARTICLE IV COVENANTS PENDING CLOSING AND COVENANTS AFTER CLOSING**

### **Section 4.1 General**

Each of the parties hereto shall use its best efforts to (a) take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement, and (b) cause the fulfillment on the earliest practicable date of all conditions to the other party's obligation to consummate the transactions

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contemplated by this Agreement to occur at the Closing (as set forth in Section 3.3(a) and Section 3.3(c)).

#### **Section 4.2 Notices and Consents**

To the best of Seller's knowledge and belief, Seller has given all notices to creditors or third parties to the extent that such notices were required by the Court, and Seller will use its best efforts to consummate the transactions contemplated by this Agreement.

#### **Section 4.3 Actions Pending Closing and Notice of Material Adverse Change**

(a) Except as ordered by the Court (but without limiting Section 4.1) or consented to by Purchaser (in its sole discretion) in writing, while this Agreement is in force and between the Execution Date and the Closing (the "Interim Period"), Seller shall not take any action inconsistent with the transactions contemplated hereby. Without limiting the immediately preceding sentence, during the Interim Period, Seller shall not seek or accept, or seek the Court's approval of, any offer by a Person other than Purchaser to purchase the Portfolio or any Policy or any interest in the Portfolio or any Policy. Seller will give prompt written notice to Purchaser of any material adverse change in the Portfolio. Without limiting the foregoing, except as otherwise contemplated herein or with the prior written consent of Purchaser or as directed by the Court, during the Interim Period, Seller shall, and shall cause each Servicer, agent and other representative of Seller or ABC to, preserve, maintain, administer and service the Policies and other Purchased Assets in the ordinary course consistent with past practices in effect on the Execution Date, including by not (i) selling, transferring or otherwise disposing of any Purchased Asset or interest therein, (ii) surrendering or changing the owner or any beneficiary of, or submitting any request or direction to surrender or change the owner or any beneficiary of, any Policy, (iii) incurring any Policy Loan on any Policy or making any withdrawal under any Policy (but without in any manner limiting Seller's right to use a Policy's account value and/or cash surrender value for the payment of premiums thereon), (iv) amending, modifying, supplementing or otherwise changing any term or provision of any Policy or consenting to any such amendment, modification, supplement or other change, (v) permitting any Purchased Asset to become subject to any Encumbrance or (vi) agreeing to take any action that is not permitted by any of clauses (i) through (v).

(b) Purchaser will be obligated to reimburse Seller at the Closing for the Premium Reimbursement Amount in accordance with Section 3.2(b)(i). Purchaser understands and acknowledges that, in some instances, Seller is using account values and/or cash surrender values within one or more of the Policies to pay premium obligations on such Policies. As to those Policies with respect to which the account value or cash surrender value is being reduced by the use of such account value or cash surrender value to pay premiums, Purchaser shall have no obligation to reimburse Seller for the amount of the account value or cash surrender value used to pay premiums; provided, however, that if Seller does make any actual cash payments of premiums on any such Policies during the period beginning on the Effective Date and ending on the day immediately preceding the Closing Date, Purchaser shall be required to reimburse Seller at the Closing (in accordance with Section 3.2(b)(i)) for the amount of any such actual cash payments made.

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(c) From and after the Execution Date, all death benefits payable under, pursuant to or otherwise in respect of, any Policy shall inure to the benefit of Purchaser upon the Closing. Any of such benefits or other proceeds or amounts received by or on behalf of Seller or ABC (including by any Servicer) on or after the Execution Date shall be deposited by Seller in an interest-bearing account for the benefit of Purchaser and (i) if so received prior to the Closing Date, shall be paid, together with accrued interest thereon, by Seller to Purchaser at the Closing in accordance with Section 3.2(c)(i), and (ii) if so received on or after the Closing Date, shall be paid by Seller to Purchaser within three (3) Business Days of such receipt.

#### **Section 4.4 Post-Closing Actions**

(a) If at or following the Closing any further action is necessary or reasonably desirable to carry out the purposes of this Agreement, each of the parties hereto will take such further action (including, without limitation, the execution and delivery of such further instruments and documents) as the other party reasonably may request. The obligations of the parties under this Section 4.4 relating to post-Closing actions shall survive the Closing of this Agreement.

(b) Without limiting Section 4.4(a), it is expressly understood and agreed that once Purchaser receives from Seller at Closing the signed ownership and beneficiary transfer forms with respect to the Policies (in accordance with Section 3.2(c)(iv)), Purchaser shall, at Purchaser's sole expense, have the sole responsibility for submitting such forms to the respective Insurers and for taking all actions necessary or required by the Insurers to effect the ownership and beneficiary transfers of the Policies.

(c) Seller shall promptly forward to Purchaser any written correspondence, notice or other communication relating to any Purchased Asset that is received by or on behalf of the Receiver, the Receivership Estate, the Examiner or ABC (including by any Servicer) on or after the Closing Date.


### **ARTICLE V REPRESENTATIONS AND WARRANTIES**

#### **Section 5.1 Representations and Warranties of Seller**

Seller represents and warrants to Purchaser on and as of the date hereof as follows:

(a) Status as Receiver. Michael J. Quilling is the duly appointed and acting receiver for ABC.

(b) Due Authorization and Validity of Transaction Documents. Subject to Court approval, Seller has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents, and the Receiver has all requisite power and authority to execute and deliver this Agreement and each of the other Transaction Documents on behalf of Seller. Subject to Court approval, Seller has duly executed and delivered this Agreement, and when delivered by Seller in accordance with this Agreement, each of the other Transaction Documents will be duly executed and delivered by Seller.

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Assuming the due authorization, execution and delivery of this Agreement by Purchaser, this Agreement constitutes, and each of the other Transaction Documents when executed and delivered by Seller in accordance with this Agreement will constitute, a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

(c) Absence of Conflicts; Consents. The execution and delivery by Seller of this Agreement, and the performance by Seller of its obligations hereunder, including, without limitation, the sale and assignment of the Purchased Assets to Purchaser at the Closing free and clear of all Encumbrances, do not and will not:

(i) conflict with or result in a violation, breach, termination or default, with the giving of notice or passage of time or both, of any term or provision, or result in the creation of any Encumbrance upon any of the Purchased Assets, under (A) any agreement, instrument, Order, judgment, injunction or decree to which Seller is a party, or by which Seller or any of its assets (including any Purchased Asset) is bound or (B) any Law applicable to Seller or any Purchased Asset; or

(ii) except for the entry of the Sale Order by the Court or as otherwise expressly required by the terms of this Agreement, require Seller to make, obtain or provide any consent, waiver, approval, license, Order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any Governmental Authority or other Person.

(d) Legal Proceedings. Other than the Receivership Proceeding, there is no pending Proceeding or, to the knowledge of Seller, threatened Proceeding (i) that challenges the enforceability of this Agreement against Seller or (ii) that could reasonably be expected to have (A) the effect of preventing, delaying, making illegal or otherwise challenging Seller's performance of any obligation hereunder in accordance with the terms of this Agreement or (B) a material adverse effect on any one or more Policies or Purchaser's interest therein from and after the Closing.

(e) Status of Policies.

(i) To the best of Seller's knowledge and belief, the premiums are current with respect to each of the Policies, and each of the Policies listed on Addendum A is in force and transferable.

(ii) Except as otherwise contemplated herein or following the prior written consent of Purchaser or as directed by the Court, at all times since the Effective Date, Seller has, and each Servicer, agent and other representative of Seller or ABC have, conducted their business in respect of the Policies and other Purchased Assets in the ordinary course consistent with the practices of the Receiver in effect on the Effective Date, including by not (A) selling, transferring or otherwise disposing of any Purchased Asset or interest therein, (B) surrendering or changing the owner or any beneficiary of, or submitting any request or direction to surrender or change the owner or any beneficiary of, any Policy, (C) incurring any Policy Loan on any Policy or making any withdrawal under any Policy (but without limiting Seller's right to use a Policy's account value and cash surrender value for the payment of premiums thereon), (D)

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amending, modifying, supplementing or otherwise changing any term or provision of any Policy or consenting to any such amendment, modification, supplement or other change, (E) permitting any Purchased Asset to become subject to any Encumbrance, or (F) agreeing to take any action that is not permitted by any of clauses (A) through (E).

(iii) Seller has not received any notice from any related Insurer with respect to any proposed rescission of any of the Policies.

(iv) Each insured listed in Addendum D hereto is deceased.

(f) Good and Valid Title. At Closing, Seller will transfer to Purchaser good and valid title to the Policies and other Purchased Assets, free and clear of all Encumbrances, except to the extent the Receiver or the Receivership Estate is then recorded by an Insurer as the sole owner of a Policy and/or the sole, but not irrevocable, beneficiary of a Policy.

(g) Diligence Information. Neither Seller nor any of its agents or representatives (including any Servicer) fabricated, altered or otherwise modified any of the information that has been furnished by or on behalf of Seller to Purchaser (or to any Affiliate of Purchaser or to any agent or representative of Purchaser or any such Affiliate) in connection with Purchaser's evaluation of the Purchased Assets. Seller has provided or made available to Purchaser, via the information posted on the website maintained by the Receiver or otherwise, all information possessed or otherwise maintained by or on behalf of Seller or ABC (including by any Servicer) that relates to the Policies and that Seller believes a reasonable purchaser of the Policies would consider material in deciding whether to purchase the Policies, and Seller has made available to Purchaser the same information regarding the Policies that Seller has made available to any other Person that has expressed an interest in purchasing the Policies.


(h) No Broker's Commission. Seller has not entered into any agreement, arrangement or understanding with any person or entity that could result in an obligation by Purchaser to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement.


## **Section 5.2 Representations and Warranties of Purchaser**

Purchaser represents and warrants to Seller on and as of the date hereof as follows:

(a) Financial Ability of Purchaser. Purchaser has the financial ability to consummate the proposed purchase of the Portfolio and the transactions contemplated by this Agreement.

(b) Due Authorization and Validity of Agreement. Purchaser has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement. Purchaser has taken all necessary corporate action to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. Purchaser has duly executed and delivered this Agreement. Assuming the due authorization, execution and delivery of this Agreement by Seller and the approval of this Agreement by the Court, this Agreement constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except to the extent that enforcement may be limited by applicable

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bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally and subject to the application of equitable principles and the availability of equitable remedies.

(c) Absence of Conflicts; Consents. The execution and delivery by Purchaser of this Agreement, and the performance by Purchaser of its obligations hereunder, including, without limitation, the purchase and acceptance of the Purchased Assets by Purchaser at the Closing, do not and will not:

(i) conflict with or result in a violation, breach, termination or default, with the giving of notice or passage of time or both, of any term or provision under (A) the articles of incorporation, certificate of organization, bylaws or other similar organizational and/or governing documents of Purchaser, (B) any agreement, instrument, Order, judgment, injunction or decree to which Purchaser is a party, or by which Purchaser or any of its assets is bound or (C) any Law applicable to Purchaser; or

(ii) except for the entry of the Sale Order by the Court or otherwise expressly required by the terms of this Agreement, require Purchaser to make, obtain or provide any consent, waiver, approval, license, Order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any Governmental Authority or other Person.

(d) Organizational Status. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia.

(e) No Broker's Commission. Purchaser has not entered into any agreement, arrangement or understanding with any person or entity that could result in an obligation by Seller to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement.


## ARTICLE VI REMEDIES


### Section 6.1 Seller's Remedies

In the event this Agreement is terminated pursuant to, and in accordance with, Section 7.1(b), the Deposit shall be released to Seller and Seller shall be entitled to retain the Deposit as liquidated damages and not as a penalty, in full satisfaction of all claims against Purchaser hereunder and as Seller's exclusive remedy hereunder. Seller and Purchaser agree that Seller's damages resulting from a breach hereunder by Purchaser are difficult, if not impossible, to determine and that the Deposit is a fair and reasonable estimate of those damages, which has been agreed to in an effort to cause the amount of said damages to be certain.

### Section 6.2 Purchaser's Remedies

In the event this Agreement is terminated pursuant to, and in accordance with, Section 7.1(a), Section 7.1(c), Section 7.1(d), Section 7.1(e), Section 7.1(f) or Section 7.1(g),

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Seller shall return the Deposit to Purchaser in immediate funds within three (3) Business Days of such termination. IN NO EVENT SHALL MICHAEL J. QUILLING, THE RECEIVER, THE RECEIVERSHIP ESTATE, ABC, THE EXAMINER, NATIONAL VIATICAL, INC. OR THEIR DIRECT OR INDIRECT PARTNERS, SHAREHOLDERS, OWNERS OR AFFILIATES, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE FOREGOING, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF, HAVE ANY LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER BASED ON CONTRACT, TORT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE, NOTWITHSTANDING ANY PROVISION CONTAINED HEREIN TO THE CONTRARY; PROVIDED, HOWEVER, THAT IF PURCHASER IS ENTITLED TO A RETURN OF THE DEPOSIT AS PROVIDED BY THE TERMS AND CONDITIONS OF THIS AGREEMENT, SELLER SHALL BE OBLIGATED TO RETURN THE DEPOSIT TO PURCHASER IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT.

### **Section 6.3 Exclusive Venue for Resolving Disputes**

Any dispute relating to or arising out of or in connection with this Agreement shall be resolved exclusively by the United States District Court for the Northern District of Texas, Dallas Division, presiding over the Receivership Proceeding, and Purchaser hereby expressly consents to the exclusive jurisdiction of the Court for such purposes.

## **ARTICLE VII TERMINATION**

### **Section 7.1 Termination**

This Agreement may be terminated at any time before the Closing Date as follows and in no other manner:

(a) upon the mutual written agreement of the parties hereto;

(b) if (i) Purchaser shall have materially breached any representation or warranty contained in this Agreement or shall have failed to perform or comply with any covenant, obligation or agreement contained in this Agreement and (ii) such breach or failure shall have not been cured within five (5) Business Days after written notice of such breach or failure shall have been provided by Seller to Purchaser, upon written notice of termination given by Seller to Purchaser at any time thereafter; provided, however, Seller shall not be entitled to so terminate this Agreement if Seller shall have materially breached any representation or warranty contained in this Agreement, or shall have materially failed to perform or comply with any covenant, obligation or agreement contained in this Agreement, and such breach or failure shall have not then been cured;

(c) if (i) Seller shall have materially breached any representation or warranty contained in this Agreement or shall have failed to perform or comply with any covenant, obligation or agreement contained in this Agreement and (ii) such breach or failure shall have

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not been cured within five (5) Business Days after written notice of such breach or failure shall have been provided by Purchaser to Seller, upon written notice of termination given by Purchaser to Seller at any time thereafter; provided, however, Purchaser shall not be entitled to so terminate this Agreement if Purchaser shall have materially breached any representation or warranty contained in this Agreement, or shall have materially failed to perform or comply with any covenant, obligation or agreement contained in this Agreement, and such breach or failure shall have not then been cured;

(d) upon written notice thereof given by Purchaser to Seller at any time after the one hundred twentieth (120th) day following the date of this Agreement, if the condition described in Section 3.3(a)(i)(A) has not been satisfied or waived by Purchaser;

(e) upon written notice thereof given by Purchaser to Seller, or by Seller to Purchaser, at any time after the one hundred and eightieth (180th) day following the Execution Date, if the Closing Date has not occurred; or

(f) upon written notice thereof given by Purchaser to Seller, if Seller shall have sold the Portfolio or any Policy or any interest in the Portfolio or any Policy to any Person other than Purchaser; or

(g) upon written notice thereof given by Purchaser to Seller if the Purchase Price can be reduced by more than twenty percent (20%) pursuant to Section 3.3(b)(i).

## **Section 7.2 [Intentionally Deleted]**


## **Section 7.3 Effect of Termination**


If this Agreement is terminated pursuant to, and in accordance with, Section 7.1, this Agreement will thereupon become null and void (except to the extent provided in the immediately following sentence), and there will be no further liability or obligation on the part of the parties hereto in connection with this Agreement, except (i) with respect to a failure by a party to close after all of the conditions to Closing for its benefit set forth in Section 3.3(a) or Section 3.3(c), as applicable, have been satisfied (or, to the extent applicable, full and complete performance thereof has been tendered) or waived and (ii) as provided in Section 6.1 and Section 6.2. Notwithstanding any termination of this Agreement, Section 2.2, Section 3.4, Article VI, Article VII and Article VIII shall survive such termination.

## **ARTICLE VIII MISCELLANEOUS**

## **Section 8.1 Entire Agreement**

This Agreement and the other Transaction Documents constitute the entire agreement between the parties hereto with respect to the subject matter hereof. There are no other agreements, oral or written, between the parties hereto, and this Agreement supersedes any and all prior negotiations, discussions, correspondence, communications, representations, understandings, proposals, drafts and agreements, written or oral, between the parties hereto

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relating to the subject matter hereof, all of which are merged into this Agreement. This Agreement can be amended, modified, supplemented or restated, and the terms hereof can be waived, only by written agreement signed by the parties hereto.

## **Section 8.2 Agreement Binding on Parties**

This Agreement, and the terms, covenants, and conditions herein contained, shall inure to the benefit of and be binding upon the personal representatives, successors, and assigns of each of the parties hereto. Seller and Purchaser expressly agree that Purchaser shall have the right, prior to or at Closing and without Seller's consent, to assign all of its rights, interests and obligations under this Agreement to an Affiliate of Purchaser (the "Assignee"), with the result that the Assignee may purchase the Portfolio. In the event that Purchaser shall assign its rights, interests and obligations to the Assignee, then all references to "Purchaser" hereunder shall be deemed and construed to mean such Assignee, and all of the terms, conditions, provisions and obligations of this Agreement (including but not limited to the representations and warranties of Purchaser as set forth in Section 5.2 other than Section 5.2(d), which shall be construed in the context of Assignee's organizational type if it is not a Georgia corporation) shall apply to such Assignee just the same as if such Assignee had originally executed this Agreement as the Purchaser. In the event that Purchaser shall assign its rights, interests and obligations to the Assignee, the Deposit shall be deemed to have been paid solely by the Assignee.

## **Section 8.3 Notices**

All notices, requests, approvals, consents and other communications required or permitted under this Agreement ("Notices") must be in writing and are effective:


(a) on the Business Day sent if (i) sent by telecopier or facsimile prior to 5:00 p.m. Dallas, Texas time, (ii) the sending telecopier or facsimile generates a written confirmation of sending and (iii) a confirming copy is sent on the same Business Day by one of the other methods specified below;


(b) on the next Business Day after delivery to a nationally recognized overnight courier service for prepaid overnight delivery;

(c) three (3) days after being deposited in the United States mail, certified, return receipt requested, postage prepaid; or

(d) upon receipt or refusal of delivery if delivered by any method other than the methods specified above.

All Notices must be sent to the address for each party specified below or to any other address any party specifies by ten (10) days' prior written notice to the other party, with such written notice of a change of address to be given by one of the methods set forth in (a), (b) or (c) above.

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Seller: ABC Viaticals, Inc.  
c/o Michael J. Quilling, Receiver  
Quilling, Selander, Cummiskey & Lownds, P.C.  
2001 Bryan Street, Suite 1800  
Dallas, TX 75201  
Fax: (214) 871-2111  
  
Email: mquilling@qsclpc.com

With a copy to:

Steven Harr, Examiner  
Munsch, Hardt, Kopf & Harr, P.C.  
3800 Lincoln Plaza  
500 North Akard Street  
Dallas, TX 75201  
Fax: (214) 978-4307  
  
Email: sharr@munsch.com

Purchaser: Settlement Group, Inc.  
300 Osborne Street  
Saint Marys, Georgia 31558  
Fax: (912) 882-0609  
  
Email: jlucent@lifesettlementgrp.com

With a copy to:

[NAME OF FIRM]  
[STREET ADDRESS]  
[CITY, STATE, ZIP CODE]  
Attention: \_\_\_\_\_  
Fax: (XXX) YYY-ZZZZ  
  
Email: \_\_\_\_\_


#### **Section 8.4 Time of the Essence**

Time is of the essence in all things pertaining to the performance of this Agreement.

#### **Section 8.5 Place of Performance and Choice of Law**

This Agreement is made and shall be performable solely in Dallas, Texas, and this Agreement shall be construed in accordance with the laws of the State of Texas without regard to principles of conflicts of law.

  
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#### **Section 8.6 Currency**

All dollar amounts set forth herein are expressed in United States currency.

#### **Section 8.7 Section Headings**

The section headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several sections hereof.

#### **Section 8.8 Multiple Counterparts**

This Agreement may be executed in multiple counterparts, each of which is to be deemed an original for all purposes. This Agreement may be executed by facsimile or other electronic signature, with such facsimile or other electronic signature to be as valid and binding as an original signature.

#### **Section 8.9 Severability**

If any provision of this Agreement or application of any such provision to any party or circumstance shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such party or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by Law.

#### **Section 8.10 Certain Definitions and Rules of Construction**

(a) Certain Definitions. In addition to the defined terms set forth hereinabove in the preamble and in the Recitals and the defined terms which are introduced elsewhere within the provisions of this Agreement, the following terms shall have the following meanings for all purposes of this Agreement:

"Affiliate" of a specified Person means any other Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person. As used in the foregoing sentence, the term "control" (including, with correlative meaning, the terms "controlling," "controlled by" and "under common control with") means the power to direct the management and/or the policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Bonding Document" means any agreement, instrument or other document evidencing or otherwise relating to the coverage provided by Albatross/Unicredit Xelion Bank or International Fidelity & Surety.

"Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions located in Dallas, Texas or Atlanta, Georgia are required or authorized to close.

**PURCHASE AND SALE AGREEMENT**  
(Initials of Seller)

**Page 22**  
(Initials of Purchaser)

"Encumbrance" means any lien, Liability, pledge, mortgage, security interest, claim, charge, option, right of first refusal or offer or other preferential right or interest, restriction, conditional sale or other title retention agreement, right of ownership or other similar interest (including any participation or beneficiary interest), easement or other encumbrance of any kind, including, without limitation, of the Lender.

"Examiner" means Steven A. Harr or his successor in interest acting in the capacity as examiner for the Receivership and as appointed by the Court.

"Execution Date" means the date on which a fully-executed copy of this Agreement is delivered to Purchaser as evidenced by the completion by Seller of the blank marked "Execution Date" on the signature page of this Agreement.

"Final Order" means an order or judgment, the operation or effect of which has not been stayed, reversed or amended and as to which order or judgment (or any revision, modification or amendment thereto) the time to appeal or to seek review or rehearing has expired and as to which no appeal or petition for review or rehearing has been filed or, if filed, remains pending.

"Governmental Authority" means any local, state, federal or foreign government or any agency, bureau, board, commission, court, department, political subdivision, tribunal or other instrumentality of any such government.


"Insurer" means, with respect to a life insurance policy (including a Policy), the insurance company that is obligated to pay the related death benefit pursuant to the terms of such life insurance policy.


"Law" means any statute, law, ordinance, treaty, regulation, rule, code or other pronouncement having the effect of law of any Governmental Authority.

"Liabilities" means any and all debts, indebtedness, losses, claims, damages, costs, expenses, interest, demands, fines, judgments, penalties, liabilities, commitments, guarantees, responsibilities and obligations of any kind or nature whatsoever, whether or not fixed, contingent or absolute, direct or indirect, matured or unmatured, liquidated or unliquidated, accrued or unaccrued or known or unknown and whether imposed by agreement, understanding, Law, equity or otherwise.

"Order" means any judgment, order, injunction, writ, ruling, decree (including any consent decree), stipulation, award or similar order of any Governmental Authority or private arbitration tribunal (in each case whether preliminary or final).

"Person" means any natural person, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, proprietorship, business or statutory trust, trust, union, association, instrumentality, Governmental Authority or other entity, enterprise, authority, unincorporated organization or business organization.

  
PURCHASE AND SALE AGREEMENT  
(Initials of Seller)

  
Page 23  
(Initials of Purchaser)

"Policies" has the meaning set forth in the recitals hereof, and shall include all related applications, amendments, endorsements, schedules, supplements and riders.


"Policy Files" means, collectively, to the extent possessed or otherwise maintained on the Closing Date by or on behalf of Seller or ABC (including by any Servicer), all files, documents, agreements, instruments, papers, correspondence, communications, books and records (including all originals thereof), whether in physical, electronic or other form or medium, evidencing or otherwise relating to a Policy or any insured thereunder or any spouse, other relative, physician or designated contact of any insured thereunder, including, without limitation: (i) all purchase agreements (other than this Agreement) pursuant to which any Policy, or any interest therein, was sold or otherwise transferred, including each life/viatical settlement agreement or other purchase agreement pursuant to which Seller or ABC acquired any Policy; (ii) each agreement, instrument or other document executed or delivered in connection with a transaction contemplated by a purchase agreement described in clause (i); (iii) all records incident to the ownership, maintenance, servicing, custody or administration of the Policies, including with respect to the making of premium payments thereon and the receipt of proceeds (loan, withdrawal or other) therefrom; (iv) all annual statements, verifications of coverage and similar documents in respect of the Policies; (v) all correspondence relating to the Policies or any insured thereunder from or to such an insured, a previous owner of a Policy or any Insurer; (vi) all actuarial studies and appraisals with respect to the Policies and all life expectancy reports with respect to the insureds thereunder; (vii) all information, instruments and other documents evidencing or otherwise relating to any change, amendment or other modification to any term or provision of any Policy; and (viii) all health and medical information and other data and information with respect to the insureds under the Policies, including all tracking information regarding the health status and physical location of such insureds and their respective designated contacts; provided, however, Policy Files shall not include (A) any nonpublic personal information regarding any third party investor that has a claim against the Receivership Estate pursuant to the pooling order issued by the Court, and/or (B) any privileged or confidential information or attorney work product that relates to a Policy or that otherwise is described in (i) through (viii) above, and none of such nonpublic personal information, privileged or confidential information or attorney work product shall constitute a Purchased Asset.

"Policy Loan" means, with respect to any Policy, any loan or other cash advance against the cash value of such Policy.

"Proceeding" means any claim, action, arbitration, audit, hearing, investigation, litigation, complaint, counterclaim, joinder, suit, order, notice of violation or other proceeding (whether civil, criminal, administrative, investigative or informal and whether in law or in equity) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

"Seller Parties" means, collectively, the Receiver, the Receivership Estate, ABC and any Affiliate of the Receivership Estate or ABC.

"Seller's Account" means, with respect to any payment required to be made by Purchaser to Seller pursuant to this Agreement, a deposit account established by the Receiver having the wire transfer instructions set forth in Addendum E hereto or such other deposit

**PURCHASE AND SALE AGREEMENT**  
 (initials of Seller)

 (initials of Purchaser) **Page 24**

account in the United States of which Seller has provided Purchaser with written notice, including wire transfer instructions therefor, at least two Business Days prior to the date upon which Seller is required to make such payment pursuant to this Agreement.

"Servicer" means National Viatical, Inc. and each other Person which has prior to the Closing Date (including prior to the date hereof) managed, administered, serviced or held custody of any of the Policies or other Purchased Assets on behalf of Seller or ABC.

"Transaction Documents" means, collectively, this Agreement, the Bill of Sale and the Power of Attorney.

(b) Certain Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided for herein or unless the context of this Agreement otherwise requires:

(i) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation,"

(ii) the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, addendum, schedule and exhibit references refer to this Agreement unless otherwise specified;

(iii) the meanings given to terms defined herein are equally applicable to both singular and plural forms of such terms;

(iv) unless the context otherwise requires, a reference herein to any party to this Agreement or any other agreement or document includes such party's permitted successors and permitted assigns;

(v) a reference herein to any agreement (including, without limitation, to this Agreement) or other document is to such agreement or other document (together with the addenda, schedules, exhibits and other attachments thereto) as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time in accordance with its terms; and

(vi) a reference herein to any legislation or to any provision of any legislation includes any modification or re-enactment thereof (including prior to the date hereof), any legislative provision substituted therefor and all regulations and rules issued thereunder or pursuant thereto.

[SIGNATURE PAGE FOLLOWS]

 **PURCHASE AND SALE AGREEMENT**  
(initials of Seller)

 **Page 25**  
(initials of Purchaser)



IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective authorized representatives to be effective as of the Execution Date.

Execution Date: 10/3/08, 2008

SELLER:

Receivership Estate for ABC Viaticals, Inc.  
and the other Defendants, Relief Defendants and  
Trusts

By: 

Michael J. Quilling,  
as Receiver for the Receivership Estate of  
ABC Viaticals, Inc. and the other  
Defendants, Relief Defendants and Trusts,  
and not individually

PURCHASER:

Settlement Group, Inc.,  
a Georgia corporation

By: 

Name: Joe Lucent  
Title: President

Addendum A  
To  
Purchase and Sale Agreement

List of the Policies


<u>Viator</u>	<u>Insurer</u>	<u>Current Death Benefit</u>
ACK-M	Columbus Life Insurance Company	\$5,000,000.00
BAL-G	Annuity Company	\$1,000,000.00
BER-S	Security Life of Denver Insurance Company (ING)	\$5,000,000.00
BRA-G	C. M. Life Insurance Company (Mass Mutual)	\$4,000,000.00
CHO-C	Columbus Life Insurance Company	\$5,000,000.00
COH-J	Columbus Life Insurance Company	\$5,000,000.00
COM-R	ReliaStar Life Insurance Company (ING)	\$12,000,000.00
CRA-D&C	MONY Life Insurance Company of America	\$3,750,000.00
DAV-F	Columbus Life Insurance Company	\$5,000,000.00
DUF-G (1)	Massachusetts Mutual Life Insurance Company	\$1,500,000.00
DUF-G (2)	Massachusetts Mutual Life Insurance Company	\$1,500,000.00
DUF-G (3)	Hartford Life & Annuity Insurance Company	\$3,000,000.00
DUF-J	ReliaStar Life Insurance Company (ING)	\$3,000,000.00
FAR-W	Columbus Life Insurance Company	\$5,000,000.00
FIE-T	Reassure America Life Insurance Company	\$500,000.00
FRI-E	West Coast Life Insurance Company	\$1,000,000.00
GOL-A (1)	Massachusetts Mutual Life Insurance Company	\$12,403,786.00
GOL-A (2)	Massachusetts Mutual Life Insurance Company	\$5,000,000.00
GOM-J	Columbus Life Insurance Company	\$5,000,000.00
HAR-F&J	Massachusetts Mutual Life Insurance Company	\$3,000,000.00
HAR-R	The United States Life Insurance Company of New York (AIG)	\$200,000.00
JAC-C	Columbus Life Insurance Company	\$5,000,000.00
KAP-M (1)	North American Company for Life and Health Insurance	\$369,875.00
KAP-M (2)	Transamerica Occidental Life Insurance Company	\$204,872.00
KAU-E	United of Omaha Life Insurance Company (Mutual of Omaha)	\$2,000,000.00
KES-C	Transamerica Occidental Life Insurance Company	\$900,000.00
KES-S&C (1)	The Manufacturers Life Insurance Company (USA) (John Hancock)	\$4,000,000.00
KES-S&C (2)	C. M. Life Insurance Company (Mass Mutual)	\$5,000,000.00
KES-S&C (3)	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$3,875,000.00
KES-S&C (4)	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$5,000,000.00
KES-S&C (5)	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$10,000,000.00
KES-S&C (6)	Security Life of Denver Insurance Company (ING)	\$9,186,500.00
KES-S&C (7)	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$5,000,000.00
KES-S&C (8)	The Old One Life Insurance Company of America (American General)	\$1,000,000.00
KES-S&C (9)	C. M. Life Insurance Company (Mass Mutual)	\$1,750,000.00
KIM-H	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$20,000,000.00
KIR-J	Transamerica Occidental Life Insurance Company	\$1,000,000.00
LAN-H	Security Life of Denver Insurance Company (ING)	\$100,000.00
LAN-W	Columbus Life Insurance Company	\$5,000,000.00
LEF-M (1)	New York Life Insurance and Annuity Company	\$2,000,000.00
LEF-M (2)	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$2,000,000.00
MOS-M (1)	American General Life Insurance Company (AIG)	\$1,000,000.00
MOS-M (2)	Columbus Life Insurance Company	\$5,000,000.00
(Addendum A Continues on the Following Page)		

**PURCHASE AND SALE AGREEMENT**  
(Initials of Seller)

**Page 27**  
(Initials of Purchaser)

POW-W	Transamerica Occidental Life Insurance Company	\$1,000,000.00
ROG-L (1)	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$2,000,000.00
ROG-L (2)	American General Life Insurance Company (AIG)	\$5,000,000.00
ROM-A (1)	American General Life Insurance Company (AIG)	\$1,000,000.00
ROM-A (2)	Columbus Life Insurance Company	\$5,000,000.00
SAN-R	Columbus Life Insurance Company	\$5,000,000.00
SOB-E	American General Life Insurance Company (AIG)	\$2,500,000.00
TRA-A	American General Life Insurance Company (AIG)	\$1,000,000.00
WIL-D&S (1)	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$5,000,000.00
WIL-D&S (2)	The Lincoln National Life Insurance Company (Lincoln Financial Group)	\$5,000,000.00
WIL-D&S (3)	Hartford Life & Annuity Insurance Company	\$17,500,000.00
WIL-D&S (4)	John Hancock Mutual Life Insurance Company	\$10,000,000.00
	<b>Total Current Death Benefit</b>	<b>\$236,240,033.00</b>

 **PURCHASE AND SALE AGREEMENT**  
(initials of Seller)


 **Page 28**  
(initials of Purchaser)

Addendum B  
To  
Purchase and Sale Agreement

Bill of Sale  
(Form Attached)

  
**PURCHASE AND SALE AGREEMENT**  
(Initials of Seller)

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**Page 29**  
(Initials of Purchaser)

### BILL OF SALE

Pursuant to an Order dated November 17, 2006, and a subsequent Order dated December 1, 2006 (collectively, the "Appointment Orders"), the United States District Court for the Northern District of Texas (the "Court") (Jorge A. Solis, Judge presiding) in the case of *SEC v. ABC Viaticals, et al* (Case No. 3:06-CV-2136-P) appointed Michael J. Quilling as the receiver (the "Receiver") for ABC Viaticals, Inc., a Texas corporation, and related and affiliated entities, including various trusts (collectively referred to in the Appointment Orders as the Defendant, the Relief Defendants and the Trusts and hereinafter collectively as "ABC"), who was charged with the duties and obligations to hold, manage and dispose of various assets of ABC (the "Receivership Estate", and hereinafter with the Receiver referred to as "Seller").

For valuable consideration, Seller hereby sells, assigns, transfers, conveys and delivers to Settlement Group, Inc., a Georgia corporation ("Purchaser"), all of the right title and interest of Seller and ABC in, to, and under the Purchased Assets, to have and to hold the Purchased Assets unto Purchaser and its successors and assigns forever.

The execution and delivery of this instrument by Seller shall not be (or be deemed to be) a waiver or discharge of any representation, warranty, covenant or agreement of Seller or Purchaser in or under the Purchase and Sale Agreement, dated as of September \_\_, 2008 by and between Seller and Purchaser (the "Purchase Agreement") (other than a discharge of the obligation of Seller under Section 3.2(c)(ii) of the Purchase Agreement to execute and deliver this instrument), and such execution and delivery shall not be (or be deemed to be) a modification or amendment of any provision of the Purchase Agreement in any respect.


All capitalized terms used but not defined herein have the meanings set forth in the Purchase Agreement.


This instrument may be amended, modified, supplemented or restated, and the terms hereof may be waived, in each case only by a written instrument executed by Seller and Purchaser.

This instrument shall inure to the benefit of Purchaser and its successors and assigns and shall be binding upon Seller and its successors and assigns.

This instrument shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to any choice-of-law rules thereof which might apply the laws of any other jurisdiction.

[Signature Page Follows]

 **PURCHASE AND SALE AGREEMENT**  
(initials of Seller)

 **Page 30**  
(initials of Purchaser)

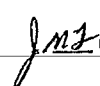
IN WITNESS WHEREOF, Seller has caused this instrument to be duly executed and delivered as of this \_\_\_\_ day of \_\_\_\_\_, 2008.

SELLER:

Receivership Estate for ABC Viaticals, Inc.  
and the other Defendants, Relief Defendants and  
Trusts

By: \_\_\_\_\_  
Michael J. Quilling,  
as Receiver for the Receivership Estate of  
ABC Viaticals, Inc. and the other  
Defendants, Relief Defendants and Trusts,  
and not individually

  
**PURCHASE AND SALE AGREEMENT**  
(initials of Seller)


 **Page 31**  
(initials of Purchaser)



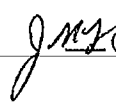
Addendum C  
To  
Purchase and Sale Agreement

Power of Attorney

(Form Attached)

  
**PURCHASE AND SALE AGREEMENT**  
(initials of Seller)

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**Page 32**  
(initials of Purchaser)

**LIMITED POWER OF ATTORNEY**

Pursuant to an Order dated November 17, 2006, and a subsequent Order dated December 1, 2006 (collectively, the "Appointment Orders"), the United States District Court for the Northern District of Texas (the "Court") (Jorge A. Solis, Judge presiding) in the case of *SEC v. ABC Viaticals, et al* (Case No. 3:06-CV-2136-P) appointed Michael J. Quilling as the receiver (the "Receiver") for ABC Viaticals, Inc., a Texas corporation, and related and affiliated entities, including various trusts (collectively referred to in the Appointment Orders as the Defendant, the Relief Defendants and the Trusts and hereinafter collectively as "ABC"), who was charged with the duties and obligations to hold, manage and dispose of various assets of ABC (the "Receivership Estate"), and hereinafter with the Receiver referred to as "Seller").

This Limited Power of Attorney, dated as of 10/3, 2008 (this "Limited Power of Attorney"), is granted to Settlement Group, Inc., a Georgia corporation ("Purchaser"), by Seller.

## WITNESSETH:

WHEREAS, Seller and Purchaser have entered into that certain Purchase and Sale Agreement, dated as of October 3, 2008 (as amended, modified, supplemented and/or restated from time to time in accordance with its terms, the "Purchase Agreement"), by and between Seller and Purchaser, providing for, among other things, the sale and assignment to Purchaser of all of the right, title and interest of Seller and ABC in, to and under the life insurance policies identified on Annex A hereto (collectively, the "Policies") and the other Purchased Assets;


WHEREAS, the Court entered a Purchaser Sale Order on \_\_\_\_\_, 2008 which, among other things, approved the sale and assignment of the Policies and the other Purchased Assets to Purchaser pursuant to the Purchase Agreement; and

WHEREAS, the Closing under the Purchase Agreement is occurring on the date hereof.

NOW, THEREFORE, pursuant to the Purchase Agreement and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby agrees as follows:

Definitions. Each capitalized term used but not defined herein has the meaning given to such term in the Purchase Agreement.

Limited Power of Attorney. Seller hereby grants to Purchaser, its successors and assigns an irrevocable power of attorney, with full power of substitution, coupled with an interest, to take in the name of Seller and ABC, as applicable (but on behalf and for the benefit of Purchaser, its successors and assigns), all lawful steps necessary or otherwise advisable to endorse, negotiate or otherwise realize on any writing or other right of any kind included in the Purchased Assets, including, without limitation, as may be necessary or otherwise advisable to (i) change the named owner or beneficiary of any Policy and to cause the related Insurer to recognize each such

 **PURCHASE AND SALE AGREEMENT**  
(initials of Seller)

 **Page 33**  
(initials of Purchaser)

change, or (ii) receive all death benefits and other proceeds and amounts payable under, pursuant to or otherwise in respect of any Policy.

Purchase Agreement. The execution and delivery of this Limited Power of Attorney by Seller shall not be (or be deemed) a waiver or discharge of any representation, warranty, covenant or agreement of Seller or Purchaser in or under the Purchase Agreement (other than a discharge of the obligations of Seller under Section 3.2(c)(iii) of the Purchase Agreement to execute and deliver this Limited Power of Attorney), and such execution and delivery shall not be (or be deemed) a modification or amendment of any provision of the Purchase Agreement in any respect.

Amendments and Waivers. This Limited Power of Attorney may be amended, modified, supplemented or restated, and the terms hereof may be waived, in each case only by a written instrument executed by Seller and Purchaser.

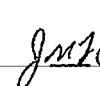
Headings; Certain Rules of Construction. The headings in this Limited Power of Attorney are for convenience of reference only and shall not define, limit or otherwise affect any of the terms or provisions hereof. A reference herein to any agreement (including this Limited Power of Attorney), instrument or document shall be to such agreement, instrument or document (together with each schedule, exhibit, annex or other attachment thereto) as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time in accordance with its terms.

Successors and Assigns. This Limited Power of Attorney shall inure to the benefit of Purchaser and its successors and assigns and shall be binding upon Seller and its successors and assigns.

Governing Law. This Limited Power of Attorney shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to any choice-of-law rules thereof which might apply the laws of any other jurisdiction.

[Signature Page Follows]

  
PURCHASE AND SALE AGREEMENT  
(initials of Seller)

 Page 34  
(initials of Purchaser)

IN WITNESS WHEREOF, the undersigned has executed and delivered this Limited Power of Attorney as of the date first above written.

SELLER:

Receivership Estate for ABC Viaticals, Inc.  
and certain related and the other Defendants,  
Relief Defendants and Trusts

By: \_\_\_\_\_  
Michael J. Quilling,  
as Receiver for the Receivership Estate of  
ABC Viaticals, Inc. and the other  
Defendants, Relief Defendants and Trusts,  
and not individually

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

Before me, the undersigned Notary Public, on this day personally appeared Michael J. Quilling, known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same in his authorized capacity as Receiver for the Receivership Estate of ABC Viaticals, Inc. and the other Defendants, Relief Defendants and Trusts, and not individually.

WITNESS my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
Notary Public, State of Texas  
My commission expires: \_\_\_\_\_

Annex A  
To  
Limited Power of Attorney

List of Policies

(TO BE ATTACHED AT CLOSING)

Addendum D  
To  
Purchase and Sale Agreement

List of Deceased Insureds Under Joint Insured Policies

To the best of Seller's knowledge and belief, the only deceased insured under any joint Policy is:

KES-C



Addendum E  
To  
Purchase and Sale Agreement

Seller's Account Wire Transfer Instructions

Bank Name: Sovereign Bank, 17950 Preston Road - Suite 500, Dallas, Texas 75252  
(Telephone Number 214-242-1900)

ABA Number: 111 924 994

Account Name: Michael J. Quilling as Receiver for ABC Viaticals, Inc., et al.

Account Number: 45005972