

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re: § Chapter 11
LIFE PARTNERS HOLDINGS, INC., *et al.*, §
§ Case No. 15-40289-RFN-11
§
Debtors. § (Jointly Administered)

AMENDED JOINT CHAPTER 11 PLAN PROPOSED BY VIDA CAPITAL, INC.

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Vida Capital, Inc. hereby proposes the following Amended Joint Chapter 11 Plan for the Debtors pursuant to section 1121(a) of the Bankruptcy Code.

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 *Definitions.*

For the purposes of this Plan, the following terms shall have the meanings set forth below:

Abandoned Fractional Interests means Fractional Interests that (i) are abandoned to the Policy Fund by a Fractional Interest holder making a Former Holder Election and (ii) any Fractional Interests that were abandoned to LPI prior to the Effective Date

Administrative Expense Claim means any right to payment constituting a cost or expense of administration of the Chapter 11 Cases which is Allowed pursuant to sections 503(b) or 507 of the Bankruptcy Code including, without limitation (a) any fees or charges assessed against the Debtors' Estates under 28 U.S.C. § 1930 and (b) other Administrative Expense Claims as may be ordered and Allowed by the Bankruptcy Court.

Agency Agreement means each Agency and Special Power of Attorney entered into by a Fractional Interest holder, directly or through an IRA, and LPI.

Allowed means, with reference to any Claim or Equity Interest, any Claim or Equity Interest (i) for which a proof of claim or proof of interest has been filed and as to which no objection has been interposed on or before the Effective Date or such other applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, (ii) which appears in the Debtors' Schedules and is not listed as contingent, liquidated or disputed, (iii) which is allowed by Final Order of the Bankruptcy Court, or (iv) which expressly allowed under this Plan.

Assigned Fractional Interests means the Fractional Interests transferred to the Policy Fund by non-IRA Assigning Holders.

Assigning Holder means (a) with respect to non-IRA Holders, a Person who makes an Election, as of the Effective Date, to assign its Fractional Interests to the Policy Fund and become the holder of a limited partnership interest in the Policy Fund and (b) with respect to IRA Holders, a Person who makes an Election to exchange its IRA Notes for a limited partnership interest in the Policy Fund, all pursuant to and as more fully described in section 4.4(b)(2) of the Plan. Assigning Holders will be deemed to have consented to the terms of the Policy Fund Partnership Agreement.

Assumed Assets means all assets of the Debtors, to be transferred to and vested in the Reorganized Debtors on the Effective Date of the Plan. Assumed Assets shall include any and all Abandoned Fractional Interests, which Fractional Interests shall conclusively be

determined to be the property of LPI and which shall, on the Effective Date, be transferred to and vested in Reorganized LPI and immediately transferred to and vested in the Policy Fund.

Assumed Contracts means those certain executory contracts and unexpired leases of LPI and LPIFS to be assumed by the Reorganized Debtors under the Plan, as set forth on the Schedule of Assumed Contracts.

ATLES means Advance Trust & Life Escrow Services, LTA.

Ballot means the ballot provided to Persons who are entitled to vote, to indicate (i) their votes to accept or reject the Plan, as appropriate, (ii) their Election, if applicable and (iii) whether they will contribute their Contributed Causes of Action to the Litigation Trust. If any Person entitled to make an Election either fails to return a Ballot, fails to make an Election on the Ballot, or makes more than one Election, such Person will be deemed to have made the Election to become a Continuing Holder.

Bankruptcy Code means title 11 of the United States Code, as amended from time to time.

Bankruptcy Court means the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, or any other court of the United States having jurisdiction over the Chapter 11 Cases.

Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time.

Bar Date means the last date to file proofs of claim against the Debtors, which was September 1, 2015 for all creditors except Governmental Units, and November 16, 2015 for Governmental Units.

Business Day means any day other than a Saturday, Sunday, or “legal holiday” as defined in Bankruptcy Rule 9006(a).

Cash means legal tender of the United States of America.

Cash Consideration means \$4 million to be paid by Vida to the Debtors’ Estates on the Effective Date of the Plan.

Catch-Up Amount means the amount owing by a holder of Fractional Interests to any of the Debtors, as of the Effective Date, for or in respect of (i) Policy premium advances, (ii) outstanding Policy premium calls, (iii) platform servicing fees and (iv) any other amounts. The Catch-Up Amount for each holder of a Fractional Interest Claim will either be provided in connection with the process for making Elections and casting Ballots, or separately invoiced.

Causes of Action is defined in section 11.4 of the Plan.

Chapter 11 Cases means the jointly administered chapter 11 cases of the Debtors pending in the Bankruptcy Court under Case No. 15-40289-RFN-11.

Claim means a claim against a Debtor within the meaning of section 101(5) of the Bankruptcy Code.

Class means any group of Claims or Equity Interests classified by this Plan pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

Collateral means any property or interest in property of the Debtors subject to a Lien which is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable state or federal law.

Committee means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases by the Office of the United States Trustee, as the same may be reconstituted from time to time.

Confirmation Date means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

Confirmation Hearing means the hearing conducted by the Bankruptcy Court pursuant to sections 1128(a) and 1129 of the Bankruptcy Code to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

Confirmation Order means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

Continuing Holder means a Person who makes an Election, as of the Effective Date, to continue in, and remain a part of, the life settlement program previously administered by LPI, pursuant to and as more fully described in section 4.4(b)(1) of the Plan.

Contributed Causes of Action means any action, cause of action, liability, obligation, right, suit, debt, sum of money, damage, judgment, Claim or demand held by any Fractional Interest Claim holder against any third party arising out of, relating to or connected with their investment in life settlements with LPI, who contributes and assigns the same to the Litigation Trust, by checking the appropriate box on the Ballot.

Cost Basis means the amount originally paid by a Person for a Fractional Interest or, in the case of an IRA Holder, the amount paid for IRA Notes, plus any additional payments to fund premiums, as reflected in LPI's Schedules or as otherwise Allowed by the Bankruptcy Court.

Cure Amounts is defined in section 9.2 of the Plan.

Debtor means any one of the Debtors, as the context may require.

Debtors means LPHI, LPI and LPIFS, collectively, in their capacities as debtors and debtors in possession under sections 1107 and 1108 of the Bankruptcy Code.

Defaulted Fractional Interests is defined in section 4.4(c)(1) of the Plan.

DIP Claim means a Claim held by a Fractional Interest holder arising under and pursuant to the Maturity Funds DIP Facility.

Disallowed Claim or Equity Interest means any Claim or Equity Interest, or portion thereof, that is not an Allowed Claim, an Allowed Equity Interest, or a Disputed Claim or Disputed Equity Interest.

Disbursing Agent means the Litigation Trustee, the Policy Fund with respect to Assigning Holders, Reorganized LPI with respect to Continuing Holders, or any other party designated by the Bankruptcy Court upon motion, to serve as a disbursing agent pursuant section 7.3 of the Plan.

Disclosure Statement means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as the same may be amended, supplemented or otherwise modified from time to time, as approved by the Bankruptcy Court pursuant to sections 1125 and 1126 of the Bankruptcy Code.

Disputed Claim means, with respect to a Claim, any such Claim (a) to the extent neither Allowed nor disallowed under the Plan or a Final Order nor deemed Allowed under section 502, 503 or 1111 of the Bankruptcy Code, or (b) with respect to which the Debtors or a party in interest have interposed a timely objection (as a contested matter, adversary proceeding, or otherwise) or request for estimation prior to the Objection Deadline in accordance with the Plan or the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order as of the Effective Date.

Disputed Claim and Administrative Reserve means the Cash reserve to be established pursuant to section 7.10 of the Plan, in an amount sufficient to satisfy (i) all distributions to which holders of Disputed Claims would be entitled to receive if all such Disputed Claims were to be subsequently Allowed in full, (ii) Allowed Administrative Expense Claims, and (iii) the costs and expenses of administering the Chapter 11 Cases from the Effective Date until the time the Chapter 11 Cases are closed including, but not limited to, any fees payable under 28 U.S.C. § 1930.

Distribution Record Date means the record date for purposes of receiving distributions under the Plan, which shall be the Confirmation Date.

Effective Date means the first Business Day on which all the conditions precedent to the effectiveness of the Plan specified in section 10.2 shall have been satisfied or waived as provided in section 10.3; *provided, however*, that if a stay, injunction or similar prohibition of the Confirmation Order is in effect, the Effective Date shall be the first Business Day after such stay, injunction or similar prohibition is no longer in effect.

Election means the election to be made on the Ballot by a Person holding a Fractional Interest Claim to become a Continuing Holder, an Assigning Holder or a Former Holder. **An Election must be made on the Ballot, even if a holder of a Fractional Interest**

Claim votes “No.” *If any holder of a Fractional Interest Claim fails to return a Ballot, fails to make an Election on the Ballot, or makes more than one Election on the Ballot, such Person shall be deemed to have elected to become a Continuing Holder (other than IRA Holders, who shall be deemed to have made the Assigning Holder Election).*

Equity Interest means any “equity security” of the Debtors, as that term is defined in section 101(16) of the Bankruptcy Code.

Escrow Agreements means the Servicing Agreement and the Escrow Services Agreement, together.

Escrow Services Agreement means that certain Escrow Services Agreement, dated as of February 1, 2011, between LPI and ATLES, as the same may have been modified, amended or replaced from time to time during the Chapter 11 Cases.

Estate means the estate of any of the Debtors, as created under section 541 of the Bankruptcy Code, as the context may require.

Exit Loan means the funds to be advanced by Vida to be used to repay DIP Claims, and to pay Allowed Administrative Claims, Allowed Fee Claims and Allowed Priority Tax Claims, in an amount not to exceed the greater of (i) the amount necessary to satisfy all such claims or (ii) \$30 million. The Exit Loan shall bear simple interest at 13% per annum from the Effective Date until repaid in full. All sums advanced under the Exit Loan shall, upon and following the Effective Date, be secured by a first priority lien on Maturity Funds held on account of, or subsequently paid to, Continuing Holders and the Policy Fund, with the amount of the obligation owing from each Continuing Holder and the Policy Fund being determined as set forth in section 4.4(c) of the Plan.

Fee Claim means any Claim by a Professional Person under sections 326, 330, 331 or 503 of the Bankruptcy Code for allowance of compensation and/or reimbursement of expenses in the LPI and LPIFS Chapter 11 Cases.

Final Order means an order or judgment of a court of competent jurisdiction that has been entered on the docket maintained by the clerk of such court and has not been reversed, vacated or stayed and as to which (a) the time to appeal, petition for *certiorari*, or move for a stay, new trial, re-argument, or rehearing has expired and as to which no appeal, petition for *certiorari* or other proceedings for a stay, new trial, re-argument or rehearing shall then be pending or (b) if an appeal, writ of *certiorari*, stay, new trial, re-argument or rehearing thereof has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, *certiorari* shall have been denied or a stay, new trial, re-argument or rehearing shall have been denied or resulted in no modification of such order and (ii) the time to take any further appeal, petition for *certiorari*, or move for a stay, new trial, re-argument or rehearing shall have expired; *provided, however*, that no order or judgment shall fail to be a “Final Order” solely because of the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 has been or may be filed with respect to such order or judgment.

Former Holder means a Person who makes an Election, as of the Effective Date, to irrevocably (i) rescind its life settlement transactions with LPI and abandon to the Policy Fund any and all of its Fractional Interests, proportionate share of Maturity Funds and proportionate share of funds in escrow to pay Policy Premiums, and (ii) become a beneficiary of the Litigation Trust, all pursuant to and as more fully described in section 4.4(b)(3) of the Plan.

Fractional Interest means the dollar amount of the death benefit in a Policy allocated to Persons who signed PFAs and Agency Agreements with LPI and gave money to LPI to fund the purchase of Policies.

Fractional Interest Claim means a claim or right against LPI held by a Person who holds Fractional Interests or IRA Notes.

General Unsecured Claim means any Claim against a Debtor that is not an Administrative Expense Claim, a Priority Tax Claim, a Priority Non-Tax Claim, a Secured Claim, a Fractional Interest Claim, an SEC Claim, an Intercompany Claim or an Equity Interest.

Governmental Unit has the meaning ascribed to such term in section 101(27) of the Bankruptcy Code.

Indemnified Persons is defined in section 6.16(m) of the Plan.

Initial Distribution means the distribution of Net Cash to holders of Allowed General Unsecured Claims and the SEC Claim, in accordance with sections 4.3 and 4.5 of the Plan.

Intercompany Claim means a Claim held by one Debtor against another Debtor.

Intercompany Settlement means the compromise and settlement of the enforceability, validity and priority of Intercompany Claims, and the settlement of all Claims that creditors may have with respect to the marshalling of assets and liabilities of the Debtors in determining relative entitlements to distributions under the Plan. Intercompany Claims will be waived and discharged, and each holder of an Intercompany Claim will be conclusively deemed to have accepted the Plan.

Internal Revenue Code means title 26 of the United States Code, as amended from time to time.

IRA means, collectively, (i) a Roth IRA or (ii) an individual retirement account that is intended to satisfy the requirements of section 408 of the Internal Revenue Code.

IRA Holder means a Person who holds an IRA Note.

IRA Notes means any document denominated as a promissory note secured by a Fractional Interest sold pursuant to a PFA.

Lien has the meaning set forth in section 101(37) of the Bankruptcy Code.

Litigation Trust means that certain trust that will come into existence on the Effective Date, which shall be formed pursuant to the terms of this Plan and the Trust Agreement, and which shall be governed by the Trust Agreement.

Litigation Trust Assets means (i) the Seed Money, (ii) the Causes of Action held by the Debtors' Estates as listed on Schedule A attached to the Plan and (iii) the Contributed Causes of Action, all of which shall vest in the Litigation Trust on the Effective Date.

Litigation Trust Beneficiaries means holders of Allowed General Unsecured Claims, Former Holders and the SEC. The Policy Fund shall be the residual beneficiary of the Litigation Trust.

Litigation Trustee means the trustee of the Litigation Trust, in his capacity as such, whose identity shall be disclosed in the Plan Supplement.

Local Rules means the local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas.

LPI means Life Partners, Inc.

LPIFS means LPI Financial Services, Inc.

LPHI means Life Partners Holdings, Inc.

Maturity Funds means Cash proceeds held by any third party generated by or from the maturity of Policies.

Maturity Funds DIP Facility means the financing facility approved by the Bankruptcy Court in the Chapter 11 Cases by final order signed on October 22, 2015 [Docket No. 1127] which, among other things, granted the Maturity Funds DIP Motion and authorized the Trustee, LPI and LPIFS to use up to \$25 million of Maturity Funds to fund the Chapter 11 Cases and provide adequate protection.

Maturity Funds DIP Motion means that certain *Expedited Motion for Interim and Final Orders (I)(A) Authorizing Debtors to Obtain Post-Petition Financing, (B) Granting Security Interests and/or Superpriority Administrative Expense Status; and (II) Granting Related Relief* [Docket No. 958], filed with the Bankruptcy Court on September 16, 2015.

Net Cash means the amount of Cash on hand with the Litigation Trust after deducting the Seed Money.

New Boards means the Boards of Directors of the Reorganized Debtors as of the Effective Date, as identified in the Plan Supplement.

New Life Partners Governing Documents means (i) the certificate of incorporation and bylaws for each of the Reorganized Debtors (which shall be their current charters and bylaws, as amended as necessary to implement the Plan including, among other things, to prohibit the issuance of non-voting equity securities as required by section 1123(a)(6)

of the Bankruptcy Code (other than any warrants), subject to further amendment as permitted by applicable law), and (ii) any other governing corporate document with respect to the Reorganized Debtors as may be contemplated by the Plan or otherwise, the forms of which will be filed with the Bankruptcy Court as part of the Plan Supplement.

New LPI Stock means the new common stock of Reorganized LPI, par value \$0.01 per share, to be issued by Reorganized LPI to Vida on the Effective Date under and pursuant to the Plan.

New LPIFS Stock means the new common stock of Reorganized LPIFS, par value \$0.01 per share, to be issued by Reorganized LPIFS to Vida on the Effective Date under and pursuant to the Plan.

New Management and Servicing Contract means the agreement among Continuing Holders and Vida on one hand, and the Policy Fund and Vida on the other, which shall replace the PFAs and Agency Agreements and shall, as of the Effective Date, govern the servicing of the Policies in the Policy Fund and held by Continuing Holders, and the management of the Policy Fund, Assigning Holders' accounts and Continuing Holders' accounts. The form of New Management and Servicing Contract shall be filed as part of the Plan Supplement.

New Stock means the New LPI Stock and the New LPIFS Stock, together.

Objection Deadline means the later of (a) ninety (90) days after the Effective Date and (b) such later as may be ordered by the Bankruptcy Court prior to the expiration of such ninety (90) day period, upon motion.

Ownership Litigation means any and all litigation regarding the beneficial ownership of Policies and Fractional Interests, and any request for rescission of the same, including but not limited to (i) Adversary No. 15-4051, captioned *KLI Investments, LP v. Life Partners, Inc.*, (ii) Adversary No. 15-4061, captioned *Garner v. Life Partners, Inc.*, (iii) Adversary No. 15-4064, captioned *Arnold v. Life Partners, Inc.*, and (iv) Adversary No. 15-4106, captioned *Pillar Life Settlement Fund I, LP v. Life Partners, Inc.*

PFA means each Policy Funding Agreement entered into by a Fractional Interest holder, directly or through an IRA, and LPI.

Person means an individual, partnership, corporation, limited liability company, cooperative, trust, unincorporated organization, association, joint venture, IRA Holder, Qualified Plan Holder, government or agency or political subdivision thereof or any other form of legal entity. When used with reference to a holder of Fractional Interests, the "Person" who holds Fractional Interests shall refer to (i) the person or entity in whose name Fractional Interests are actually registered or held, based on federal tax identification number or (ii) the beneficiary or named account holder for an IRA. For example, if John Smith invested \$1 million in Fractional Interests which he still holds individually, he is the "Person" for those Fractional Interests and may make an Election for those Fractional Interests. If, however, John Smith also invested \$500,000 in Fund X and Fund X is the registered holder of such Fractional Interests, then Fund

X is the “Person” entitled to elect for those Fractional Interests held in Fund X, not John Smith. Similarly, if John Smith invested in Fractional Interests through his IRA, John Smith is the “Person” entitled to make an Election for the Fractional Interests held in his IRA.

PES means Purchase Escrow Services, LLC.

Petition Date means the dates on which the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code, which dates are January 20, 2015 for LPHI and May 19, 2015 for LPI and LPIFS.

Plan means this Amended Joint Chapter 11 Plan Proposed By Vida Capital, Inc., as the same may be amended, supplemented or otherwise modified, including any exhibits and schedules hereto.

Plan Supplement means the compilation of documents and forms of documents, schedules and exhibits to be filed in one or more parts or volumes, no later ten (10) Business Days prior to the Confirmation Hearing, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Plan and in accordance with the Bankruptcy Code and the Bankruptcy Rules, comprising, without limitation, the following documents: List of Causes of Action and Seed Money transferred to the Litigation Trust; the list and identities of the members of the New Boards and the Directors and Officers of the Reorganized Debtors; the Schedules of Assumed Contracts; the Trust Agreement; the New Life Partners Governing Documents; and the New Management and Servicing Contract.

Policies means the life insurance policies purchased by LPI and in which LPI sold Fractional Interests. When the word “amount” is used in conjunction with the word “Policies” (or “Policy”), it is a reference to the death benefit attributable to such Policies (or Policy).

Policy Fund means the fund to be run by or at the direction of Vida or an affiliate of Vida, and administered and serviced by Vida or an affiliate of Vida, for the benefit of Assigning Holders, the assets of which shall be (i) all Assigned Fractional Interests, (ii) all Defaulted Fractional Interests, (iii) all Maturity Funds paid on account of Policy maturities after the Effective Date and (iv) all funds in escrow on the Effective Date and thereafter to pay Policy premiums applicable to Assigned Fractional Interests and Defaulted Fractional Interests.

Policy Fund Documents means the documents necessary to create the Policy Fund, the forms of which shall be filed as part of the Plan Supplement.

Policy Fund Facility is defined in section 6.14 of the Plan.

Policy Fund Partnership Agreement means the partnership agreement that will govern the operations of the Policy Fund and the relative rights and obligations of the Policy Fund and Assigning Holders, the form of which shall be filed as part of the Plan Supplement.

Priority Non-Tax Claim means any Claim that is entitled to priority in payment pursuant to sections 507(a)(4), (5), (6) or (7) of the Bankruptcy Code and that is not an Administrative Expense Claim or a Priority Tax Claim.

Priority Tax Claim means any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

Professional Person means any Person retained or to be compensated by the Debtors pursuant to sections 326, 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code.

Pro Rata means the proportion that the amount of an Allowed Claim in a particular Class bears to the aggregate amount of all Claims (but excluding Disallowed Claims) in such Class.

Qualified Plan Holder means a Fractional Interest holder that is an employee benefit plan as defined in section 3(3) of the Employee Retirement Income Security Act of 1974.

Quarterly Management and Servicing Fee is defined in section 6.11(a) of the Plan.

Records is defined in section 6.13 of the Plan.

Reorganized Debtors means Reorganized LPI and Reorganized LPIFS, together.

Reorganized LPI means LPI as reorganized under and pursuant to this Plan, from and after the Effective Date.

Reorganized LPIFS means LPIFS as reorganized under and pursuant to this Plan, from and after the Effective Date.

Repayment Amount is defined in section 4.4(d) of the Plan

Roth IRA means an individual retirement account that is intended to satisfy the requirements of section 408A of the Internal Revenue Code.

Schedule of Assumed Contracts means the schedule listing the executory contracts and unexpired leases of LPI and LPIFS, if any, to be assumed by the Reorganized Debtors under this Plan and applicable Cure Amounts, if any. The Schedule of Assumed Contracts will be filed with the Bankruptcy Court as part of the Plan Supplement.

Schedules means, collectively, Schedules A through J, as filed by each of the Debtors in the Chapter 11 Cases, as the same may be amended from time to time.

SEC means the United States Securities and Exchange Commission.

SEC Claim means the Claim held by the SEC against LPHI.

Secured Claim means a Claim that is secured by a valid, perfected, enforceable and non-avoidable Lien on property in which the Debtors have an interest, to the extent of the value, as of the Effective Date, of such interest or Lien as determined by a Final Order of the Bankruptcy Court pursuant to section 506 of the Bankruptcy Code, or as otherwise agreed to in writing by the Debtor in question and the holder of such Claim.

Seed Money means the amount of Cash to be transferred to the Litigation Trust from the Debtors to fund operations, in an amount to be determined by the Litigation Trustee in consultation with the Committee and Vida, which shall be set forth in the Plan Supplement.

Servicing Agreement means that certain Servicing Agent Agreement, dated as of September 6, 2011, between LPI and PES, as the same may have been modified, amended or replaced from time to time during the Chapter 11 Cases.

Trust Agreement means the agreement governing the Litigation Trust, dated as of the Effective Date, substantially in the form filed as part of the Plan Supplement.

Trust Committee means the committee that will be formed pursuant to and in accordance with the Trust Agreement, to oversee the operation of the Litigation Trust and the Litigation Trustee, and to exercise the rights and powers set forth in the Trust Agreement. The initial members of the Trust Committee shall be chosen by the Trustee and the Committee, together, and their identities shall be forth in the Plan Supplement.

Trustee means H. Thomas Moran II, the individual appointed as LPHI's trustee in the Chapter 11 Case, in his capacity as such, and in his capacity as the sole director of LPI and LPIFS.

Vida means Vida Capital, Inc. the proponent of this Plan.

Voting Deadline means the date set by the Bankruptcy Court by which Ballots for accepting or rejecting the Plan must be received and on which Persons holding Fractional Interests must make their Elections, which is ____, 2016. If any Person fails to return a Ballot, or returns a Ballot that makes no Election or more than one Election, such Person shall be deemed to have made the Former Holder Election.

1.2 Rules of Interpretation and Construction.

(a) **Interpretation.** Unless otherwise specified herein, all section, article and exhibit references in the Plan are to the respective section in, article of, and exhibit to, the Plan, as the same may be amended, waived or modified from time to time. All headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

(b) **Construction and Application of Bankruptcy Code Definitions.** Unless otherwise defined herein, words and terms defined in section 101 of the Bankruptcy Code shall have the same meanings when used in the Plan. Words or terms used but not defined herein shall have the meanings ascribed to such terms or words, if any, in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

(c) **Other Terms.** The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan as a whole and not to any particular article, section, subsection or clause contained in the Plan.

(d) Time. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II

TREATMENT OF UNCLASSIFIED CLAIMS

2.1 *DIP Claims.*

On the Effective Date, each Person holding a DIP Claim shall be paid Cash from the Debtors in the full amount of such Claim. In the event there is not enough Cash on hand with the Debtors' Estates to pay all DIP Claims in full, then (i) the Estates shall pay DIP Claims up to the amount of Cash on hand in the Estates, or in such amount as the Estates and each holder of a DIP Claim may otherwise agree and (ii) the remainder of such DIP Claims shall be paid in Cash with funds from the Exit Loan.

2.2 *Administrative Expense Claims.*

All Administrative Expense Claims against the Debtors (other than DIP Claims) shall be treated as follows:

(a) Time for Filing. All holders of Administrative Expense Claims, other than Professional Persons holding Fee Claims, shall file with the Bankruptcy Court a request for payment of such Claims within thirty (30) days after the Effective Date. Any such request must be served on the Trustee, his counsel and counsel to the Committee, and must, at a minimum, set forth (i) the name of the holder of the Administrative Expense Claim; (ii) the amount of the Administrative Expense Claim; and (iii) the basis for the Administrative Expense Claim. A failure to file any such request in a timely fashion will result in the Administrative Expense Claim in question being discharged and its holder forever barred from asserting such Administrative Expense Claim against the Reorganized Debtors or the Litigation Trust.

(b) Allowance. An Administrative Expense Claim for which a request for payment has been properly filed shall become an Allowed Administrative Expense Claim unless an objection is filed by the date that is thirty (30) days after a request for payment of such Administrative Expense Claim is filed. If an objection is timely filed, the Administrative Expense Claim in question shall become an Allowed Administrative Expense Claim only to the extent so Allowed by Final Order of the Bankruptcy Court.

(c) Payment. Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment of such Claim, each holder of an Allowed Administrative Expense Claim shall receive, on account of and in full satisfaction of such Claim, Cash in an amount equal to the Allowed amount of such Administrative Expense Claim on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) fifteen (15) days after entry of an order by the Bankruptcy Court allowing such Administrative Expense Claim. To the extent there are insufficient funds in the Estate to pay all Allowed Administrative Expense Claims in full, such Administrative Expense Claims shall receive their Pro Rata share of Cash on hand with the Debtors' Estates on the Effective Date, and the

remaining amount of such Allowed Administrative Claims shall be paid using proceeds from the Exit Loan.

2.3 Fee Claims.

Every Professional Person holding a Fee Claim that has not previously been the subject of a final fee application and accompanying Bankruptcy Court order shall file a final application for payment of fees and reimbursement of expenses no later than the date that is thirty (30) days after the Effective Date. Any such final fee application shall conform to and comply with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The last date to object to any final fee application shall be the twenty-fourth (24th) day after such fee application has been filed with the Bankruptcy Court. All final fee applications shall be set for hearing on the same day, as the Bankruptcy Court's calendar permits, after consultation with counsel to the Trustee and the Litigation Trustee. Allowed Fee Claims shall be paid in full in Cash by the Litigation Trustee on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) fifteen (15) days after entry of an order by the Bankruptcy Court allowing such Fee Claim. To the extent there are insufficient funds in the Estate to pay all Allowed Fee Claims in full, such Allowed Fee Claims shall receive their Pro Rata share of Cash on hand with the Debtors' Estates on the Effective Date, and the remaining amount of such Allowed Fee Claims shall be paid using proceeds from the Exit Loan.

2.4 Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim has agreed or agrees to a different treatment of such Claim, each holder of an Allowed Priority Tax Claim shall receive on (or as soon as reasonably practicable after) the Effective Date, Cash in an amount equal to the Allowed amount of such Claim. To the extent interest is required to be paid on any Priority Tax Claim, the rate of such interest shall be the rate determined under applicable nonbankruptcy law, as set forth in section 511 of the Bankruptcy Code. To the extent the holder of an Allowed Priority Tax Claim has a Lien on property of the Debtors, such Lien shall remain in place until such Allowed Priority Tax Claim has been paid in full. On and after the Effective Date, all *ad valorem* property taxes (if any) will be paid as they become due, in the ordinary course.

ARTICLE III

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

All Claims against, and Equity Interests in, the Debtors are classified for all purposes, including voting, confirmation, and distribution, pursuant to the Plan as follows:

LPHI Classifications:

Class	Designation	Impairment	Entitled to Vote
Class 1A	Priority Non-Tax Claims Against LPHI	No	No (deemed to accept)
Class 1B	Secured Claims Against LPHI	No	No (deemed to accept)
Class 1C	SEC Claim Against LPHI	Yes	Yes
Class 1D	General Unsecured Claims Against LPHI	Yes	Yes
Class 1E	Intercompany Claims Against LPHI	Yes	No (deemed to accept)
Class 1F	Equity Interests in LPHI	Yes	No (deemed to reject)

LPI Classifications:

Class	Designation	Impairment	Entitled to Vote
Class 2A	Priority Non-Tax Claims Against LPI	No	No (deemed to accept)
Class 2B	Secured Claims Against LPI	No	No (deemed to accept)
Class 2C	Fractional Interest Claims Against LPI	Yes	Yes
Class 2D	General Unsecured Claims Against LPI	Yes	Yes
Class 2E	Intercompany Claims Against LPI	Yes	No (deemed to accept)
Class 2F	Equity Interests In LPI	Yes	No (deemed to reject)

LPIFS Classifications:

Class	Designation	Impairment	Entitled to Vote
Class 3A	Priority Non-Tax Claims Against LPIFS	No	No (deemed to accept)
Class 3B	Secured Claims Against LPIFS	No	No (deemed to accept)
Class 3C	General Unsecured Claims Against LPIFS	Yes	Yes
Class 3D	Intercompany Claims Against LPIFS	Yes	No (deemed to accept)
Class 3E	Equity Interests In LPIFS	Yes	No (deemed to reject)

Administrative Expense Claims and Priority Tax Claims are not classified for purposes of voting or receiving distributions under the Plan, pursuant to section 1123(a)(1) of the Bankruptcy Code. Instead, all such Claims shall be treated separately as unclassified claims on the terms previously set forth in Article II of this Plan.

ARTICLE IV

TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.1 *Priority Non-Tax Claims Against the Debtors.*

Except to the extent that a holder of an Allowed Priority Non-Tax Claim against a Debtor in Class 1A, 2A or 3A agrees to a less favorable treatment, each such holder shall receive, in full satisfaction of such Claim, payment in full in Cash on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) fifteen (15) days after such Priority Non-Tax Claim becomes Allowed.

4.2 *Secured Claims Against the Debtors.*

On the Effective Date (or as soon as reasonably practicable thereafter), except to the extent that a holder of an Allowed Secured Claim against a Debtor in Class 1B, 2B or 3B agrees to less favorable treatment, each such holder shall, at the applicable Debtor's option, receive one of the following treatments: (i) payment in full in Cash; (ii) the Collateral securing such Allowed Secured Claim; or (iii) other treatment that renders such Allowed Secured Claim unimpaired in accordance with section 1124 of the Bankruptcy Code.

4.3 *SEC Claim.*

In full and final satisfaction of the SEC Claim in Class 1C, the SEC shall be entitled to receive its Pro Rata share of (i) Net Cash plus (ii) all Cash thereafter received by the

Litigation Trust from the liquidation of the Litigation Trust Assets, or otherwise received pursuant to the terms of the Plan and the Trust Agreement. Notwithstanding the above, all distributions from the Litigation Trust otherwise payable to the SEC on account of the SEC Claim shall not be paid to the SEC but instead, shall be paid Pro Rata to each Continuing Holder and the Policy Fund, in each case based on (A) the amount of Fractional Interests held by each Continuing Holder as a fraction of the total amount of all Policies and (B) the amount of Fractional Interests in the Policy Trust as a fraction of the total amount of all Policies.

For the avoidance of doubt, and by way of example only, assume the SEC is entitled to a distribution of \$20 million from the Litigation Trust, and that there are a total of \$2.4 billion in amount of Policies, comprised of (i) \$1 billion in amount of Fractional Interests held by Continuing Holders and (ii) \$1.4 billion in amount of Fractional Interests held by the Policy Fund. In this circumstance, 42% or \$8.4 million would be payable to Continuing Holders (\$1.0 billion/\$2.4 billion) and 58% or \$11.6 million would be payable to the Policy Fund (\$1.4 billion/\$2.4 billion). A Continuing Holder holding \$1 million in amount of Fractional Interests would thus receive \$8,400 (\$1 million/\$1 billion x \$8.4 million).

4.4 Fractional Interest Claims Against LPI.

(a) Elections for non-Qualified Plan Holders and non-IRA Holders. Other than Qualified Plan Holders and IRA Holders, each Person holding Fractional Interests may, by making an appropriate Election on the Ballot choose to: (i) become a Continuing Holder and remain a part of the life settlement program with Reorganized LPI; (ii) become an Assigning Holder by contributing its Fractional Interests and its proportionate share of funds in escrow to pay Policy premiums to the Policy Fund; or (iii) become a Former Holder by (A) rescinding the transaction(s) pursuant to which its Fractional Interests were purchased, and (B) being deemed to have abandoned to the Policy Fund their Fractional Interests, proportionate share of Maturity Funds and proportionate share of funds in escrow to pay Policy premiums, and become a beneficiary of the Litigation Trust.

(b) Elections for IRA Holders and Qualified Plan Holders. IRA Holders need not make an Election on the Ballot. Instead, all IRA Holders will **be deemed** to have made the Assigning Holder Election and will receive the treatment accorded to Assigning Holders set forth below, **unless** an IRA Holder specifically makes a Continuing Holder Election or a Former Holder Election. Qualified Plan Holders **may not** make the Former Holder Election, and may only choose between the Continuing Holder Election and the Assigning Holder Election.

Elections on the Ballot must be made on a Person-by-Person basis, for all Fractional Interests or, as applicable, IRA Notes, held by such Person. A Person may not “split” Elections by making different Elections for different Fractional Interests or IRA Notes held by such Person. Further, if any Person either fails to return a Ballot, fails to make an Election on the Ballot, or makes more than one Election on the Ballot, such Person will be deemed to have made the Continuing Holder Election (other than IRA Holders who will be deemed to have made the Assigning Holder Election). All Elections made on the Ballot (or deemed to be made) will be final and irrevocable.

(c) Specific Elections.

(1) Continuing Holder Election. Each Person who elects to become a Continuing Holder will (A) be deemed to be the beneficial owner of its Fractional Interests as of the Effective Date, (B) be required to pay all Catch-Up Amounts to the Policy Fund on the later of (i) 30 days after the Effective Date if the Catch-Up Amount is provided in connection with making Elections and casting Ballots or (ii) 90 days after the date on a Catch-Up Amount invoice, (C) be deemed to have entered into the New Management and Servicing Contract as of the Effective Date and (D) following the Effective Date, be required pay its share of all Policy premiums and Quarterly Management and Servicing Fees as and when due pursuant to the terms of the New Management and Servicing Contract.

Immediately following the Effective Date, any Maturity Funds held by Reorganized LPI that are attributable to Continuing Holders shall be paid to Vida as a pay-down for each Continuing Holder's Repayment. Any remaining balance of Maturity Funds and escrowed Policy premiums will then be remitted to such Continuing Holder, unless a Continuing Holder directs Vida to retain such amounts to pay future Policy premiums. To the extent there are insufficient Maturity Funds on hand as of the Effective Date with respect to a Continuing Holder to fully repay such Continuing Holder's Repayment Amount, the Continuing Holder may write Vida a check for the balance of such Continuing Holder's Repayment Amount, or all future Maturity Funds payable to the Continuing Holder in question shall be retained by Vida until that Continuing Holder's Repayment Amount has been paid in full with interest, after which time Maturity Funds shall be paid to the Continuing Holder in the normal course.

Any failure by a Continuing Holder to timely pay when due (i) its Catch-Up Amount or, following the Effective Date, (ii) any other Policy premiums or Quarterly Management and Servicing Fees as and when due, will result in the irrevocable abandonment and transfer of all of such Continuing Holder's right, title and interest in and to all of its Fractional Interests, along with any remaining Maturity Funds and Policy premium funds in escrow applicable to such Fractional Interests, to the Policy Fund ("**Defaulted Fractional Interests**"). Such Continuing Holder shall thereafter have no further rights of any kind against Vida, the Policy Fund, the Litigation Trust or the Reorganized Debtors. The Policy Fund shall, following such default by a Continuing Holder, use such Continuing Holder's defaulted Maturity Funds and Policy premium funds in escrow to pay the Catch-Up Amount or any then-due Policy premiums and Quarterly Management and Servicing Fees, as may be applicable.

Note to IRA Holders: Due to the potential for negative tax implications to IRA Holders who make the Continuing Holder Election, ***all IRA Holders are directed to the Disclosure Statement for an explanation of the potentially negative tax implications of becoming a Continuing Holder.***

(2) Assigning Holder Election.

Non-IRA Holders. Each Person who is not an IRA Holder and who elects to become an Assigning Holder, shall (i) be deemed to be the beneficial owner of its Fractional Interests as of the Effective Date, (ii) be deemed to have contributed to the Policy Fund all of its Fractional Interests and proportionate share of funds in escrow to pay Policy premiums, (iii) be deemed to have consented to the terms of the Policy Fund Partnership Agreement as of the Effective Date and (iv) receive a limited partnership interest in the Policy Fund equal to an Assigning Holder's Cost Basis in its Assigned Fractional Interests divided by the total Cost Basis for all Assigned Fractional Interests (not including Defaulted Fractional Interests or Abandoned Fractional Interests).

IRA Holders. IRA Holders who are deemed to have made the Assigning Holder Election will be deemed to have (i) exchanged their IRA Notes for a limited partnership interest in the Policy Fund on the Effective Date, equal to the amount of the IRA Notes being exchanged by such IRA Holder divided by the total Cost Basis for all Assigned Fractional Interests (not including Defaulted Fractional Interests or Abandoned Fractional Interests), and (ii) consented to the terms of the Policy Fund Partnership Agreement as of the Effective Date.

On the Effective Date, the Reorganized Debtors shall retain any Maturity Funds on hand applicable to an Assigning Holder to satisfy such Assigning Holder's Catch-Up Amount, and shall transfer the same to the Policy Fund. To the extent any Maturity Funds remain after application to an Assigning Holder's Catch-Up Amount, the same will be remitted to the Policy Fund. To the extent there remains a deficit for any Assigning Holder's Catch-Up Amount, the deficit will be waived.

The Policy Fund will be deemed to have entered into the New Management and Servicing Contract. The Policy Fund will be obligated to pay Vida its share of the Repayment Amount (defined below) from all funds on hand with, or received by, the Policy Fund, before any distributions are made to Assigning Holders. After the Repayment Amount has been paid in full with interest, distributions will be made from the Policy Fund to Assigning Holders in the normal course from the Policy Fund's available cash flow, net of appropriate reserves taken for the Policy Fund's operations.

(3) Former Holder Election. Other than Qualified Plan Holders, each Person who elects to become a Former Holder will be deemed to have rescinded its transactions and purchases with LPI and will not continue in the life settlement program. Each such Former Holder will (i) be deemed to have irrevocably abandoned to the Policy Fund all of its Fractional Interests, proportionate share of Maturity Funds and proportionate share of funds in escrow to pay Policy premiums, as of the Effective Date, (ii) be deemed to be the holder of a General

Unsecured Claim against the Debtors' Estates and (iii) become a beneficiary of the Litigation Trust and receive the same treatment under the Plan as other holders of General Unsecured Claims. ***Qualified Plan Holders may not make the Former Holder Election.***

(d) Repayment of Exit Loan: Upon the Effective date, each Continuing Holder and the Policy Fund shall be deemed to have a future obligation owing to Vida in respect of the Exit Loan, in an amount (the "**Repayment Amount**") equal to the (i) amount of Fractional Interests held by the Continuing Holder or the Policy Fund, as appropriate, divided by (ii) the total amount of Policies held collectively by all Continuing Holders and the Policy Fund, multiplied by (iii) the amount outstanding under the Exit Loan. Vida shall withhold paying Maturity Funds to each Continuing Holder until each Continuing Holder's Repayment Amount has been satisfied in full with interest, unless a Continuing Holder either writes Vida a check for its Repayment Amount or has enough money in its Maturity Funds account on the Effective Date to immediately pay its applicable Repayment Amount. With respect to the Policy Fund, no distributions shall be made to Assigning Holders until the Policy Fund's Repayment Amount has been satisfied in full with interest and appropriate reserves have been taken to fund the Policy Fund's operations. The Repayment Amount for each current holder of a Fractional Interest Claim will be invoiced on or around the Effective Date.

By way of example only, and for the avoidance of doubt:

Example A: assume that the total amount of the Exit Loan is \$25 million. Assume further that a Continuing Holder holds \$5 million in amount of Fractional Interests and that there is a total of \$2.4 billion in amount of Policies collectively between Continuing Holders and the Policy Fund. This particular Continuing Holder's individual Repayment Amount would be equal to \$5 million/\$2.4 billion, or 0.002, multiplied by \$25 million, which equals \$52,083. That amount would be paid to Vida from Maturity Funds subsequently paid in respect of that Continuing Holder's Fractional Interests until Vida is paid in full, with interest. Or, the Continuing Holder in question could simply write a check to Vida for that holder's Repayment Amount, or release funds in its Maturity Funds account (if any) to make the payment.

Example B: assume that the total amount of the Exit Loan is \$25 million. Assume further that \$1.0 billion in amount of Fractional Interests go into the Policy Fund and that there is a total of \$2.4 billion in amount of Policies collectively between Continuing Holders and the Policy Fund. The Repayment Amount for the Policy Fund would be equal to \$1.0 billion/\$2.4 billion, or 0.416, multiplied by \$25 million, which equals \$10,416,666.65. That amount would be paid to Vida from available cash flow in the Policy Fund (including Maturity Funds paid in respect of Fractional Interests in the Policy Fund) until Vida is paid in full, with interest.

4.5 General Unsecured Claims.

Except to the extent that a holder of an Allowed General Unsecured Claim against a Debtor in Class 1D, 2D or 3C agrees to a different treatment, each holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of (i) Net Cash plus (ii) all Cash thereafter received by the Litigation Trust from the liquidation of the Litigation Trust Assets, or otherwise received pursuant to the terms of the Plan and the Trust Agreement. The Litigation

Trustee shall make the Initial Distribution of Net Cash to holders of Allowed General Unsecured Claims on the later of (a) the Effective Date or (b) fifteen (15) days after a General Unsecured Claim become Allowed, and shall thereafter make additional distributions in accordance with the provisions of the Plan.

4.6 *Intercompany Claims.*

All Intercompany Claims against a Debtor in Class 1E, 2E and 3D shall be cancelled, released and discharged as part of the Intercompany Settlement. The holders of Intercompany Claims shall be relieved of their liabilities to the other Debtors in full and final satisfaction of such Claims and liabilities. Due to the Intercompany Settlement, holders of Intercompany Claims are conclusively deemed to have accepted the Plan.

4.7 *Equity Interests.*

On the Effective Date, all Equity Interests in the Debtors in Class 1F, 2F and 3E shall be cancelled, and shall be of no further force or effect. Holders of Equity Interests shall neither receive nor retain any property under the Plan on account of their Equity Interests.

ARTICLE V

**IMPAIRMENT; ACCEPTANCE OR REJECTION OF THE PLAN;
EFFECT OF REJECTION BY ONE OR MORE CLASSES**

5.1 *Classes Entitled to Vote.*

The holders of Claims in Classes 1A, 1B, 2A, 2B, 3A and 3B are unimpaired, conclusively deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan. The Holders of Intercompany Claims in Classes 1E, 2E and 3D are conclusively deemed to have accepted the Plan as a result of the Intercompany Settlement. The holders of Claims and Fractional Interests in Classes 1C, 1D, 1E, 2C, 2D, 2E, 3C and 3D are impaired and entitled to vote to accept or reject the Plan. Holders of Equity Interests Classes 1F, 2F and 3E shall neither receive nor retain any property on account of such Equity Interests, are deemed to reject the Plan, and are not entitled to vote to accept or reject the Plan.

5.2 *Class Acceptance Requirement.*

A Class of impaired Claims shall have accepted the Plan if the holders of at least two-thirds (2/3) in amount and more than one-half (1/2) in number of Claims in such Class who have voted on the Plan have voted to accept the Plan.

5.3 *Cramdown.*

To the extent that any Class is impaired under the Plan and such Class fails to accept the Plan in accordance with section 1126(c) or (d) of the Bankruptcy Code, Vida hereby requests that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code.

ARTICLE VI

MEANS OF IMPLEMENTATION

6.1 *General.*

The Plan contemplates a restructuring of LPI and LPIFS whereby Vida will acquire 100% of the New Stock and carry on the business of LPI and wind it down until all Policies have matured and paid out, as modified by this Plan. Net Cash and all other Cash received by the Litigation Trust will be paid to the holders of Allowed General Unsecured Claims and holders of Fractional Interest Claims who make the Former Holder Election. After such Claims are paid in full, if at all, any excess amounts will be paid over to the Policy Fund. The Initial Distribution to holders of Allowed General Unsecured Claims will be made as set forth in section 5.5 of the Plan, and subsequent interim distributions may be made as and when the Litigation Trustee deems appropriate based on the progress of liquidating the Litigation Trust Assets and closing down the Chapter 11 Cases. After all costs and expenses closing down the Chapter 11 Cases have been paid or reserved for, a final distribution will be made to holders of Allowed General Unsecured Claims as set forth herein.

6.2 *Compromise of Ownership Issues and Intercompany Claims.*

Pursuant to Bankruptcy Rule 9019, the Plan shall, and does, constitute a compromise and resolution of all Intercompany Claims and the Ownership Litigation, all of which shall become effective on the Effective Date, and the consideration for which shall be as set forth in the Plan. On the Effective Date, the Ownership Litigation shall be deemed resolved and shall be dismissed with prejudice and the Intercompany Settlement shall be deemed effective. The plaintiffs in the Ownership Litigation are directed to take all actions necessary to effect such dismissal promptly following the Effective Date.

6.3 *Limited Substantive Consolidation.*

For purposes of distribution under the Plan only, the Debtors shall be deemed merged and consolidated such that (i) all guarantees of the Debtors of payment, performance or collection of obligations of any other Debtor shall be eliminated and cancelled, (ii) all joint obligations of the Debtors and multiple Claims filed against such Debtors on account of such joint obligations, shall be considered a single claim against the Debtors, (iii) any Claim filed in the Chapter 11 Cases shall be deemed filed against the consolidated Debtors and a single obligation of the consolidated Debtors on and after the Effective Date and (iv) all duplicative Claims filed against one or more of the Debtors shall be expunged such that only one Claim survives against the consolidated Debtors.

Other than as immediately set forth above, such consolidation shall not affect the legal and organizational structures of the Reorganized Debtors, the Policy Fund or the Litigation Trust, each of which shall, after the Effective Date, maintain its existence as a separate legal entity, with all the powers afforded to it under applicable law in the jurisdiction in which it is organized and pursuant to the organizational documents in effect with respect to such entity,

except to the extent such organizational documents are amended by, or are to be amended pursuant to, the Plan or otherwise.

6.4 Release of Liens.

Except as otherwise provided herein, upon the occurrence of the Effective Date, any Lien securing a Secured Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any Collateral or other property of the Debtors (including any Cash collateral) held by such holder and to take such actions as may be requested by the Reorganized Debtors or the Litigation Trustee to evidence the release of such Lien, including the execution, delivery and filing or recording of releases. As of the Effective Date, the Reorganized Debtors shall be authorized to file on behalf of holders of Secured Claims form UCC-3s or such other forms as may be necessary to implement the provisions of this section of the Plan.

6.5 Cancellation of Equity Interests and IRA Notes.

Upon the Effective Date, all Equity Interests in the Debtors and all IRA Notes shall be of no further force or effect, and the obligations of the Debtors or any other entity thereunder, if any, shall be deemed satisfied in full and discharged.

6.6 Dissolution of Committee and Cessation of Fee and Expense Payments.

The Committee, and any other statutory committee appointed in the Chapter 11 Cases, shall be dissolved on the Effective Date. Neither the Debtors' Estates, the Policy Fund, the Litigation Trust, nor the Trustee shall be responsible for paying any fees or expenses incurred by the Committee (or any other committee) after the Effective Date; *provided, however*, that the Committee shall nonetheless have post-Effective Date standing to object to Administrative Expense Claims and Fee Claims, and shall be entitled to file a Fee Claim for amounts related thereto, subject to the rights of any party in interest to object thereto.

6.7 Discharge of Chapter 11 Trustee.

The Trustee shall be discharged from his duties on the Effective Date. Such discharge shall not affect or impair the Trustee's right to seek a final ruling on any request for compensation made in the Chapter 11 Cases.

6.8 Restructuring and Other Corporate Actions and Transactions.

(a) Assets and Liabilities to be Transferred and Assumed: Upon the Effective Date, 100% of the New Stock shall be issued to Vida, and the Assumed Assets shall be transferred to, vest in, and be assumed by the Reorganized Debtors. The Reorganized Debtors will also assume the Assumed Contracts.

(b) Consideration: As consideration for the New Stock, Vida shall pay the Cash Consideration to the Debtors' Estates.

(c) Employment Agreements. The Reorganized Debtors may retain and continue to employ a select group of current employees in Waco, Texas, as the Reorganized Debtors determine in their sole discretion. The Reorganized Debtors may enter into new employment agreements with such persons, on terms mutually satisfactory to the parties thereto, as the Reorganized Debtors and such current employees may desire to enter into.

(d) Other Transactions. On or as of the Effective Date, or as soon as practicable thereafter, and without the need for any further action other than approval by the New Boards, the Reorganized Debtors may (i) cause any or all of the Reorganized Debtors to be merged, dissolved or otherwise consolidated, (ii) cause the transfer of assets between or among the Reorganized Debtors, or (iii) engage in any other transaction in furtherance of the Plan.

(e) General Corporate Actions. Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including (i) the selection of the directors and officers of the Reorganized Debtors, (ii) the distribution of New Stock, and (iii) all other actions contemplated by the Plan (whether to occur before, on or after the Effective Date). All matters provided for in the Plan involving the corporate structure of LPI, LPIFS, Reorganized LPI and Reorganized LPIFS, and any corporate action required by the foregoing in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by any holders of Equity Interests or New Stock, the Trustee, the managing members, directors or officers of LPI, LPIFS, Reorganized LPI or Reorganized LPIFS. On or (as applicable) prior to the Effective Date, the appropriate officers of LPI, LPIFS, Reorganized LPI and Reorganized LPIFS, as applicable, shall be authorized and directed to issue, execute and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of Reorganized LPI and Reorganized LPIFS. Such authorizations and approvals shall be effective notwithstanding any requirements under non-bankruptcy law.

(f) New Life Partners Governing Documents; New Management and Servicing Agreement. Upon the Effective Date (1) the New Life Partners Governing Documents shall become effective and shall be filed with the appropriate Governmental Unit and (2) the New Management and Servicing Agreement shall become binding and effective.

(g) Boards of Directors of Reorganized Debtors. The identities of and compensation to be provided to the individuals serving on New Boards will be set forth in the Plan Supplement. After the Effective Date, each of the New Boards shall consist of three (3) members, one (1) of whom shall be the chief executive officer of Reorganized LPI, one (1) of whom shall be the chief executive officer of Reorganized LPIFS, and one (1) of whom shall be the current General Counsel of Vida Capital, Inc. The tenure of each member of the New Boards, and the tenure and manner of selection of subsequent directors for each of the Reorganized Debtors shall be as provided in the New Life Partners Governing Documents.

(h) Officers and Directors of Reorganized Debtors. The officers and directors of the Reorganized Debtors shall be set forth in the Plan Supplement.

(i) Transfer of Policies to Reorganized LPI. Any and all Persons or entities in possession, custody or control of any Policy shall be deemed to have transferred such Policies to Reorganized LPI as of the Effective Date. A copy of the Plan and the Confirmation Order shall be deemed sufficient evidence and conclusive proof that Reorganized LPI is the holder of legal title to such Policies, shall be sufficient to effect such transfer to Reorganized LPI as of the Effective Date, and shall be accepted by any and all insurance companies without the need for the execution of a change of ownership form. Any and all Persons or entities in possession, custody or control of any Policy are directed, as and if requested by Reorganized LPI, to execute any and all documentation requested by Reorganized LPI to effect any transfers of Policies to Reorganized LPI. To the extent any such Person or entity refuses to execute such documentation, the same may be executed by Reorganized LPI on behalf of such Person or entity, Reorganized LPI is expressly authorized to execute the same, and the same shall be accepted as a genuine and authorized transfer of the Policy or Policies in question.

(j) Exit Loan. On the Effective Date, the Exit Loan will be used to pay off any remaining DIP Claims, Administrative Claims, Priority Tax Claims and Fee Claims for which there were insufficient funds in the Estates to pay in full. Each Person holding a DIP Claim shall be paid an amount equal to the remaining unpaid amount of Maturity Funds actually borrowed by the Debtors from such Person during the Chapter 11 Cases. Similarly, holders of Allowed Administrative Claims and Allowed Fee Claims shall be paid pursuant to sections 2.2 and 2.3 of the Plan.

6.9 *Issuance of New Stock, Limited Partnership Interests and Beneficial Interests; Section 1145 Exemption.*

As of the Effective Date, the issuance of (i) the New Stock to Vida by the Reorganized Debtors, (ii) the limited partnership interests in the Policy Fund to Assigning Holders and (iii) the beneficial interests in the Litigation Trust to Litigation Trust Beneficiaries, is hereby authorized without the need for any further corporate action. Pursuant to section 1145 of the Bankruptcy Code, the issuance and allocation of shares of New Stock hereunder (and any options to purchase the same), the limited partnership interests in the Policy Fund, and the beneficial interest in the Litigation Trust, shall be exempt from registration under the Securities Act and any state or local law requiring registration for offer or sale of a security.

6.10 *Effectuating Documents; Further Transactions.*

The New Boards, the chairman of the board of directors, president, chief financial officer, any vice-president, the Trustee, or any other appropriate officer of Reorganized LPI and Reorganized LPIFS shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions, as may be necessary or appropriate, to effectuate and further evidence the terms and conditions of the Plan. The secretary or assistant secretary of the appropriate Debtor shall be authorized to certify or attest to any of the foregoing actions.

6.11 Post-Confirmation Servicing Rights and Arrangements.

On and after the Effective, Vida or an affiliate shall service the Policies in the Policy Fund and held by Continuing Holders, and manage the Policy Fund, Assigning Holders' accounts and Continuing Holders' accounts, pursuant to the terms of the New Management and Servicing Contract. The terms of the New Management and Servicing Contract shall include the following:

(a) There shall be a quarterly fee payable to Vida in advance prior to the 15th day of every March, June, September and December, pro-rated for partial quarters, equal to 0.0875% of the amount of each Policy, pro-rated across all Fractional Interests attributable to such Policy (the "**Quarterly Management and Servicing Fee**"). Each Continuing Holder will be responsible for payment of its own individual Quarterly Management and Servicing Fee. If any Continuing Holder fails to pay its Quarterly Management and Servicing Fee with respect to any Fractional Interests in full, as and when due, all Fractional Interests held by such Continuing Holder will become Defaulted Fractional Interests and shall be treated in the manner set forth in section 4.4(b)(1).

(b) Vida will make available to all Continuing Holders and the Policy Fund, via a secure website accessible to individuals who have signed the requisite confidentiality agreement and who are Continuing Holders, Assigning Holders or the Policy Fund, all information related to their invested life settlements, while complying with necessary privacy and HIPAA regulations. This includes, but is not limited to, all relevant life expectancy report information. Vida will also facilitate communication between and among Continuing Holders and the Policy Fund holding an interest in the same Policy, to ensure that decisions involving their collective interests are made as a group, with the benefit of all available information and transparency. The services to be provided by Vida will include, but not be limited to, the following:

1. Preparing and distributing quarterly invoices to Continuing Holders and the Policy Fund;
2. Preparing and distributing annual premium call reports;
3. Preparing and distributing quarterly reports to Continuing Holders and the Policy Fund regarding their respective investments;
4. Communicating with and answering questions from investors;
5. Administering premium payment directions to, and interfacing with, the escrow agent(s), who are currently ATLES and PES;
6. Regularly contacting carriers to verify and confirm that premium payments were received and applied to the applicable Policies, and to confirm that the Policies are in force and in good standing;

7. Periodically contacting insureds, as allowed by applicable life settlement regulations, to insureds and designated contacts to verify information such as current residence and current health status;
8. Updating HIPAA forms and physician lists on an as-needed basis;
9. Obtaining updated medical records on an as-needed basis;¹
10. Facilitating the acquisition of new life expectancy reports from third party providers on an as needed basis;²
11. Corresponding with carriers, including monitoring, processing and reporting on all carrier correspondence received; analyzing illustrations, grace notices and annual statements; annual premium optimization to verify that the most optimal premium schedule is being utilized to keep the Policies active and in good standing;
12. Analyzing individual Policies, including the following:
 - A. Performing in-depth qualitative and quantitative analyses of each Policy for which PES and ATLES are designated beneficiaries and/or premium servicing escrow agents;
 - B. Analyzing each life settlement Policy's escrowed premium account;
 - C. Analyzing each life settlement Policy's internal account value and cash surrender value;
 - D. Creating, analyzing, and comparing optimized premium schedules such as Cost of Insurance ("COI"), No Lapse Guarantee ("NLG"), and Hybrid (moving between COI and NLG options) against the current utilized premium schedule, which allows for better utilization of the premium reserve and/or allows for smaller and less frequent premium calls on certain Policies; and
 - E. Presenting options to Continuing Holders and the Policy Fund for voting, including paying a reduced premium schedule or taking distributions from unneeded escrowed premiums, which could delay or terminate scheduled capital calls

¹ Any third party acquisition costs for medical record updates are not included in the Quarterly Management and Servicing Fee, and will be passed on to Continuing Holders or the Policy Fund, as appropriate.

² Any third party acquisition costs for life expectancy reports are not included in the Quarterly Management and Servicing Fee, and will be passed on to Continuing Holders or the Policy Fund, as appropriate.

and potentially increase profitability of Continuing Holders' the Policy Fund's investments.

13. Performing regular death sweeps performed across multiple services, including social security number-based and obituary-based searches; and

14. Retrieving death certificates, processing death claims, and ensuring that death benefit distributions are handled appropriately.

6.12 *Reconciliation of Catch-Up Amounts and Repayment Amounts.*

Either in connection with the process for making Elections and casting Ballots, or via separate invoice, holders of Fractional Interest Claims will be informed of their Catch-Up Amount (if any) and Repayment Amount, as of the Voting Record Date, and the break-down of amounts owing. If there is a dispute regarding a Catch-Up Amount that cannot be resolved between Reorganized LPI and the holder of a Fractional Interest Claim, the matter shall be resolved by the Bankruptcy Court. Catch-Up Amounts must be paid by the date that is the later of (i) 90 days after the Effective Date if the Catch-Up Amount is provided in connection with making Elections and casting Ballots or (ii) 90 days after the date on a Catch-Up Amount invoice.

6.13 *Transfer of Records, Cooperation and Further Assurances.*

Following entry of the Confirmation Order, the Committee and the Trustee shall work with Vida to ensure an orderly transfer of the Debtors' business records, including all Policy-related data and information (collectively, the "**Records**"). Thereafter, until the time the Committee is dissolved and the Trustee is discharged, the Committee and the Trustee shall cooperate and work with Vida and the Reorganized Debtors in a commercially reasonable manner in connection with all matters related to such Records.

6.14 *Policy Fund Facility.*

Vida or an affiliate of Vida shall make a loan facility available to the Policy Fund (the "**Policy Fund Facility**") to loan money to the Policy Fund to pay Policy premiums or as otherwise needed to fund Policy Fund operations. The Policy Fund Facility shall bear simple interest at 13% per annum and be secured by a first priority security interest in the assets of the Policy Fund. If the Policy Fund Facility is drawn upon, then to the extent a replacement facility can be obtained from a third party at a lower interest rate, the Policy Fund Facility will be refinanced. The Policy Fund is not required to draw on the Policy Fund Facility.

6.15 *The Policy Fund.*

The Policy Fund will be established pursuant to the Policy Fund Documents. The Policy Fund Partnership Agreement will govern the operations of the Policy Fund and the relative rights and obligations of Assigning Holders. The Policy Fund will be managed and run by Vida, directly or indirectly.

6.16 *The Litigation Trust.*

(a) Establishment of the Litigation Trust. On the Effective Date, the Litigation Trust shall be established pursuant to the Trust Agreement, for the purposes of administering the Litigation Trust Assets and making distributions to Litigation Trust Beneficiaries, as provided in the Plan. The Policy Fund shall be the residual beneficiary of the Litigation Trust. On the Effective Date, the Trust Agreement shall be executed and all other necessary steps shall be taken to establish the Litigation Trust and the beneficial interests therein.

(b) Litigation Trust Assets. The assets of the Litigation Trust shall consist of the Litigation Trust Assets. On the Effective Date, in accordance with section 1141 of the Bankruptcy Code, the Litigation Trust Assets shall automatically vest in the Litigation Trust, free and clear of all Liens, Claims and encumbrances, except to the extent otherwise provided in this Plan.

(c) Purpose of the Litigation Trust. The Litigation Trust shall be established for the sole purpose of liquidating and distributing its assets to holders of beneficial interests in the Litigation Trust (who are the Litigation Trust Beneficiaries), in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or to engage in the conduct of a trade or business. The Litigation Trust, through the Litigation Trustee, shall (i) collect and reduce the assets of the Litigation Trust to Cash, (ii) prosecute, settle and otherwise administer the Litigation Trust Assets, (ii) make distributions to the Litigation Trust Beneficiaries in accordance with the terms of the Plan and the Trust Agreement and (iv) take all such other actions as may be reasonably necessary to accomplish the purposes of section 6.14 of the Plan, as more specifically set forth in the Trust Agreement.

(d) The Litigation Trustee. The Litigation Trustee shall be a representative of the Debtors' Estates pursuant to sections 1123(a)(5)(B) and 1123(b)(3)(B) of the Bankruptcy Code, and shall be vested with standing to prosecute, settle and otherwise administer all Causes of Action transferred to the Litigation Trust, without the need for Bankruptcy Court approval or any other notice of approval, except as set forth in the Trust Agreement. The Litigation Trustee shall be exempt from giving any bond or other security in any jurisdiction.

(e) Nontransferability of Litigation Trust Interests. Beneficial interests in the Litigation Trust shall not be transferable, except as otherwise provided in the Trust Agreement.

(f) Costs and Expenses of the Litigation Trust and the Litigation Trustee. All costs and expenses of the Litigation Trust, including the fees and expenses of the Litigation Trustee and any professionals retained by the Litigation Trustee, shall be paid solely out of the Litigation Trust Assets.

(g) Compensation for Trustee and Trust Committee Members. The compensation for the Litigation Trustee and the members of the Trust Committee shall be as set forth in the Trust Agreement.

(h) Distributions. The Litigation Trustee shall reduce the Litigation Trust Assets to Cash and make interim distributions of Cash to Litigation Trust Beneficiaries at such

time as the Litigation Trustee may deem appropriate, in accordance with the terms of this Plan and the Trust Agreement. If any funds remain in the Litigation Trust after payment in full of all Litigation Trust Beneficiaries, such remaining funds shall be transferred to and shall vest in the Policy Fund as residual beneficiary.

(i) Trust Certificates. The beneficial interests in the Litigation Trust shall not be represented by certificates, receipts, or in any other form or manner, except as maintained on the books and records of the Litigation Trust by the Trustee, as set forth in the Trust Agreement.

(j) Retention and Compensation of Professionals by the Trustee. Subject to the terms of the Trust Agreement and any necessary approvals contained therein, the Litigation Trustee may retain and reasonably compensate counsel and other professionals out of the Litigation Trust Assets, on such terms as the Litigation Trustee deems appropriate. The Litigation Trustee may retain any professional who represented parties in interest in the Chapter 11 Cases.

(k) Trust Committee.

(1) The initial members of the Trust Committee shall be as set forth in the Plan Supplement and such members' tenure shall thereafter be governed by the terms of the Trust Agreement. The members of the Trust Committee shall have the right to direct and remove the Litigation Trustee, and shall have such other rights as set forth in the Trust Agreement and as are not inconsistent therewith or with the terms of the Plan. No Litigation Trust Beneficiary shall have any consultation or approval rights in respect of the management and operation of the Litigation Trust, except as may be set forth in the Trust Agreement.

(2) The Trust Committee shall have the authority and responsibility to advise, assist and supervise the Litigation Trustee in the administration of the Litigation Trust and shall have the authority to remove the Litigation Trustee in accordance with the terms of the Trust Agreement. The Litigation Trustee shall consult with and provide information to the Trust Committee in accordance with and pursuant to the terms of the Trust Agreement. The Trust Committee shall have the authority to select and engage such professional advisors as the Trust Committee may deem necessary or desirable to assist in the fulfilling its obligations under the Trust Agreement and the Plan, including, without limitation, any professional previously retained by any Litigation Trust Beneficiary, the Committee, or the Debtors. The Litigation Trust shall pay the reasonable and documented fees of such advisors and reimburse such advisors for their reasonable and documented out-of-pocket costs and expenses.

(3) The Trust Committee shall conduct business, have regular meetings and otherwise act in a manner pursuant to and as set forth in the Trust Agreement.

(l) Federal Income Tax Treatment of the Litigation Trust.

(1) For all federal income tax purposes, all parties (including the Debtors, the Litigation Trust, the Litigation Trustee and the Litigation Trust Beneficiaries) shall treat the transfer of the Litigation Trust Assets to the Litigation Trust for the benefit of the Litigation Trust Beneficiaries, whether their Claims are Allowed on or after the Effective Date, as (a) a transfer of the Litigation Trust Assets directly to those holders of Allowed Claims receiving interests in the Litigation Trust (other than to the extent allocable to Disputed Claims and Equity Interests), followed by (b) the transfer by such Persons to the Litigation Trust of the Litigation Trust Assets in exchange for beneficial interests in the Litigation Trust (and in respect of the Litigation Trust Assets allocable to the Disputed Claims Reserve, as a transfer to the Disputed Claim and Administrative Reserve by the Debtors). Accordingly, those holders of Allowed Claims receiving Litigation Trust interests shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Litigation Trust Assets. The foregoing treatment also shall apply, to the extent permitted by applicable law, for state and local income tax purposes.

(2) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including receipt by the Litigation Trustee of a private letter ruling if the Litigation Trustee so requests one, or the receipt of an adverse determination by the IRS, upon audit, or otherwise if not contested by the Litigation Trustee), the Litigation Trustee shall (i) file returns for the Litigation Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with the Trust Agreement and this section 6.14 of the Plan and (ii) annually send to each holder of a Litigation Trust interest a separate statement setting forth such holder's share of items of income, gain, loss, deduction, or credit and will instruct all such holders and parties to report such items on their federal income tax returns. The Litigation Trustee also shall file (or cause to be filed) any other statements, returns or disclosures relating to the Litigation Trust that are required by any governmental unit.

(3) As soon as possible after the Effective Date, but in no event later than ninety (90) days thereafter (i) the Litigation Trustee will determine the fair market value as of the Effective Date of all assets transferred to the Litigation Trust and (ii) the Litigation Trustee shall apprise, in writing, the Litigation Trust Beneficiaries of such valuation. In connection with the preparation of the valuation contemplated hereby, the Litigation Trustee shall be entitled to retain such professionals and advisors as the Litigation Trustee shall determine to be appropriate or necessary, and the Litigation Trustee shall take such other actions in connection therewith as it determines to be appropriate or necessary in connection therewith. The Litigation Trust shall bear all of the reasonable costs and expenses incurred in connection with determining such value, including the fees and expenses of any Persons retained by the Trustee in connection therewith.

(4) The Litigation Trustee may request an expedited determination of taxes of the Litigation Trust under section 505(b) of the Bankruptcy Code for all

returns filed for, or on behalf of, the Litigation Trust for all taxable periods through the dissolution of the Litigation Trust.

(5) The Litigation Trustee shall be responsible for payments, out of the Litigation Trust Assets and the proceeds thereof, of any taxes imposed on the Litigation Trust or the Litigation Trust Assets.

(6) The Litigation Trustee may require any of the Litigation Trust Beneficiaries to furnish to the Litigation Trustee its Employer or Taxpayer Identification Number as assigned by the IRS and the Litigation Trustee may condition any distribution or payment to any of them upon receipt of such identification number.

(m) Indemnification. From and after the Effective Date, the Litigation Trustee and each member of the Trust Committee (collectively, the “**Indemnified Persons**”) shall be indemnified and held harmless by the Litigation Trust, to the fullest extent permitted by law and to the extent of its assets legally available for that purpose, from and against any and all losses, costs, damages, reasonable and documented out-of-pocket expenses (including reasonable fees and expenses of attorneys and other advisors and any court costs incurred by any Indemnified Person) or liability by reason of anything any Indemnified Person did, does, or refrains from doing for the business or affairs of the Litigation Trust, except to the extent that the loss, cost, damage, expense or liability resulted (x) from the Indemnified Person’s gross negligence, bad faith, willful misconduct or knowing violation of law or (y) from an act or omission from which the Indemnified Person derived an improper personal benefit. To the extent reasonable, the Litigation Trust shall pay in advance or reimburse reasonable and documented out-of-pocket expenses (including advancing reasonable costs of defense) incurred by the Indemnified Person who is or is threatened to be named or made a defendant or a respondent in a proceeding concerning the business and affairs of the Litigation Trust. The Litigation Trust may purchase fiduciary liability insurance for the benefit of the Litigation Trustee and the Trust Committee members.

(n) Dissolution.

(1) The Litigation Trust shall commence on the Effective Date and terminate no later than the fifth (5th) anniversary of the Effective Date; *provided, however,* that, on or prior to the date that is ninety (90) days prior to such termination, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Litigation Trust if it is necessary to the liquidation of the Litigation Trust Assets. Notwithstanding the foregoing, multiple extensions may be obtained so long as Bankruptcy Court approval is obtained not less than ninety (90) days prior to the expiration of each extended term; *provided, however,* that in no event shall the term of the Litigation Trust extend past the tenth (10th) anniversary of the Effective Date; *provided further* that neither the Trust Agreement nor the continued existence of the Litigation Trust shall prevent the Debtors (or the Trustee as appropriate) from closing the Chapter 11 Cases pursuant to section 350 of the Bankruptcy Code and obtaining a final decree pursuant to Bankruptcy Rule 3022.

(2) The Litigation Trust may be terminated earlier than its scheduled termination if (i) the Bankruptcy Court has entered a Final Order closing the Chapter 11 Cases pursuant to section 350(a) of the Bankruptcy Code and (ii) the Litigation Trustee has administered all Litigation Trust Assets and performed all other duties required by the Plan, the Confirmation Order, the Trust Agreement and this Plan.

(3) If at any time the Litigation Trustee determines that the expense of administering the Litigation Trust is likely to exceed the value of the remaining Litigation Trust Assets, the Litigation Trustee shall (i) transfer the balance to the Policy Fund, and (ii) dissolve the Litigation Trust.

ARTICLE VII

DISTRIBUTIONS

7.1 *Date of Distributions.*

Unless otherwise provided in the Plan, any distributions and deliveries to be made under the Plan shall be made on the Effective Date or as soon as practicable thereafter. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act shall be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

7.2 *Sources of Cash for Plan Distributions.*

Except as otherwise provided herein or in the Confirmation Order, all Cash required for the payments to be made under the Plan shall come from Cash on hand with the Debtors (including the Cash Consideration), and the Exit Loan, and after the Effective Date, Cash received on account of Policy maturities and liquidating Litigation Trust Assets.

7.3 *Disbursing Agent and De Minimis Distributions.*

All distributions under this Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond, surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

The Disbursing Agent shall not make any Cash distribution to any Person in an amount less than \$25. Any distribution in an amount less than \$25 shall be retained by the Disbursing Agent until the next distribution. To the extent any final distribution to any Person is less than \$25, all such amounts shall be donated to the Austin Habitat for Humanity.

7.4 *Rights and Powers of Disbursing Agent.*

The Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan, (b) make all distributions contemplated hereby, (c) employ professionals to represent it with respect

to its responsibilities and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

7.5 *Record Date for Distributions.*

At the close of business on the Distribution Record Date, the transfer ledgers or registers for existing Claims against and Equity Interests in the Debtors shall be closed, and there shall be no further changes in the record holders of such Claims and Equity Interests. Neither the Debtors, the Trustee, the Disbursing Agent nor the Litigation Trustee shall have any obligation to recognize any transfer of any of the foregoing occurring after the Distribution Record Date, and shall be entitled instead to recognize for all purposes hereunder, including to effect distributions hereunder, only those record holders stated on the transfer ledgers or registers maintained by the Debtors as of the close of business on the Distribution Record Date.

7.6 *Recipients of Distributions.*

All distributions to holders of Allowed Claims under the Plan shall be made to the holder of the Claim as of the Distribution Record Date. Changes as to the holder of a Claim after the Distribution Record Date shall only be valid and recognized for distribution if notice of such change is filed with the Bankruptcy Court, in accordance with Bankruptcy Rule 3001 (if applicable) and served upon the Debtors, the Trustee, the Litigation Trustee and their respective counsel.

7.7 *Delivery of Distributions.*

Subject to Bankruptcy Rule 9010, all distributions under the Plan shall be made at the address of each holder of an Allowed Claim as set forth in the books and records of the Debtors, unless the Debtors and the Litigation Trustee have been notified in writing of a change of address. If any distribution to the holder of an Allowed Claim is returned as undeliverable, no further distributions to such holder shall be made unless and until the Debtors and the Litigation Trustee are notified of such holder's then-current address, at which time all missed distributions shall be made to such holder without interest; *provided, however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one hundred eighty (180) days after the date of the distribution in question. After such 180th day, and notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary (i) all unclaimed property or interest in property in respect of the distribution in question shall revert to the Litigation Trust and thereafter be distributed Pro Rata to the holders of Allowed Claims in accordance with the terms of this Plan, and (ii) the Claim of any holder with respect to such unclaimed property or interest in property shall be discharged and forever barred.

7.8 *Means of Payment.*

All distributions made pursuant to the Plan shall be in Cash, unless otherwise provided in the Plan.

7.9 *Setoffs and Recoupment.*

The Debtors, the Reorganized Debtors, the Litigation Trustee and the Policy Fund may, but shall not be required to, setoff against or recoup from any Claim any rights to payment that any of them may have against the holder of such Claim. Neither the failure to setoff or recoup, nor the Allowance of any Claim shall constitute a waiver or release by of the Debtors, the Reorganized Debtors, the Litigation Trustee or the Policy Fund of any right to payment, or right of setoff or recoupment.

7.10 *Disputed Claim and Administrative Reserve.*

On the Effective Date, the Litigation Trustee shall establish the Disputed Claim and Administrative Reserve. Any amounts remaining in the Disputed Claim and Administrative Reserve after the Chapter 11 Cases have been fully administered and all related costs and expenses have been paid, shall be distributed by the Litigation Trustee to holders of Allowed Claims pursuant to the terms of this Plan and the Trust Agreement.

7.11 *Distributions After Effective Date.*

Distributions made pursuant to the Plan after the Effective Date to holders of Disputed Claims that are not Allowed as of the Effective Date, shall be deemed to have been made on the Effective Date. After the Initial Distribution, additional interim distributions to holders of Allowed Claims shall be made at such time as the Litigation Trustee may deem appropriate, in accordance with the terms of the Plan and the Trust Agreement, and subject to appropriate funding for the Disputed Claim and Administrative Reserve.

7.12 *Withholding and Reporting Requirements.*

In connection with the Plan and all instruments issued under the Plan, any party issuing any instrument or making any such distribution under the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is entitled to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any applicable tax obligations, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan to any holder of any Allowed Claim has the right, but not the obligation, to not issue such instrument or make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

7.13 *No Postpetition Interest.*

Unless otherwise specifically provided for in the Plan or in the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no Claim holders shall be entitled to interest accruing on or after the Petition Date.

7.14 *Time Bar to Payments.*

Checks issued by the Disbursing Agent under the Plan shall be null and void if not negotiated within one hundred eighty (180) days after the date of issuance. Requests for reissuance of any check shall be made in writing directly to the Disbursing Agent by the person to whom such check was originally issued. Any request for re-issuance of a voided check must be made on or before the end of the 180-day period referenced in this section. After such 180-day period, if no request for re-issuance of a voided check was timely made, such amounts shall constitute unclaimed property and be treated in accordance with section 7.7 of the Plan, and all Claims or Equity Interests in respect of such void checks shall be discharged and forever barred.

ARTICLE VIII

**PROCEDURES FOR RESOLVING AND
TREATING DISPUTED CLAIMS**

8.1 *Objections to Claims.*

Except insofar as a Claim is Allowed under the Plan or pursuant to Final Order of the Bankruptcy Court, the Litigation Trustee or any other party in interest, shall be entitled to object to Claims. Any objections to Claims shall be served and filed by the Objection Deadline. Any Claim as to which an objection is timely filed shall be a Disputed Claim or Disputed Equity Interest, respectively.

8.2 *No Distributions Pending Allowance.*

If a timely objection is made with respect to any Claim, no payment or distribution under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes Allowed.

8.3 *Distributions After Allowance.*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim, in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under this Plan as of the Effective Date, without any interest.

8.4 *Disallowance of Late Filed Claims; Proof of Equity Interest.*

Unless otherwise provided in a Final Order of the Bankruptcy Court, any Claim for which a proof of claim is filed after the applicable Bar Date shall be deemed disallowed. The holder of a Claim that is disallowed pursuant to this section shall not receive any distribution on account of such Claim, and neither the Debtors, the Trustee, the Litigation Trustee nor the Distribution Agent shall need to take any affirmative action for such Claim to be deemed disallowed.

ARTICLE IX

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 *Assumption and Rejection of Contracts and Leases.*

Except as otherwise provided in the attached Schedule of Assumed Contracts, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, each executory contract and unexpired lease to which any of the Debtors is a party shall be deemed rejected, unless such contract or lease (i) was previously assumed, assumed and assigned or rejected by the Debtors, (ii) previously expired or terminated pursuant to its own terms, (iii) is the subject of a motion to assume, assume and assign, or reject filed by the Debtors on or before the Confirmation Date. The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the lease and contract assumptions or rejections described above, as of the Effective Date. For the avoidance of doubt, the Escrow Agreements and PFAs will be rejected, and any funds on hand with ATLES and PES in respect thereof shall be promptly remitted to Reorganized LPI for further remission to Continuing Holders or the Policy Fund, as appropriate, pursuant to the terms of the Plan.

9.2 *Cure Payments for Assumed Contracts.*

Any monetary amounts payable to cure any prepetition defaults under any Assumed Contracts ("Cure Amounts") shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by the Reorganized Debtors paying such amount(s) promptly following the Effective Date. The Cure Amounts are set forth on the Schedule of Assumed Contracts. If any objection to a Cure Amount, or any other dispute or disagreement regarding any other matter relating to an Assumed Contract cannot be consensually resolved, then an appropriate objection must be filed with the Bankruptcy Court by the counter-party to the Assumed Contract in question no later than twenty (20) days following the Confirmation Date. If no objection is timely filed, such objection shall be forever waived and discharged. Cure Amounts that are the subject of an objection shall not be paid until entry of a Final Order on the merits of the objection; *provided, however*, that Vida and the counter-party to the Assumed Contract in question may settle any dispute related to assumption without the need for an order of the Bankruptcy Court; *and provided further* that Vida may remove any contract or lease from the Schedule of Assumed Contracts if the matter cannot be resolved to Vida's satisfaction in its sole discretion.

9.3 *Inclusiveness.*

Unless otherwise specified, each executory contract and unexpired lease shall include any and all modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such executory contract or unexpired lease.

9.4 *Claims Based on Rejection of Executory Contracts or Unexpired Leases.*

All Claims arising out of the rejection of executory contracts and unexpired leases (if any) must be served upon the Litigation Trustee and its counsel within thirty (30) days after the earlier of (i) the date of entry of an order of the Bankruptcy Court approving such rejection or (ii) the Effective Date. Any Claims not filed within such time shall be forever barred from assertion against the Litigation Trust, the Debtors and their respective Estates and property.

ARTICLE X

**CONDITIONS PRECEDENT TO CONFIRMATION AND
EFFECTIVENESS OF THE PLAN**

10.1 *Conditions to Confirmation of Plan.*

Confirmation of the Plan shall not occur, and the Confirmation Order shall not be entered, until each of the following conditions precedent have been satisfied or waived:

(a) An order, in a form and substance satisfactory to Vida, finding that the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code, shall have been entered; and

(b) The Confirmation Order shall be in a form and substance satisfactory to Vida.

10.2 *Conditions to Effective Date of Plan.*

The Effective Date of the Plan shall not occur until each of the following conditions precedent have been satisfied or waived:

(a) The clerk of the Bankruptcy Court shall have entered the Confirmation Order in the Chapter 11 Cases, in a form and substance satisfactory to Vida, and there shall not be a stay or injunction (or similar prohibition) in effect with respect thereto; and

(b) All other actions and all agreements, instruments or other documents necessary to implement the terms and provisions of the Plan shall have been executed and delivered by the parties thereto, and, in each case, all conditions to their effectiveness shall have been satisfied or waived as provided therein.

Within five (5) Business Days of the Effective Date, Vida shall file a notice of the occurrence of the Effective Date with the Bankruptcy Court. The Litigation Trustee shall serve such notice simultaneously with the Initial Distribution under the Plan.

10.3 *Waiver of Conditions Precedent.*

Any of the foregoing conditions (with the exception of the conditions set forth in sections 10.1(a) and 10.2(a)) may be waived by Vida in its sole discretion without notice to or order of the Bankruptcy Court. The failure to satisfy or waive any condition may be asserted by

Vida regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of Vida to exercise any of the foregoing rights shall not be deemed a waiver of any other rights and each such right will be deemed an on-going right that may be asserted at any time.

10.4 *Effect of Failure of Conditions.*

If the foregoing conditions have not been satisfied or waived in the manner provided in sections 10.2 and 10.3 of the Plan, then (i) the Confirmation Order shall be of no further force or effect; (ii) no distributions under the Plan shall be made; (iii) the Debtors, Vida, the Trustee, and all holders of Claims against and Equity Interests in the Debtors shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; (iv) all obligations of the Debtors and the Trustee with respect to Claims and Equity Interests shall remain unaffected by the Plan; (v) nothing contained in this Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or the Trustee or any other Person or to prejudice in any manner the rights of the Debtors or the Trustee, or any Person in any further proceedings involving the Debtors or the Trustee; and (vi) the Plan shall be deemed withdrawn. Upon such occurrence, Vida shall file a written notification with the Bankruptcy Court and serve it on the parties appearing on the limited service list maintained in the Chapter 11 Cases.

10.5 *Reservation of Rights.*

The Plan shall have no force or effect unless and until the Effective Date occurs. Prior to the Effective Date, none of the filing of the Plan, any statement or provision contained in the Plan, or action taken by the Debtors, the Trustee, Vida or the Committee with respect to the Plan shall be, or shall be deemed to be, an admission or waiver of any rights of the foregoing parties, or any other party with respect to any Claims or Equity Interests or any other matter.

ARTICLE XI

EFFECT OF CONSUMMATION

11.1 *Revesting of Assets.*

Upon the Confirmation Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of the Debtors' Estates shall vest in the Reorganized Debtors, respectively, or, as the case may be, in the Policy Fund, all as set forth herein, free and clear of all Claims, Liens, encumbrances, charges and other interests, except as otherwise provided in the Plan. Upon the Effective Date, all property held by the Debtors that constitute Litigation Trust Assets shall be immediately transferred to, and vest in, the Litigation Trust.

11.2 *Exculpation.*

Neither Vida, the Policy Fund, the Reorganized Debtors, Disbursing Agent, the Debtors, the Trustee, the Committee, nor any of their respective present or former members, managers, officers, directors, employees, equity holders, partners, members, affiliates, funds,

advisors, attorneys or agents, or any of their predecessors, successors or assigns, shall have or incur any liability to any holder of a Claim or an Equity Interest, or any other party-in-interest, or any of their respective agents, employees, equity holders, partners, members, affiliates, funds, advisors, attorneys or agents, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the administration of the Chapter 11 Cases, the negotiation and pursuit of approval of the Disclosure Statement, the preparation of the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the funding of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, and shall be deemed to have acted in good faith in connection therewith and entitled to the protections of section 1125(e) of the Bankruptcy Code, *provided, however*, that notwithstanding anything to the contrary contained in this Plan, this section 11.2 shall not exculpate any party from any liability based upon gross negligence or willful misconduct, nor shall it exculpate any of current or former officers and directors of the Debtors.

11.3 *Injunction and Stay.*

(a) *Except as otherwise expressly provided in the Plan, all Persons or entities who have held, hold, or may hold Claims against or Equity Interests in the Debtors are permanently enjoined, from and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or Equity Interest against the Reorganized Debtors, Vida, the Policy Fund or any other entity released, discharged or exculpated hereunder, (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Reorganized Debtors, Vida or the Policy Fund with respect to any such Claim or Equity Interest, (iii) creating, perfecting or enforcing any encumbrance of any kind against the Reorganized Debtors, Vida, the Policy Fund or against the property or interests in property of the Reorganized Debtors, Vida, the Policy Fund or as applicable, with respect to any such Claim or Equity Interest, (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Reorganized Debtors, Vida, the Policy Fund or against the property or interests in property of the Reorganized Debtors, Vida or the Policy Fund with respect to any such Claim or Equity Interest, and (v) pursuing any Claim released under the terms of this Plan.*

(b) Unless otherwise provided, all injunctions or stays arising under or entered during the Debtor's Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

11.4 *Preservation of Claims and Causes of Action.*

Except as otherwise provided in sections 11.2 and 11.3 of the Plan, as of the Confirmation Date, pursuant to sections 1123(b)(3)(B) of the Bankruptcy Code, any action, cause of action, liability, obligation, right, suit, debt, sum of money, damage, judgment, Claim, and demand whatsoever, whether known or unknown, in law, equity, or otherwise (collectively, "Causes of Action") accruing to the Debtors or their respective Estates shall vest in the Reorganized Debtors and shall be immediately transferred to and vest in the Litigation Trust on the Effective Date. Thereafter, the Litigation Trustee, as a representative of the Debtors pursuant

to section 1123(b)(3)(B) of the Bankruptcy Code, shall have the authority to commence and prosecute Causes of Action for the benefit of the Litigation Trust Beneficiaries. Such Causes of Action include, but are not limited to, those listed in Schedule A attached to the Plan.

ARTICLE XII

RETENTION OF JURISDICTION

The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, or related to, the Debtors' Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To hear and determine pending applications for the assumption, assignment or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;

(b) To determine any and all adversary proceedings, applications, and contested matters in the Chapter 11 Cases and grant or deny any application involving LPI and LPIFS that may be pending on the Effective Date or that are retained and preserved under section 11.4 of the Plan;

(c) To ensure that distributions to holders of Allowed Claims are effected as provided in the Plan;

(d) To hear and determine any timely objections to Administrative Expense Claims or to proofs of Claim, including any objections to the classification of any Claim or Equity Interest, and to allow or disallow any Disputed Claim, in whole or in part;

(e) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(f) To take any action and issue such orders as may be necessary to construe, enforce, implement execute and consummate the Plan or maintain the integrity of the Plan following consummation;

(g) To consider any amendments to or modifications of the Plan, or to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(h) To hear and determine all requests for payment of Fee Claims;

(i) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, the documents that are ancillary to and aid in effectuating the Plan or any agreement, instrument, or other document governing or relating to any of the foregoing, including disputes relating to Catch-Up Amounts;

(j) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of taxes under section 505(b) of the Bankruptcy Code);

(k) To hear any other matter not inconsistent with the Bankruptcy Code;

(l) To hear and determine all disputes involving the existence, scope, and nature of the exculpations and injunctions issued and granted under sections 11.2 and 11.3 of the Plan;

(m) To issue injunctions and effect any other actions that may be necessary or desirable to restrain interference by any entity with the consummation or implementation of the Plan; and

(n) To enter a final decree closing the Chapter 11 Cases.

ARTICLE XIII

MISCELLANEOUS

13.1 *Payment of Statutory Fees.*

All fees payable under 28 U.S.C. § 1930 shall be paid on the Effective Date and thereafter, as appropriate. After the Effective Date, the payment of such fees shall be the responsibility of the Litigation Trust and neither the Reorganized Debtors nor Vida shall have any responsibility therefor.

13.2 *Filing of Additional Documents.*

Vida may file such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

13.3 *Schedules, Exhibits and Plan Supplement Incorporated.*

All exhibits and schedules to the Plan, and the documents contained in the Plan Supplement, are incorporated into and are a part of the Plan as if fully set forth herein.

13.4 *Intercompany Claims.*

All intercompany claims shall be discharged in accordance with section 1141(d)(1) of the Bankruptcy Code.

13.5 *Amendment or Modification of the Plan.*

Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, alterations, amendments or

modifications of the Plan may be proposed in writing by Vida at any time prior to or after the Confirmation Date. Holders of Claims and Equity Interests that have accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified; *provided, however*, that any holders of Claims who were deemed to accept the Plan because such Claims were unimpaired shall continue to be deemed to accept the Plan only if, after giving effect to such amendment or modification, such Claims continue to be unimpaired.

13.6 *Inconsistency.*

In the event of any inconsistency among the Plan, the Disclosure Statement, and any exhibit or schedule to the Disclosure Statement, the provisions of the Plan shall govern. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall govern.

13.7 *Exemption from Certain Transfer Taxes.*

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under or in connection with the Plan, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any merger agreements or agreements of consolidation, deeds, bills of sale, or assignments executed in connection with any of the transactions contemplated under the Plan shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax. All sale transactions consummated by the Debtors or the Trustee and approved by the Bankruptcy Court on and after the Petition Date through and including the Effective Date, including the transfers effectuated under the Plan, the sale by the Trustee of property owned by the Debtors pursuant to section 363(b) of the Bankruptcy Code, and the assumption, assignment, and sale of the Debtors executory contracts and unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, shall be deemed to have been made under, in furtherance of, or in connection with the Plan, and thus, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

13.8 *Expedited Tax Determination.*

The Debtors, the Reorganized Debtors, the Policy Fund or the Litigation Trustee, as the case may be, may request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Debtors for any and all taxable periods ending after the Petition Date through, and including, the Effective Date.

13.9 *Binding Effect.*

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

13.10 Severability.

If the Bankruptcy Court determines that any provision of the Plan is unenforceable either on its or as applied to any Claim or Equity Interest, Vida may modify this Plan in accordance with section 13.5 of the Plan so that such provision shall not be applicable to the holder of any Claim or Equity Interest. Any determination of unenforceability shall not (i) limit or affect the enforceability and operative effect of any other provisions of this Plan; or (ii) require the re-solicitation of any acceptance or rejection of this Plan unless otherwise ordered by the Bankruptcy Court.

13.11 No Admissions.

If the Effective Date does not occur, the Plan shall be null and void in all respects, and nothing contained in the Plan shall (a) constitute a waiver or release of any claims by or against, or any interests in, the Debtors, (b) prejudice in any manner the rights of Vida, the Debtors or the Trustee or any other party in interest, or (c) constitute an admission of any sort by the Trustee, the Debtors, Vida, or other party in interest.

13.12 No Payment of Attorneys' Fees.

Except for the fees of Professional Persons, no attorneys' fees shall be paid by the Debtors with respect to any Claim or Equity Interest unless otherwise specified in this Plan or a Final Order of the Bankruptcy Court.

13.13 Notices.

All notices, requests, and demands to or upon the Debtors, the Trustee or Vida to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to Vida:

VIDA CAPITAL, INC.
Attention: Jeff Serra, President and CEO
805 Las Cimas Parkway, Suite 350
Austin, Texas 78746
Telephone: (512) 402-9206
Email: jeff.serra@vidacapitalinc.com

If to the Trustee:

H. Thomas Moran II, Chapter 11 Trustee
204 Woodhew Drive
Woodway, Texas 76712
Telephone: (405) 418-5707
Email: tmoran@theasg.net

with a copy to:

GRAY REED & McGRAW, P.C.
Attention: Jason S. Brookner
1601 Elm Street, Suite 4600
Dallas, Texas 75201
Telephone: (214) 954-4135
Facsimile: (214) 953-3132
Email: jbrookner@grayreed.com

with a copy to:

THOMPSON & KNIGHT LLP
Attention: David M. Bennett
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, Texas 75201
Telephone: (214) 969-1486
Facsimile: (214) 880-3293
Email: David.Bennett@tklaw.com

If to the Committee:

MUNSCH HARDT KOPF & HARR, P.C.
Attention: Joseph J. Wielebinski
3800 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201
Telephone: (214) 855-7500
Facsimile: (214) 855-7584
Email: jwielebinski@munsch.com

13.14 Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise (in which case the governing law specified therein shall be applicable to such exhibit), the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to the principles of conflict of laws that would require application of the laws of another jurisdiction.

Dated: April 29, 2016
Dallas, Texas

VIDA CAPITAL, INC.

By: /s/ Jeff Serra
Jeff Serra, President and CEO

GRAY REED & McGRAW, P.C.
Jason S. Brookner
Texas Bar No. 24033684
Lydia R. Webb
Texas Bar No. 24083758
1601 Elm Street, Suite 4600
Dallas, Texas 75201
Telephone: (214) 954-4135
Facsimile: (214) 953-1332
Email: jbrookner@grayreed.com

Schedule A to Plan

Preserved and Transferred Causes of Action

Without in any manner limiting the generality of the Plan, notwithstanding any otherwise applicable principle of law or equity, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose, describe, identify, or refer to a right, Claim, Cause of Action, defense, or counterclaim, or potential right, claim, cause of action, defense, or counterclaim, in the Plan, the Disclosure Statement, the Plan Supplement, the Debtors' Schedules or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter any Estate's or the Litigation Trust's right to commence, prosecute, defend against, settle, and realize upon any rights, claims, causes of action, defenses, or counterclaims that any Debtor has, or may have, against any person, entity or party, as of the Effective Date. The Litigation Trustee may, subject to the Plan and the Litigation Trust Agreement, commence, prosecute, defend against, settle, and realize upon any rights, claims, causes of action, defenses, and counterclaims as provided in the Litigation Trust Agreement, in accordance with what is in the best interests, and for the benefit, of the Litigation Trust Beneficiaries.

The Causes of Action that are preserved by the Debtors, and transferred to the Litigation Trust upon the Effective Date, as provided by the Plan and the Litigation Trust Agreement, include, but are not limited to the following:

- a. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran v. Pardo, et al.*, Civil Action No. 4:15-cv-905-O in the United States District Court for the Northern District of Texas;
- b. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. 72 Vest, et al.*, Adversary Proceeding No. 16-4035 in the Debtors' Chapter 11 Case;
- c. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran v. Sundelius, et al.*, Adversary Proceeding No. 15-4087 in the Debtors' Chapter 11 Case;
- d. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Ostler, et al.*, Adversary Proceeding No. 16-4022 in the Debtors' Chapter 11 Case;
- e. All claims, defenses, cross-claims, and counter claims related to the existing litigation in *Moran et al. v. A. Roger O. Whitley Group, Inc., et al.*, Adversary Proceeding No. 16-4038 in the Debtor's Chapter 11 Case;
- f. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Happy Endings*, Adversary Proceeding No. 16-4024 in the Debtors' Chapter 11 Case;

- g. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Robin Rock, et al.*, Adversary Proceeding No. 16-4034 in the Debtors' Chapter 11 Case;
- h. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Ballantyne, et al.*, Adversary Proceeding No. 16-4039 in the Debtors' Chapter 11 Case;
- i. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Funds for Life, et al.*, Adversary Proceeding No. 16-4029 in the Debtors' Chapter 11 Case;
- j. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Averitt, et al.*, Adversary Proceeding No. 16-4032 in the Debtors' Chapter 11 Case;
- k. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Coleman, et al.*, Adversary Proceeding No. 16-4037 in the Debtors' Chapter 11 Case;
- l. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Atwell, et al.*, Adversary Proceeding No. 16-4030 in the Debtors' Chapter 11 Case;
- m. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Blanc & Otus, et al.*, Adversary Proceeding No. 16-4031 in the Debtors' Chapter 11 Case;
- n. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Alexandar, et al.*, Adversary Proceeding No. 16-4036 in the Debtors' Chapter 11 Case;
- o. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. ESP Communications*, Adversary Proceeding No. 16-4027 in the Debtors' Chapter 11 Case;
- p. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Cassidy*, Adversary Proceeding No. 16-4033 in the Debtors' Chapter 11 Case;
- q. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Brooks*, Adversary Proceeding No. 16-4025 in the Debtors' Chapter 11 Case;
- r. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. Summit Alliance Settlement Co., et al.*, Adversary Proceeding No. 16-4026 in the Debtors' Chapter 11 Case;

- s. All claims, defenses, cross-claims, and counterclaims related to the existing litigation in *Moran, et al. v. American Heart Association, et al.*, Adversary Proceeding No. 16-4028 in the Debtors' Chapter 11 Case;
- t. All claims, defenses, cross-claims, and counterclaims related to the Assigned Class Litigation, including, but not limited to, claims for the following: violations of the Texas Securities Act (Tex. Rev. Civ. Stat. art. 581-1, et seq.), violations of the Securities Exchange Act (15 U.S.C. § 78a–pp), violations of Rule 10b-5, fraud, breach of fiduciary duty, unjust enrichment, aiding and abetting fraud, aiding and abetting violations of the Texas Securities Act, aiding and abetting breaches of fiduciary duties, conspiracy, and violations of RICO (18 U.S.C. §§ 1961–68);
- u. All claims, defenses, cross-claims, and counterclaims related to any Avoidance Actions, existing and potential, against any insiders, sales agents, licensees, master licensees, brokers, insider companies, affiliates of Brian Pardo, recipients of political contributions, recipients of charitable contributions, shareholders, IRA advisors, IRA brokers, IRA custodians, insurers, banks, law firms, financial professionals, and any other parties, known and unknown, that received property transferred by the Debtors;
- v. All claims, defenses, cross-claims, and counterclaims related to potential litigation against insiders, directors, sales agents, licensees, master licensees, brokers, IRA advisors, IRA brokers, IRA custodians, insider companies, affiliates of Brian Pardo, insurers, banks, law firms, financial professionals, and any other parties, known and unknown, including, but not limited to, claims for the following: violations of the Texas Securities Act (Tex. Rev. Civ. Stat. art. 581-1, et seq.), fraud, breach of fiduciary duty, aiding and abetting fraud, aiding and abetting violations of the Texas Securities Act, aiding and abetting breaches of fiduciary duties, conspiracy, violations of RICO (18 U.S.C. §§ 1961–68), unjust enrichment and constructive trust, and attorneys' fees;
- w. All claims, defenses, cross-claims, and counterclaims related to the existing litigation pending in California Superior Court, Los Angeles County, styled *Life Partners Holdings, Inc. v. Wedbush Securities*, Case No. BC558646;
- x. All claims, defenses, cross-claims and counterclaims related to the existing litigation pending in the United States Bankruptcy Court for the Northern District of Illinois, styled *Life Partners Holdings, Inc. v. OptionsXpress, Inc., et al.*, Adversary Proceeding No. 15-00640; and
- y. All claims, defenses, cross-claims and counterclaims related to the existing litigation pending in the United States District Court for the Western District of Texas, styled *Griswold v. Pardo, et al.*, Case No. 2:11-cv-00043-AM.