



Invest With Confidence.

True Diversification.

No Stock Market Risk.



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Welcome to Equity Life

Equity Life offers life settlements to accredited investors for a contractual return. Life settlements are a great investment opportunity to hedge against stock market risk. They can be purchased with non-qualified funds (cash), or qualified funds (IRA, Roth IRA, 401k, etc.)

Why Equity Life?

Equity Life was established by an industry insider with years of experience dealing with life settlements. After working with several companies, he devised a revolutionary way to restructure the investment to offer more protection, lower costs, and potentially higher returns.



**This brochure is intended for accredited investors who have the financial means, experience, and knowledge to make investments into complex and illiquid financial products. It is intended for educational purposes only and should not be construed as investment or financial advice.*

What is a Life Settlement?

Thousands of senior citizens are selling their life insurance policies for cash. Many use the cash they receive to help pay for end-of-life and long-term care costs. When the insured sells their life insurance policy to an investor or third party for cash, this transaction is called a life settlement.

Example: Jane is 85 years old. She owns a \$1,000,000 life insurance policy. She has developed chronic health problems and now needs nursing care. Jane decides to sell her policy instead of continuing to pay life insurance premiums. She will then use the cash to pay for her long-term care.



What Does It Mean To Buy Into A Pool Of Life Settlements?

For decades, only ultra-wealthy and institutional investors (e.g. Warren Buffett, big banks, and investment companies) could afford to buy life settlements. Now, Equity Life allows the average accredited investor to take part in this type of plan. With Equity Life, rather than one wealthy investor purchasing an entire insurance policy, the everyday accredited investor can own small portions of several policies by buying into a pool of life settlements. This allows the investor to be more diversified, thus potentially reducing risk.

Example: Remember Jane, the 85 year old looking to sell her \$1,000,000 life insurance policy? In this case, the purchaser is a life settlement company (i.e. Equity Life). Because the company can purchase Jane's policy for a fraction of the face value of \$1,000,000, it can offer small portions of the actual death benefit to several investors. Investors buy into a pool of life settlements, earning a contractual return on each policy.

The Equity Life Advantage. A Better Way to Invest.

For the past few decades, several life settlement companies have been offering this product to investors. However, the way many of these companies structured the investment left their clients exposed to unnecessary risks and out of pocket costs.

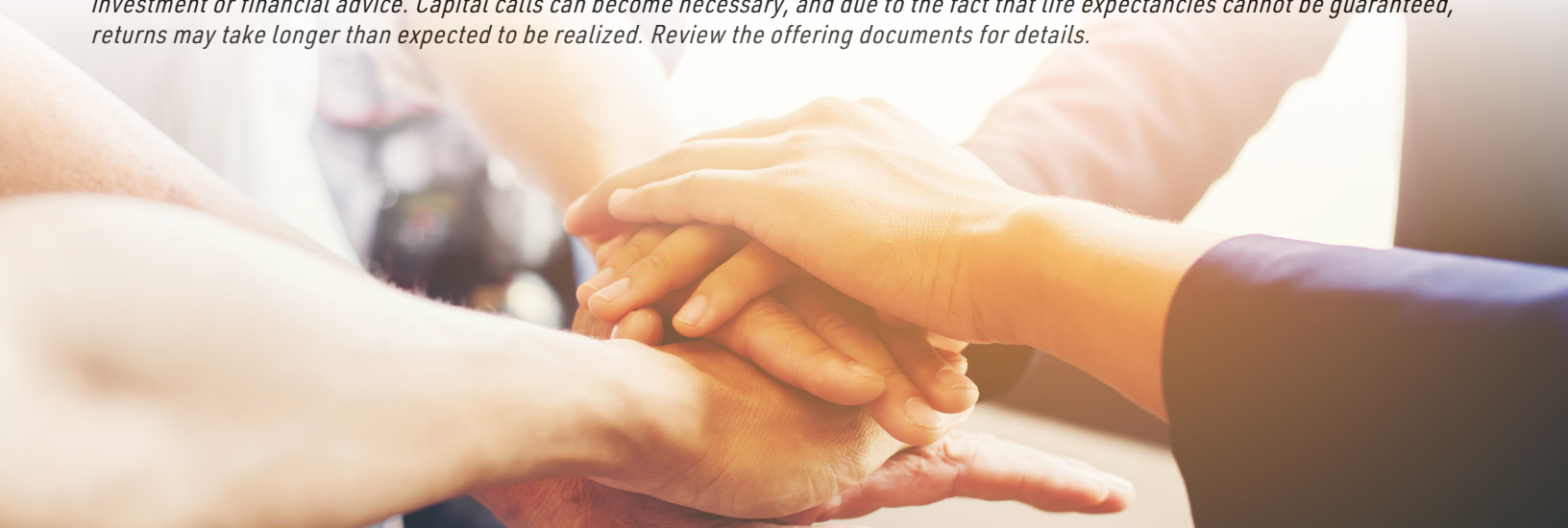
The Old Way. Their Way.

Many of these companies would place your funds into one or multiple policies and put a portion of those funds into a “policy maintenance reserve account”. This account would pay for the premiums (cost of insurance) through the insured’s life expectancy. If the insured lived beyond life expectancy, the reserve account would become depleted, meaning investors now had to immediately pay out of pocket to keep their interests in force. If a case matured early, the life settlement company would pocket those funds as added profit to themselves.

The Equity Life Way. The Right Way.

We have reduced the chance that you will pay out of pocket for a capital call. Investors purchase life settlements from EquiLife as a pool of policies; the investor owns a portion of each policy. A policy maintenance reserve account serves the entire pool. If a policy goes longer than expected, reserve funds protecting the remaining policies are used as a back-up plan to pay that policy’s additional costs. Therefore, the investor doesn’t come out of pocket for the capital call. Then, when the policy matures, a portion of the investor’s return is reimbursed back to the maintenance reserve account to help pay for future costs for the remaining policies in the pool. If the final policy in the pool matures and there are funds left over in the reserve account, those funds are returned to the investor. If the maintenance reserve account becomes depleted, a capital call could result. Unlike many other life settlement companies, in the event of early maturities, we don’t pocket those remaining funds - they belong to you!

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How do you calculate the "Rate of Return"?

The contractual return is calculated based on the life expectancy of the insured - the longer the life expectancy, the higher the contractual return. For instance, a 3-year life expectancy (36 months) might offer a 36% return, while a 5-year life expectancy (60 months) might offer a 60% return.

Example: A client invests \$50,000 with Equity Life. \$10,000 of those funds are placed in a policy with a 5-year (60 month) life expectancy at 60% overall return. When the policy matures, the investor will receive an estimated \$16,000.*

How is the life expectancy determined?

Before Equity Life purchases a policy, we hire a life expectancy company to determine how long the insured is expected to live.

Life expectancy companies are comprised of doctors and experts who review several documents to determine the insureds' anticipated life expectancy. These documents include medical records, family history, past life insurance applications, and actuarial tables.

**Life expectancy estimates are not 100% accurate and there is no guarantee the insured will pass away on an exact date. Investors must realize there is a possibility some or all of their policies could go past life expectancy, thus reducing their overall return.*



Subscription Process

Investor funds are sent to an account with First Western Trust Bank. Once the purchase of life settlement investment interests is made, the investor will receive a copy of the completed subscription documents. These subscription documents detail how the investor now has a legal right to a portion of death benefit of the purchased policies.

How Am I Protected?

Investor funds are sent to an account with First Western Trust Bank. Immediately after funds arrive at First Western Trust Bank, a portion of those funds are moved to the policy maintenance reserve account. Those funds can only be used to pay for premiums and otherwise maintain the policies.



An Extra Layer of Protection

To ensure the policies are managed correctly, Equity Life has hired an independent firm, Vie Capital, to service the policies, including processing death benefit claims. This firm also does health tracking to keep investors informed about the health status of the insured in each policy. Additionally, Equity Life has hired JTM Consulting to oversee all document preparation. JTM Consulting helps develop all contracts and reviews all documents issued to investors.

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Overview

1

Investor decides to use non-qualified (cash) or qualified funds (retirement account) to purchase life settlements, and signs the appropriate documents.

2

Funds are sent to an account at First Western Trust Bank.

3

A portion of the invested money is transferred into a separate policy maintenance reserve account.

4

Investors receive a copy of the completed subscription documents, detailing their ownership of a portion of the portfolio of policies.

5

When a policy matures, the insurance carrier pays the claim to the account at First Western Trust Bank.

6

Investors are paid their share of the proceeds.

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Frequently Asked Questions

What's the minimum investment? \$10,000 for a non-qualified investment (cash), or \$25,000 for a qualified investment (IRA/Roth IRA/401k/403b).

Can I use my retirement funds to invest? You can use non-qualified funds (cash) or qualified funds, which includes most retirement accounts. (IRA/Roth IRA/401k/& 403b.)

Is This Legal? Yes. For more than a 100 years people have been selling their life insurance policies for a cash settlement. In 1911 the Supreme Court ruled in (Grigsby v. Russell) that selling and buying a "life settlement" is a legal transaction, no different than selling or buying any other asset.

What are the risk factors? While the payout from a life settlement is not impacted by stock market volatility or other economic factors, there are a few risk factors to consider with this investment.

- **Longevity:** It's impossible to know the exact date of when a policy will mature. Because the exact date of a maturity ultimately determines the annual rate of return, the sooner a policy matures the higher the annual rate of return, and the longer it takes to mature the lower the annual rate of return. The overall return likewise may be affected by either a capital refund from the policy maintenance reserve account, or a capital call to the same. While Equity Life attempts to provide accurate assessments of life expectancy it's possible that any single policy could take 10 years or more to mature.
- **Contestability:** The insurance carrier can contest the payout of a death benefit in the first two years from when the policy was issued to the insured. To mitigate this issue, EquiLife does not purchase policies less than two years old.
- **Liquidity Risk:** Although you are paid as each policy you are invested in matures, early withdrawals are not available and you are committing your funds until policies have matured. Investors should not place funds in a policy they can't afford to leave untouched for several years.

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**Life settlements offered through Equity Life, LLC are only available to accredited investors. Each investor must have a net worth that exceeds \$1,000,000 excluding the fair market value of their home, furnishings, and automobile, or an annual income of \$200,000 for the current and past two years (\$300,000 if married-filing-jointly). Equity Life, LLC does not give investment, financial, or tax advice. Investors should consult their own legal, financial, and tax advisors to determine if Equity Life, LLC's offerings are appropriate for their individual investing goals. Life settlements, as with any other investment, involve risk, and are intended for sale to accredited investors capable of assuming the risks involved with this product. Life expectancy estimates are not 100% accurate and there's no guarantee the insured will pass away on an exact date. Investors must realize there is a possibility some or all of their policies could go past life expectancy, thus lowering their overall return.*