A&O FACT SHEET

Understanding Life Settlements

A life settlement is the sale of an existing life insurance policy that is no longer performing up to expectations or is just no longer needed. Life settlements enable qualifying policy owners to receive fair market value for their policies by accessing the secondary market for life insurance. Prior to the life settlement industry, if a senior owned a policy that was no longer wanted, needed, or affordable, there was no option but to lapse, cancel, or surrender the policy back to the carrier for the cash surrender value.

Why Would Someone Sell a Policy

- Divorce
- Bankruptcy
- Need for coverage no longer exists
- Retirement
- Change in interest rates

Benefits of a Life Settlement

- Above average returns
- Strength of the life insurance industry
- Diversification
- No risk of stock or bond market
- No management fees

Who Qualifies

- Account values over $50,000.00
- Mutual funds, Annuities, Bonds, and Stocks
- Qualified Accounts (401K, IRA, SEP, and Self Directed Pensions)
- Corporations
- Individuals
- Trusts

Product Specifics

- Term: 4-7 years
- Fees: None
- Issue Age: Any age
- Minimum: $50,000.00
- Liquidity: None

GOVERNMENT EXHIBIT
232
3:10CR248

© Copyright 2005 A&O Resource Management, Ltd.–All rights reserved

THE PROCESS

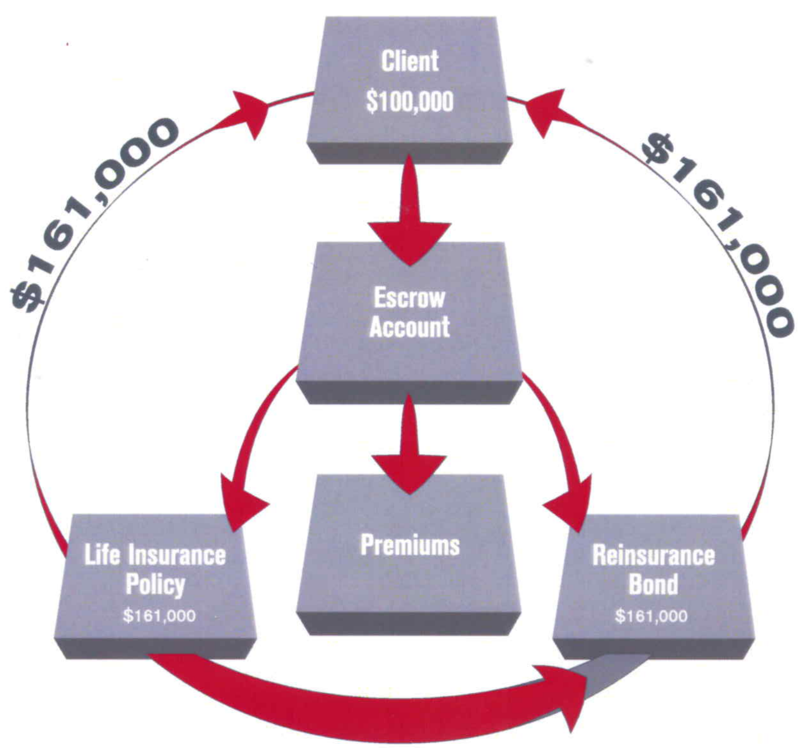
At A&O Resource Management we have simplified the Bonded Life Settlement process. By taking an institutional product and offering it to the retail client we have opened an entirely new market. The BLS process is very simple. Initially the client completes the A&O application. On this application the client specifies deposit amount, and the preferred time. This also establishes an escrow account for the deposit of funds and sets the guidelines for A&O to find the appropriate policy based on the clients request. In most cases, upon client approval of the policy, the ownership and beneficiary rights to all or a portion of the policy are transferred to the new owner. The original insured remains on the policy as the insured individual.

In addition to the policy a bond is obtained from a secondary reinsurance provider to ensure the minimum rate of return. The bond insures that if the insured lives beyond the life expectancy it will pay the beneficiary their percentage of the death benefit. The bonding company takes ownership of the policy and continues to pay the premiums until the insured passes away.

Upon completion of the process the client will receive a copy of the transaction documents outlining their ownership percentage and time frame.

In conclusion, the client gets the death benefit from either the reinsurance company or the original insurance company. If the insured passes away before the life expectancy date the original insurance company pays the client their percentage ownership of the death benefit to their beneficiary. If the insured lives beyond the life expectancy date, the bonding company will pay the client their percentage ownership of the death benefit.

Example:
5 year 10% Rate of Return



© Copyright 2005 A&O Resource Management, Ltd.–All rights reserved