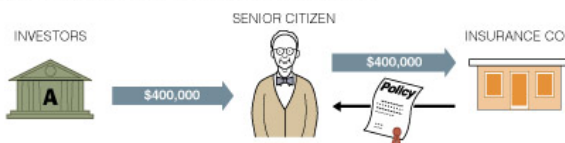


The New York Times

How Spin-Life Works

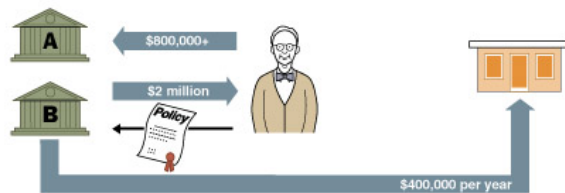
In 2004, a senior citizen buys a \$6 million life insurance policy with a loan from **Investor A**. The yearly premium is \$400,000.



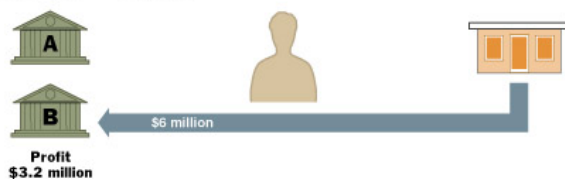
If he died in 2005, his family would receive \$6 million, which it would use to repay the \$400,000 owed **Investor A**, plus interest.



However, if he is alive in 2006, the senior sells his policy to **Investor B** for \$2 million from which he repays **Investor A**. Each additional year that the senior lives, **Investor B** pays the yearly premium.



If the senior dies in 2007, **Investor B**, not his family, will receive the death benefit of \$6 million. **Investor B** would pocket \$3.2 million (\$6 million less \$2 million less \$800,000 paid in premiums during 2006 and 2007), a 114 percent return in two years.



The New York Times

The entire process may take 4 to 6 months to complete.

1. Complete the medical authorization form and the informal inquiry as best you can. This provides us with the names of the applicant's physicians and allows them to release the applicant's medical records to us.
2. Brokerage services arranges and applies for a life insurance policy by a top rated insurance carrier on behalf of the applicant.
3. Brokerage services in conjunction with the lender, arranges for "Specialized" financing which includes the premium payments, and all related costs for the newly issued life insurance policy on behalf of the now approved insured.
4. The new life insurance policy is issued in the name of the newly formed life insurance trust (or LLC where applicable) that will be formed on the applicant's behalf. Trusts are used to eliminate the issues of gift taxation and incidents of ownership.
5. The applicant designates a beneficiary or beneficiaries of his or her choice for the new life insurance trust with the trust as the beneficiary of the policy.