

OFFICE OF THE MISSISSIPPI SECRETARY OF STATE BUSINESS REGULATION  
AND ENFORCEMENT DIVISION

IN THE MATTER OF:

ADMINISTRATIVE HEARING NUMBER: S-03-0124

SEP 16 A 8:09

016740214

VERNA CORRIVEAU-SCHOEN,  
a/k/a, VERA CUTTER CORRIVEAU;  
VECTOR CONSULTING &  
COMMUNICATIONS, INC.;  
ROBIN HOOD INTERNATIONAL, LTD.;  
ROBIN HOOD GROUP, INC.; and,  
FEWKES MANAGEMENT CORP.



RESPONDENTS.

CONSENT ORDER

This Consent Order is entered into by the State of Mississippi, Office of the Secretary of State, Business Regulation and Enforcement Division ("Division") and Robin Hood International, Ltd. ("RHI"), Robin Hood Group, Inc. ("RHG") and Fewkes Management Corp. ("Fewkes"). The terms of this Consent Order apply only to RHI, RHG and Fewkes. All prior orders issued by the Division against Verna Corriveau-Schoen, Verna Cutter Corriveau and Vector Consulting and Communications, Inc. shall remain in full force and effect.

RHI is an Illinois corporation and both RHG and Fewkes are Florida corporations. RHI maintains a current address of 830 West Main Street, #221, Lake Zurich, Illinois, 60047; RHG maintains a current address of One Golfview Rd., Suite 3, Lake Zurich, Illinois 60047; and Fewkes maintains a current address of P. O. Box 3757, Barrington, Illinois 60011.

Preliminary Statement

1. On May 6, 2004, the Division issued a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty ("Summary Order") against the

Respondents. A true and correct copy of the Summary Order is attached hereto as Exhibit A.

2. Pursuant to the Summary Order, the Division alleged that RHI, RHG, and Fewkes committed the following violations of the Mississippi Securities Act:

- A Offering and selling unregistered securities in the form of viatical investment contracts;
- B Transacting business as a broker-dealer or agent of a broker-dealer without being registered; and
- C. Engaging in prohibited acts by failing to disclose that the securities were not registered and that the investment was guaranteed.

3. Subsequently, RHI, RHG, and Fewkes filed an Answer to the Summary Order requesting a hearing on the issues contained in the Summary Order. In their Answer, RHI, RHG and Fewkes denied the Division's material allegations and specifically denied that they violated the Mississippi Securities Act. RHG further contends that it is not a proper party to this matter because it was not in existence at the time of the transaction at issue.

4. The Division contends that as to Fewkes, the Answer was not timely filed. Thereafter, the Division entered a Final Cease and Desist Order and Order Imposing Administrative Penalty ("Final Order") against Fewkes and the remaining Respondents not a party to this Consent Order. A true and correct copy of the Final Order is attached hereto as Exhibit B. Fewkes contends, however, that the Summary Order was not properly served on it and disputes entry of the Final Order as to Fewkes.

5. In resolution of the matters contained in the Summary Order as to RHI and RHG and further in resolution of the matters contained in the Final Order as to Fewkes, RHI, RHG, and

Fewkes agree to the undertakings contained herein. In agreeing to these undertakings, RHI, RHG and Fewkes make no admission of liability or wrongdoing. The Division agrees that upon execution and satisfaction of the terms of this Consent Order by RHI, RHG and Fewkes, the Summary Order and Final Order, and any express or implied finding of liability or wrongdoing contained therein, will be lifted as to RHI, RHG, and Fewkes and the terms of this Consent Order shall serve to resolve by way of compromise the matters alleged in the Summary Order and Final Order.

#### Agreement

Now, therefore, in consideration of the foregoing and mutual promises and covenants contained herein, the parties agree as follows:

6. RHI, RHG, and Fewkes consent to the jurisdiction of the Division as to all parties and all matters herein

7. RHI, RHG, and Fewkes agree that they will comply with all provisions of the Mississippi Securities Act and all regulations of the Division in connection with any future offer or sale of securities to residents of Mississippi. More specifically, they agree to discontinue the sale of all viatical investment contracts in the State of Mississippi until such time as such offers and sales can be conducted in compliance with applicable statutes and rules.

8. RHI, RHG, and Fewkes agree to send a rescission offer in the Form attached hereto as Exhibit "C" to investors to inform them of this arrangement and their rights to receive a full refund of their investment plus any additional amounts billed to and paid by investors.

9. Investors will have fourteen (14) days from receipt of the rescission offer in which to elect whether or not to participate in the rescission.

10. RHI, RHG, and Fewkes agree to provide the Division with a list of Mississippi investors, the amount of their investments and any additional expenses that have been billed to and

paid by the Mississippi investors.

11. Contemporaneous with the submission of the list contained in paragraph ten (10) above, RHI, RHG, and Fewkes will submit the materials to be included in the rescission offer to the Division for the Division's review and approval

12. RHI, RHG, Fewkes agree to include self addressed pre-stamped envelopes with the rescission offer to be mailed to its Mississippi customers

13. RHI, RHG, and Fewkes agree that they will send the refund payments to the Mississippi investors via certified mail within thirty (30) days after receiving a signed refund request and a signed Assignment and Release Agreement as to RHI, RHG, and Fewkes.

14. RHI, RHG, and Fewkes agree that they will not initiate contact with customers regarding the rescission offer during the fourteen (14) day period. However, if a customer initiates contact with RHI, RHG and/or Fewkes, concerning questions they may have about the rescission offer, then it is permissible for a representative of RHI, RHG, and/or Fewkes to discuss this matter with the customer.

15. RHI, RHG, and Fewkes shall provide a list to the Division within seven (7) days after the completion of the time period contained in paragraph 13 herein, listing the names of individuals who have accepted or rejected the rescission offer. The Division shall thereafter contact all of the investors to confirm their receipt of the rescission offer and their decision to accept or reject the offer.

16. RHI, RHG, and Fewkes agree to reimburse the Division the investigative costs incurred in the amount of one thousand dollars (\$1,000.00) Payment shall be made to the Mississippi Secretary of State within seven (7) days from the execution of this Consent Order.

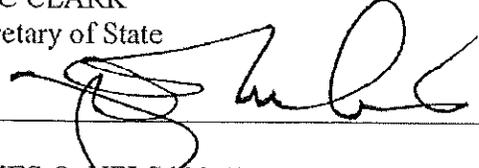
17. If RHI, RHG, and Fewkes fail to comply with all the agreements, stipulations or

undertakings herein, and do not cure such failure within five (5) days of being notified by the Division in writing of the same, then without further action by the Division the Final Order as to Fewkes shall be reinstated and the Summary Order as to RHI and RHG shall become a Final Order. In such event, RHI, RHG, and Fewkes waive any right to appeal.

Entered this the 21 day of ~~SEPTEMBER~~ 2004.

ERIC CLARK  
Secretary of State

BY: \_\_\_\_\_

  
JAMES O. NELSON, II  
Assistant Secretary of State  
Business Regulation and Enforcement

**CONSENT TO ENTRY OF ADMINISTRATIVE  
ORDER BY ROBIN HOOD INTERNATIONAL, LTD<sup>o</sup>**

Robin Hood International, Ltd hereby acknowledges that it has been served with a copy of this Administrative Order. has lead the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Robin Hood International, Ltd consents to the jurisdiction of the Secretary of State of the State of Mississippi and consents to entry of this Order by the Secretary of State of the State of Mississippi as settlement of the issues contained in this Order.

Robin Hood International, Ltd states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

The undersigned represents that he has been authorized by Robin Hood International, Ltd to execute this Order for and on behalf of Robin Hood International, Ltd.

Dated this 21<sup>st</sup> day of Sept 2004

ROBIN HOOD INTERNATIONAL, LTD

By: Jeannie Cook  
(Print Name)

Title: President

SUBSCRIBED AND SWORN TO before me this 10 day of SEPT. 2004.

Dave Olson  
Notary Public

My Com'n Expires: 02/10/08



**CONSENT TO ENTRY OF ADMINISTRATIVE  
ORDER BY ROBIN HOOD GROUP, INC.**

Robin Hood Group, Inc hereby acknowledges that it has been served with a copy of this Administrative Order, has lead the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Robin Hood Group, Inc consents to the jurisdiction of the Secretary of State of the State of Mississippi and consents to entry of this Order by the Secretary of State of the State of Mississippi as settlement of the issues contained in this Order.

Robin Hood Group, Inc states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

The undersigned represents that he has been authorized by Robin Hood Group, Inc to execute this Order for and on behalf of Robin Hood Group, Inc

Dated this ~~5th~~<sup>10th</sup> day of ~~Sept~~<sup>Sept</sup> 2004

ROBIN HOOD GROUP, INC

By: *Jeanie Coak*

(Print Name)

Title: *President*

SUBSCRIBED AND SWORN TO before me this 10 day of SEPT 2004



*Bruce Olson*  
Notary Public

My Com'n Expires: 02/10/08

**CONSENT TO ENTRY OF ADMINISTRATIVE  
ORDER BY FEWKES MANAGEMENT CORPORATION**

Fewkes Management Corporation hereby acknowledges that it has been served with a copy of this Administrative Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Fewkes Management Corporation consents to the jurisdiction of the Secretary of State of the State of Mississippi and consents to entry of this Order by the Secretary of State of the State of Mississippi as settlement of the issues contained in this Order.

Fewkes Management Corporation states that no promise of any kind of nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily

The undersigned represents that he has been authorized by Fewkes Management Corporation to execute this Order for and on behalf of Fewkes Management Corporation

Dated this 12<sup>th</sup> day of September 2004

FEWKES MANAGEMENT CORPORATION

By: *Mark S. Fewkes*  
(Print Name)

Title: President.

SUBSCRIBED AND SWORN TO before me this 13 day of SEPT. 2004.

*Bruce E. Olson*

Notary Public

My Com'n Expires: 02/10/08



OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
BUSINESS REGULATION AND ENFORCEMENT DIVISION

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IN THE MATTER OF:	)	ADMINISTRATIVE HEARING
	)	NUMBER: <u>S-03-0124</u>
VERNA CORRIVEAU-SCHOEN,	)	
a/k/a, VERNA CUTTER CORRIVEAU;	)	
VECTOR CONSULTING &	)	
COMMUNICATIONS, INC.;	)	
ROBIN HOOD INTERNATIONAL, LTD.;	)	
*ROBIN HOOD GROUP, INC.; and,	)	
FEWKES MANAGEMENT CORP.	)	
	)	
RESPONDENTS.	)	

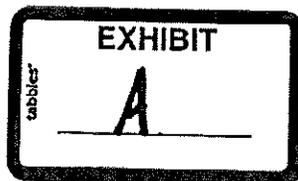
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SUMMARY CEASE AND DESIST ORDER AND  
NOTICE OF INTENT TO IMPOSE ADMINISTRATIVE PENALTY

The Business Regulation and Enforcement Division of the Office of the Secretary of State (hereafter the "Division"), having the authority to administer and enforce the provisions of the Mississippi Securities Act, Miss. Code Ann. §§75-71-101 to 75-71-735 (Rev. 2000) (hereafter, the "Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offer and sale of securities by the Respondents within the State of Mississippi, hereby issues this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty against Respondents. In support hereof, the Division states the following.

I. Findings of Fact

1. Verna Corriveau-Schoen a/k/a Verna Cutter Corriveau (hereafter, "Schoen") is an adult non-resident of the State of Mississippi and at all times relevant herein served as president and agent of Vector Consulting & Communications, Inc. According to the Central Registration Depository, Schoen holds Series 7 and Series 63 licenses. However, at all times material herein Schoen was not registered as either a broker/dealer agent or



investment adviser representative in Mississippi. Schoen can be served with a copy of this order at 138 Acadian Lane, Suite 100, Mandaville, Louisiana, 70471.

2. Vector Consulting & Communications, Inc. (hereafter "Vector") is a Louisiana corporation located at 138 Acadian Lane, Suite 100, Mandaville, Louisiana, 70471.

According to the Investment Adviser Registration Depository, Vector is registered in Louisiana as an investment adviser firm. A copy of this order can be served on Vector by service upon its president, Schoen, at 138 Acadian Lane, Suite 100, Mandaville, Louisiana, 70471.

3. Robin Hood International, Limited (hereafter, "RHI") is a viatical settlement company. Documents obtained by the Division reflect the following addresses for RHI.

14153 U.S. Highway One  
Juno Beach, Florida 33408

and

140 W. 29th Street  
PMB 350  
Pueblo, Colorado 81008

A copy of this order can be served on RHI at the above noted addresses.

4. The Robin Hood Group, Inc. (hereafter "RHG") is a life settlement company.

Documents obtained by the Division reflect the following addresses for RHG.

830 W. Main Street #376  
Lake Zurich, Illinois 60047

and

300 Village Square Crossing, Suite 202  
Palm Beach Gardens, Florida 33410

A copy of this order can be served on RHG at the above noted addresses.

5. Fewkes Management Corporation (hereafter "Fewkes") is a Florida corporation and can be served with a copy of this order at its offices located at 12189 U.S. Highway One, Suite 49 #95, North Palm Beach, Florida, 33408.

6. In or about May, 2000, Dorothy Booth, (hereafter "Booth") an adult resident citizen of the State of Mississippi, noticed a flyer advertising "the hottest return in town" guaranteeing "zero market risk" and "9% annual yield" by "A-Rated Companies." Additionally, this investment was advertised as being "bonded." The flyer listed Schoen as the person to contact for more information on the investment opportunity. A true and correct copy of the flyer is attached hereto as Exhibit A.

7. Following a retirement seminar conducted by Schoen and attended by Booth at the Ramada Inn in Diamondhead, Mississippi, on May 6, 2000, Schoen met personally with Booth to discuss investment opportunities.

8. During the meeting between Booth and Schoen, Booth explained that she only had \$12,000.00 to invest and this amount represented her life savings. Booth represented that she was in bad health and had obtained a reverse mortgage on her house in order to help pay bills. Booth stated she was looking for a safe investment.

9. At the conclusion of this meeting, Booth tendered a check to Schoen in the amount of \$12,000.00 to purchase an interest in a viaticated life insurance policy. A true and correct copy of Booth's purchase agreement is attached hereto as Exhibit B.

10. Schoen did not disclose that a viatical is a security and required to be registered with the Division, but was, in fact not registered with the Division. Schoen also failed to disclose that she was not registered as a broker/dealer agent with the Division as required

by the Mississippi Securities Act and the rules promulgated thereunder. Furthermore, Schoen represented the investment as safe and risk free.

11. The purchase agreement purports to be a "Bonded Viatical Settlement Agreement." A memorandum of understanding attached to the purchase agreement provides in part that the following: "If the viator is still alive in month 36 of the 3 year bonded option or month 48 of the 4 year bonded option, Fewkes Management or Sherwood Bowman, Inc. will pay the equivalent death benefit position to me according to the bond issued for this policy purchase." A true and correct copy of the memorandum of understanding is attached hereto as Exhibit C.

12. The agreement provides that the viatical would mature after three (3) years or the date or upon death of the insured, whichever occurred first.

13. The agreement identifies RHI as the viatical settlement company and Fewkes was listed as the Trustee. Documents obtained by the Division reflect that RHI and/or individuals associated with RHI formed RHG subsequent to Booth's investment.

14. Nearly three years after Booth invested in the viatical, she received a letter from Schoen dated March 11, 2003. According to Schoen, the company that supplied the bond covering Booth's investment was in default rendering the so-called bond worthless. A true and correct copy of Schoen's letter is attached hereto as Exhibit D.

15. Shortly thereafter, Booth received an invoice from Fewkes for \$369.64 representing her share of the policy premium. It appears that Fewkes failed to escrow funds sufficient to pay the premium on the policy purchased by Booth. Booth was never told that she might have to pay the policy premiums and that failure to pay such premiums

would result in the policy being cancelled and the loss of her entire \$12,000.00 investment.

A true and correct copy of the invoice is attached hereto as Exhibit E.

16. The viator has lived beyond the life expectancy represented by Schoen and the purchase agreement. To date, Booth has not realized a return on her investment.

## II. Applicable Law

The preceding paragraphs are incorporated herein by reference.

17. With respect to the offer and sale of the Securities, §75-71-401 of the Act states in part as follows:

...it is unlawful for any person to offer or sell a security in the State of Mississippi unless (1) it is registered under this chapter or (2) the security or transaction is exempted under article 3 of this chapter.

18. Miss. Code Ann. §75-71-105(h) defines "Person" to include an individual, (or) a corporation.

19. On December 3, 1999, the Secretary of State published for comment a policy statement titled "Policy Statement on Viatical Settlement Contracts." The purpose of the statement was to clarify the Secretary of State's position on the regulation of the sale of viaticals. The Secretary of State announced that he intended to regulate such investments as securities necessitating the registration of such investments and the individuals that sell viaticals. The policy was adopted without change on January 26, 2000. Subsequently, the Legislature amended the definition of "Security" in the Act to codify the policy position taken by the Secretary of State.

20. In determining when the Act is applicable, Miss. Code Ann. §75-71-119 states:

(a)...[Section] 75-71-401...appl[ies] to persons who sell or offer to sell when  
(1) an offer to sell is made in this state...

(c)...an offer to sell or to buy is made in this state whether or not either party is then present in this state when the offer (1) originates from this state or (2) is directed by the offeror to this state...

21. Miss. Code Ann. §75-71-301 prohibits individuals from transacting business in this state as broker-dealers or agents unless said individuals are registered under the Act.
22. Miss. Code Ann. §75-71-501 prohibits fraud or deceit in connection with offers, sales and purchases of securities. More specifically, Miss. Code Ann. §75-71-501(2) states that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.
23. Miss. Code Ann. §75-71-501(3) prohibits the use of any act, practice or course of business which operates or would operate as a fraud or deceit upon any person in connection with the offer, sale or purchase of a security.

### III. Conclusions of Law

The preceding paragraphs are incorporated herein by reference.

24. The Secretary of State has jurisdiction of this matter and the parties named herein.
25. Respondents offered and sold securities as that term is defined in the Mississippi Securities Act.
26. Respondents violated Miss. Code Ann. §75-71-301 of the Mississippi Securities Act by transacting business as broker-dealers or agents in Mississippi without registering as such.
27. Respondents violated Miss. Code Ann. §75-71-401 of the Mississippi Securities Act by offering and selling unregistered securities within the state of Mississippi.

28. Respondents violated Miss. Code Ann. §75-71-501(2) by failing to disclose that the securities were required to be registered and were not, in fact, registered with the Division.

29. Respondent violated Miss. Code Ann. §75-71-501(3) by claiming that Booth's investment in viaticals was safe and risk free and by advertising the investment as "guaranteed."

#### IV. Order

The preceding paragraphs are incorporated herein by reference.

**IT IS THEREFORE ORDERED**, pursuant to the authority set out in §75-71-715(1) of the Act, that Respondents and their agents and representatives shall immediately **CEASE AND DESIST** from any further activity in, or originating from, the State of Mississippi in connection with the offer and/or sale of the Securities to any person without the Securities being duly registered or exempted from registration under the Act and Respondents being duly registered pursuant to the Act.

**BE ADVISED THAT**, pursuant to §75-71-735 of the Act, a willful violation of this Summary Cease and Desist Order may be punishable upon conviction by a fine of not more than twenty-five thousand dollars (\$25,000) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division. **NOTICE** is hereby given that the Respondents, or either of them, shall have thirty (30) days from the date of receipt of this Summary Cease and Desist Order to give written notice requesting a hearing on the matters contained herein to James O. Nelson, II, Assistant Secretary of State of the Business Regulation and Enforcement Division, Office of Secretary of State, Post Office Box 136, Jackson, Mississippi 39205. In the event such a hearing is requested, the Respondents may appear, with or without the assistance of an attorney, on a date and at a

time and place to be specified and cross-examine witnesses, present testimony, evidence and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondents' behalf at the hearing relating to the matters contained herein. In the event such written notice is not received within said thirty (30) day period of time, a FINAL CEASE AND DESIST ORDER may be entered in this proceeding with no further notice.

#### V. Administrative Penalty

NOTICE is hereby given that the Secretary of State intends to impose an administrative penalty of up to twenty-five thousand dollars (\$25,000.00) per violation plus all costs and expenses against the Respondents, pursuant to the authority set out in §75-71-715(2) of the Act.

#### VI. Public Interest

This Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty is issued in the public interest and for the protection of investors consistent with the purpose of the Act.

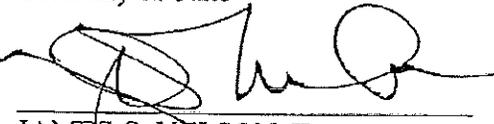
#### VII. Amendments

The Division reserves the right to amend this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty.

ISSUED, this the 5th day of May 2004.

ERIC CLARK  
Secretary of State

BY:

  
\_\_\_\_\_  
JAMES O. NELSON, II  
Assistant Secretary of State  
Business Regulation and Enforcement

PREPARED AND SUBMITTED BY:



Joseph Brady  
Chief Counsel

Mississippi Secretary of State  
Business Regulation and Enforcement  
Post Office Box 136  
Jackson, Mississippi 39205  
601-359-1650 (Phone)

Certificate of Service

I, Joseph Brady, Chief Counsel to the Division of Business Regulation and Enforcement, hereby certify that I have this day mailed a certified copy of the foregoing Order and Notice of Intent via United States Mail, certified, return receipt requested, to the following:

VERNA CORRIVEAU-SCHOEN,  
a/ka, Verna CUTTER CORRIVEAU  
138 Acadian Lane, Suite 100,  
Mandaville, Louisiana, 70471

VECTOR CONSULTING &  
COMMUNICATIONS, INC.  
C/O Verna Corriveau-Schoen  
138 Acadian Lane, Suite 100,  
Mandaville, Louisiana, 70471

ROBIN HOOD INTERNATIONAL, LTD.  
14153 U.S. Highway One  
Juno Beach, Florida 33408

and

140 W. 29th Street  
PMB 350  
Pueblo, Colorado 81008

ROBIN HOOD GROUP, INC.  
830 W. Main Street #376  
Lake Zurich, Illinois 60047

and

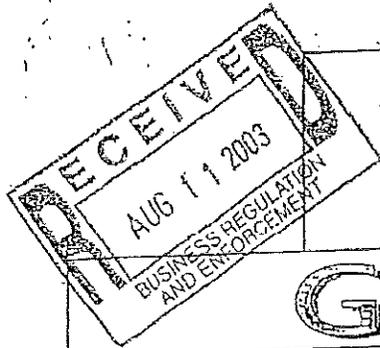
300 Village Square Crossing, Suite 202  
Palm Beach Gardens, Florida 33410

FEWKES MANAGEMENT CORP.  
12189 U.S. Highway One  
Suite 49 #95  
North Palm Beach, Florida, 33408.

This the 6<sup>th</sup> day of May 2004.

Joseph Brady  
Attorney

STATE OF MISSISSIPPI	
I hereby certify that this is a true and complete copy of	
the <u>30</u>	page document on file in this office
DATED <u>May 06</u>	, 20 <u>04</u>
BY <u>Joseph Brady</u>	
This Certification Stamp Replaces Our Previous Certification System	



The Hottest  
Return in Town!

*original  
file  
1/1*

**GUARANTEED**

**36**

Month  
Maturity

**\*9%**

Annual  
Yield

- Zero market risk to principal
- Yield not taxable until maturity
- Designated beneficiary--avoids probate
- Perfect as alternative to accumulating CDs
- Approved for IRA accounts and transfers
- Bonded performance
- Joint accounts available
- Minimum investment \$20,000 smaller amounts thereafter
- A favorite institutional investment
- Transfers approved from most retirement plans

• A-Rated Companies

Call:

Verna Corriveau-Schoen, CLU, ChFC, MSFS  
*for Details*

(800) 830-0091, Ext. 104

\* The annual return commences on settlement date.

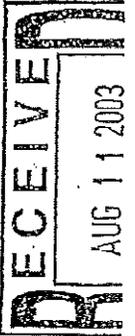
AGREEMENT TO PURCHASE INTEREST  
IN LIFE INSURANCE POLICY

Bonded Viatical Settlement Agreement

THIS AGREEMENT is entered into by and between ROBIN HOOD INTERNATIONAL, LTD., a Colorado corporation ("RHI") having offices at 140 W. 29th Street, PMB 350, Pueblo, Colorado 81008, and/or its assigns, and the following person or persons, or entity, any of the foregoing being the party purchasing a interest in a life insurance policy pursuant hereto (the "Purchaser"):

Donnthy H. Booth  
(Name or Names)  
1044 Bayou Place  
(Contact Person if different from above)  
Diamondhead, MS 39525-4107  
(Street Address)  
  
(City / State / Zip Code)

The Purchaser hereby acknowledges its understanding that the purchase of interests in a life insurance policy has certain attendant risks. Many, but not necessarily all of those risks are described herein. RHI recommends that the purchaser seek the consultation of a legal or financial advisor prior to the purchase of a policy. The Purchaser has consulted, or has elected not to consult, its own legal and financial advisors with regard to the review of the transaction contemplated by this Agreement. The purchase of an interest in the proceeds of a life insurance policy does not constitute the purchase of a security as defined by the Securities Act of 1933, the Securities Act of 1934, or rules or regulations promulgated in accordance therewith. As such, the registration, disclosure and other requirements pertaining to said securities laws do not pertain to the transaction contemplated herein.



WHEREAS, the parties hereto wish to facilitate the purchase by the Purchaser of an interest in a life insurance policy, with the assistance of RHI in facilitating same; and

WHEREAS, the parties hereto wish to memorialize the terms of their business arrangement with respect to same;

The parties hereto, in consideration of the mutual covenants contained herein, the legal sufficiency of same being hereby acknowledged, hereby agree as follows:

1. Viatical Settlement. The purchase of an interest in the beneficial ownership of a life insurance policy is referred to as a "viatical settlement".

1.1 Upon consummating the purchase of an interest in the proceeds of the life insurance policy subject to this Agreement (the "Policy"), the Purchaser will acquire a beneficial interest in the future proceeds of the Policy, in proportion to the proportionate share of the cost of the Policy (the "Policy Cost"). For purposes of viatical settlement, the purchase of the interest described herein shall be deemed consummated upon: (a) delivery of the Purchaser's share of the Policy Cost; and (b) acceptance by the insured under the Policy (the "Seller") of the terms of sale as evidenced by his/her execution of instruments necessary to convey such interest. Written notification from the insurance company which has issued the policy (the "Insurer") that it has duly recorded and filed a change of beneficiary reflecting the Purchaser as a new beneficiary under the Policy will held by the designated "Owner" of the policy for the purpose of confidentiality of the purchaser and other purchasers of the policy. Upon the Insurer providing the written notification described immediately above, the Purchaser shall, for purposes of this Agreement, be deemed "vested" with the interest being purchased. A copy of the written notification is available upon written request to the designated "Owner" of the policy.

Bond

1.2 It is understood and agreed by the Purchaser that information regarding the identity of the Seller (Viator) of the Policy is strictly confidential. Therefore, the Policy purchased will be identified by case number, policy number and issuing insurance company and not by the name or social security number of the Viator.

1.3 Designation as a "beneficiary" means that the purchaser will receive the benefits of the policy upon the maturity of the policy proportionate to the percentage purchased. RHI has no control over the procedures or timeliness used by the insurer to assign beneficiaries. Purchaser hereby agrees to indemnify and hold RHI harmless from and against any and all losses of every type as a result of the use of one procedure as opposed to the other, as well as from any damages, claims, judgments, awards, litigation costs and attorneys fees which may or might be incurred by the Purchaser or RHI with respect thereto. All covenants of indemnification and agreements to hold RHI harmless, wherever provided for in this Agreement, shall extend, as well, to all employees, officers, directors, authorized representatives and assigns of RHI, and to all trust agents and escrow agents involved in the sale, purchase, funding and premium maintenance with respect to the policy.

1.4 Schedule "A", attached hereto and incorporated herein by reference, states the following information: the case number and medical diagnosis of the Seller under the Policy; the death benefit under the Policy; the total policy cost for the Policy; issue date of the policy; the identity of the Insurer, and the rating of said Insurer as established by a national insurance rating company, such as A.M. Best.

1.5 The Purchaser has, prior to the execution of this Agreement, reviewed the information set forth on Schedule "A", has confirmed the acceptability of the information pertaining to the Policy and the Insurer, and has confirmed the accuracy of the sum which the Purchaser is to pay for its interest as well as the proportionate interest which it is acquiring (the "Purchaser's Interest"). The Purchaser hereby agrees to indemnify and hold RHI harmless from and against any and all losses of every type as a result of any future fluctuations in the rating or financial condition of the Insurer, as well as from any damages, claims, judgments, awards, litigation costs and attorneys fees which may or might be incurred by the Purchaser, in any way involving the deterioration of the financial health of the Insurer.

1.6 The Purchaser hereby represents and warrants: that it will maintain the confidentiality of all information it has and/or will obtain with respect to the Seller, the Policy, and the occurrence of a viatical settlement with respect thereto; that it will not disclose any of said information, nor provide a copy of, or allow access to, this Agreement or any other information pertaining to the Seller or this Agreement, to anyone other than the Purchaser's spouse and any professionals or paid consultants involved in financial planning, estate planning, or other related matters on behalf of the Purchaser. The Purchaser hereby agrees to indemnify and hold RHI harmless from and against any and all losses, damages, claims, judgments, awards, litigation costs and attorneys fees which may or might be incurred by the Purchaser and/or RHI, in any way involving a breach by the Purchaser of the warranty of confidentiality set forth herein.

**2. Policy.** The Purchaser acknowledges that, although the insurance policy application and medical information with respect to the Seller is reviewed on behalf of RHI prior to the subject policy becoming available for purchase, RHI cannot and will not be responsible for the accuracy of the contents thereof. In making policies available for purchase, RHI must necessarily rely on the truth and accuracy of said application and medical information. The Purchaser acknowledges that such reliance is reasonable, and hereby agrees to indemnify and hold RHI harmless from and against any and all losses of every type, damages, claims, judgments, awards, litigation costs and attorneys fees which may or might be incurred by the Purchaser, and/or incurred by RHI, in the event that the Purchaser elects to litigate, commence or pursue any legal proceeding, including without limitation through trial and any appeal, with respect to the benefits payable under the policy as to which the Purchaser has purchased an interest.

2.1 Set forth on Schedule "A" attached hereto, states if the policy that the Purchaser is buying interest in is in the contestable period of the policy. The normal contestable period of a policy is (2) two years from the issue date of the policy. The issue date is stated on the Schedule "A".

**3. Medical Matters.** As aforesaid, RHI has relied on the factual accuracy of medical reports and other pertinent information pertaining to the Seller in making the Policy available to the Purchaser. The Seller has signed, endorsed, or confirmed in writing that all medical reports and information pertaining to the Seller is accurate in all respects, and that the Seller assumes all liability with respect thereto. Accordingly, the Purchaser acknowledges that said reliance by RHI is commercially and practically reasonable. The medical diagnosis pertaining to the Seller, as well as the prognosis for future life expectancy, are set forth on Schedule "A" attached hereto.

3.1 A review of said medical reports and related information has been conducted by the seller's physician and an independent medical physician who has confirmed the prognosis based on the Seller's determined medical condition. It is nevertheless acknowledged by the parties that, at best, medical prognoses and life expectancies can only be determined with reasonable medical certainty at best.

3.2 The Purchaser hereby indemnifies and agrees to hold RHI harmless from and against any and all losses, damages, claims, judgments, awards, litigation costs and attorneys fees which may or might be incurred by the Purchaser and/or RHI, in any way arising from or involving any misstatement or error in the Policy application or other materials, or from an error in medical diagnosis or prognosis, or a change in the medical condition, or estimated life expectancy, of the Seller.

Bond

included in life prolonging events, with limitation, are: any spontaneous recovery from terminal disease; medical attempts to prolong the Seller's life; technological advances and/or advances in pharmaceuticals or treatment procedures; and any other unforeseen circumstances which may or might arise to extend or alter the life expectancy of the Seller.

4. **Policy Cost.** The Policy Cost for one hundred percent (100%) of the beneficial interests in the proceeds of the Policy will be comprised of the following: (a) the sum paid to the Seller for the transfer of the said beneficial interests; (b) premium payments for the life expectancy of the Seller as reflected in Schedule "A"; (c) processing fees, escrow fees, commissions and post-closing trustee fees pertaining to the closing on the viatical settlement with the Seller and the administration of policy maintenance and Seller health monitoring. (d) Premium cost to a surety insurance company for the Financial Guarantee Bond. In the event that the Seller survives beyond the life expectancy period set forth on Schedule "A", the Purchaser and all other beneficiaries of the Policy will be required to tender to the trustee their intent to exchange their beneficial interest in the policy for a cash settlement in the month following such date.

5. **Escrowed Funds.** Cornerstone Escrow Corporation of 7 E Bijou, Colorado Springs, Colorado 80903, is hereby designated as the escrow agent for funds to be received for the purchase of the interest to be obtained by the Purchaser. Cornerstone Escrow Corporation does not underwrite viatical settlement policies and their only function is to receive, hold and disburse funds. Cornerstone Escrow Corporation is not involved in any post-closing activities. Upon receiving notice of the Seller's acceptance of a viatical contract to sell the beneficial interests in the Policy, the Purchaser shall promptly forward the Purchaser's Policy Cost, or the proportion of the amount as shown on Schedule "A" attached hereto, to the said escrow agent for crediting to the escrow account. In the event that the Seller exercises the "Right to Cancel" described in the "Policy Sales Agreement" pertaining to the Policy, a copy of which has been examined by the Purchaser, all funds received in escrow from the Purchaser shall be refunded, less the Purchaser's proportionate share of: any escrow fees, post-closing trustee fees, postage and transfer fees expended or accrued with respect to the Policy. Said proportionate share shall be in the same percentage as the Purchaser's proportionate share of the Policy proceeds constituting the Purchaser's Interest

5.1 The disbursement of funds from the above described escrow account are governed by a "Master Escrow Agreement" and "Escrow Agreement Schedule" between RHI and Cornerstone Escrow Corporation.

5.2 The Purchaser acknowledges its understanding that verification of the deposit, or separate payment, of the full amount of the Purchaser's share of the Policy Cost must accompany this Agreement for this Agreement to be valid and binding. Said verification must include written confirmation from the said escrow agent that it has actually received said funds. If such verification, or separate payment, is not provided at the time of execution of this Agreement, RHI may, in its sole discretion, cancel and terminate this Agreement, rendering it null and void and neither party hereto shall have further obligation to the other.

5.3 For purposes hereof, the funds received by the escrow agent from the Purchaser must be delivered prior to or simultaneously with the execution of this Agreement in order to be timely for use in the purchase of the beneficial interests under the Policy. Any delay caused by the collection of funds represented by a personal check or if the funds being used are "Qualified" funds may result in losing the opportunity to purchase the Purchaser's Interest in the Policy. In such event, the Purchaser will be given the opportunity to purchase an interest in policy proceeds of an alternative policy, as and when practicable, and the Purchaser shall be entitled to review a new "Schedule A" in order to determine the acceptability of same. The Purchaser may designate an authorized agent of RHI to choose a policy on his/her behalf in the "Letter of Intent" attached to this Agreement. Upon the parties reaching agreement as to a replacement policy, the new "Schedule A" and a consent from the Purchaser will be appended to this Agreement. All provisions contained in this Agreement shall then pertain to the new policy and the new "Schedule A". If such agreement cannot be reached, the funds paid by the Purchaser may at the discretion of RHI, be refunded to the Purchaser via first class mail, and this Agreement shall automatically be rendered null and void. All costs incurred for the issuance of a cashier's check or for wire transfer shall be borne solely by the Purchaser.

5.4 If the verification of deposit is not received within seven (7) days of purchase, RHI may sell what would otherwise be the Purchaser's Interest to another party or entity, and any funds received from the Purchaser may be used with regard to a different policy, or at the discretion of RHI may be refunded to the Purchaser via first class mail. The Purchaser does hereby agree to hold RHI and the said escrow agent harmless from and against any claim, loss, or damages of any kind, which the Purchaser might otherwise assert due to the Purchaser's lost opportunity as a result in the delay of funding or the failure of the Purchaser's funds to be available in a timely manner.

6. **Acknowledgment of Risk.** The Purchaser hereby acknowledges its understanding that all viatical settlements involve a degree of a risk. All viatical settlements are, in addition to other things, subject to risks pertaining to: (a) the actual duration of a Viator's life as compared to their life expectancy; however, if so elected the Financial Guarantee Bond greatly reduces this life expectancy risk and (b) the financial well being of the Insurer, (c) cancellation of the sale of the policy by the Seller, (d) a delay in the policy pay-out due to the possible unknown address change of the viator which is beyond the control of RHI and the Trust (note that all reasonable and acceptable methods of searching for the unknown address change of the viator, if this should occur, will be utilized by the Trust) and (e) the potential risk of losing part or all of the initial purchase

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funds. These considerations can significantly affect the rate of return on the funds paid by the Purchaser, and (f) the possibility of bankruptcy of an Insurer. Viatical Settlement Policy purchases present some assurances against the loss of initial purchase funds. However, any assurance presented by any person or entity does not eliminate unforeseen and unpredictable circumstances that might cause the possible loss of capital including the initial purchase funds of the Purchaser. Contestable policies, as explained in Section 2 above, have additional risks, which are uncertain, unforeseeable and unpredictable.

6.1 It is understood that many of the policies presented for purchase are considered "First Generation" policies. A "First Generation" policy is a policy that has not been purchased through Viatical Settlement prior to the Policy being presented for purchase through RHI. The cancellation of the sale of a "First Generation" Policy does occur from time to time prior to the disbursement of funds. In the event that a Policy sale is cancelled, the Purchaser has the option to choose an alternative Policy purchase as described in 5.3 of this agreement. It is understood that RHI does not purchase the Policy and does not hold any "Ownership" of the Policy. The purchase funds of the Purchaser will be used to purchase the Policy from the Seller and/or current "Owner" of the Policy.

6.2 RHI, its employees and authorized agents, cannot, and has not attempted to, calculate risks attendant to the Policy. The Purchaser must, without reservation, consider carefully all risks he/she might contemplate with regard to purchasing the Purchaser's Interest. Purchaser must carefully review, or obtain the review by the Purchaser's own professional advisors, all documents provided to the Purchaser in furtherance of the transaction hereby contemplated. The Purchaser's decision to participate in this viatical settlement transaction has been reached in reliance solely on the Purchaser's own analysis, or the analysis of its paid professionals, of the risks and benefits associated with the transaction. As such, the Purchaser assumes all responsibility with respect to its decision and with respect to all circumstances pertaining to the transaction. Accordingly, the Purchaser does hereby agree to indemnify and hold RHI harmless, from and against any damages, claims, judgments, awards, litigation costs and attorneys fees which may or might be incurred by RHI with respect to or in any way involving the risks associated with viatical settlements in general or the subject transaction in particular.

6.3 The Purchaser hereby represents that it is knowledgeable about matters pertaining to viatical settlements, and confirms its acceptance of the terms and conditions set forth in this Agreement, is financially capable of engaging professionals for review should it choose to do so, and is financially capable of purchasing the Purchaser's Interest without such purchase causing financial distress. The Purchaser further warrants that the funds necessary to purchase the Purchaser's Interest are available and are designated for viatical settlement purchases.

6.4 The Purchaser also acknowledges that any information provided with respect to expected returns assumes that all matters related to the maturity of the Policy occur in exact conformance with the life expectancy shown on Schedule "A" attached hereto, as well as the policy proceeds paid by the Insurer. The Purchaser confirms his/her understanding that RHI is prohibited by law from assisting the Purchaser in filing death benefit claims, and cannot be involved in any dispute with the Insurer with regard thereto. RHI does not participate in any post-closing activities. Furthermore, the Purchaser understands that the actual rate of return generated from the Policy can only be calculated after the Policy matures upon the death of the Seller, or the Financial Guarantee pays the proceeds to the trustee. Any estimates provided are based entirely on the projected life expectancy of the Seller. The Purchaser hereby agrees to indemnify and hold RHI harmless, from and against any damages, claims, judgments, awards, litigation costs and attorneys fees which may or might be incurred by RHI in defending any claim based upon a lower return being generated than what was estimated.

7. **Post-Closing Activities.** There are certain activities, which need to occur subsequent to the viatical settlement closing with the Seller. These activities will be performed by a duly appointed trustee, with respect to paying Policy premiums, monitoring the health of the Seller, and filing documentation and death certificates with the Insurer. These activities will not be performed by RHI. The designation for post-closing activities is provided in Schedule "B". Schedule "B" is required in this contract for the designation of the beneficiaries and contingent beneficiaries of this policy.

7.1 The use of a trustee to fulfill these and other post-closing activities provides efficiencies, which the Purchaser should find beneficial. In order to perform those activities with the least resistance from the Insurer, the trustee should be designated as the owner of the Policy. The trustee will begin receiving premium statements upon receiving ownership of the Policy or within a reasonable period of time. The length of time for the notices to be received by the trust is solely dependent on the Insurer. Until that time, the Purchaser's Interest will be represented and evidenced by an assignment of the beneficial interest in the Policy proceeds, with a corresponding instrument evidencing the Purchaser's right and entitlement to the Purchaser's Interest.

7.2 The trustee with respect to the Policy will be Sherwood/Bowman, Inc., a Colorado Corporation or Fewkes Management Corporation, a Florida Corporation. Principals of Sherwood/Bowman, Inc. and Fewkes Management Corporation are relatives of one of the principals of RHI. As part of the documents you will be required to execute as part of this transaction, it shall be necessary to appoint Sherwood/Bowman, Inc. or Fewkes Management Corporation as trustee or another trustee of your choice, to serve in accordance with the terms hereof in Schedule "B".

8. **Representations by Purchaser.** In addition to any and all other representations, covenants and warranties which the Purchaser has provided herein, the Purchaser hereby represents and warrants:

8.1 The Purchaser must be 21 years of age to be bound by contract according to the laws of his/her state of residence, and is mentally competent to contract and obtain and accept the rights and obligations created by contracts in general and by this Agreement in specific.

8.2 All information provided by the Purchaser to RHI, its assigns, and its agents, authorized representatives and employees, is true and accurate without any misstatements of fact or omissions which contravene statements of fact contained therein.

8.3 The Purchaser shall not, in any event, directly or indirectly contact the Seller, nor divulge any information identified elsewhere herein as being confidential information.

9. Miscellaneous.

9.1 The Purchaser hereby acknowledges that RHI is not a financial or investment advisory service, tax advisory service, legal or accounting firm, estate or tax planning service, investment or securities broker, nor anything similar thereto. RHI has not provided any of the services described or provided by companies engaged in the immediately foregoing activities, and has not represented or acted on behalf of the Purchaser in any such capacity. The Purchaser has, or is capable of, obtaining such representation and advice, including without limitation all tax matters pertaining to the purchase and ownership of the Purchaser's Interest. This Agreement does not create any partnership or joint venture between the Purchaser and RHI, or between the Purchaser and any other purchasers of interests similar to the Purchaser's Interest, including without limitation, other purchasers of other interests in the proceeds of the Policy.

9.2 The Purchaser agrees, in addition to all other matters pertaining to confidentiality contained elsewhere herein, the Purchaser shall not, in any event, discuss the Policy, the viatical settlement, this Agreement, or any other aspect of this transaction, including without limitation the identity of the Seller, with any other Viator, or with any viatical brokerage companies, or persons other than the Purchaser's own professional advisors. This prohibition shall apply both to the period preceding the closing of the transaction hereby contemplated, and following same.

9.3 In the event that any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, said provision shall be deemed severed while the remaining provisions of this Agreement shall remain intact.

9.4 In the event of any dispute between the parties hereto, such dispute shall be referred to the American Arbitration Association for binding arbitration and all matters pertaining thereto shall be governed by the laws of Colorado. The rules of the American Arbitration Association, as utilized in the state of Colorado, shall be employed, the parties hereby acknowledging their consent that all such proceedings must be brought in the State of Colorado.

9.5 The Purchaser hereby confirms his/her understanding that life expectancies determined for us in Viatical Settlements, including that which exists with regard to the Policy, are estimates only. It is understood that any Viator, including the Seller described herein, could live longer or may expire earlier than his or her estimated life expectancy as of the date of this Viatical Settlement Date and the purchaser of Purchaser's Interest. Any such variation from the estimated life expectancy will directly affect the extent of the financial benefit, i.e. the rate of return, derived from the purchase of the Purchaser's Interest.

IN WITNESS WHEREOF, we hereby affix our hands and seals as of the date set forth beside our respective signatures.

PURCHASER:

Signature

Name: Typed or Printed

Social Security No. or FEIN

Stephanie H. Booth 5/16/00

Dorothy H. Booth

This Agreement shall only be effective upon acceptance by Robin Hood International, Ltd.

By:

Stephanie H. Booth  
Robin Hood International, Ltd.

5/22/00  
Date

All check for policy purchases are to be made out to Cornerstone Escrow Corporation.

Money wire instructions:

Cornerstone Escrow Corporation  
Pueblo Bank & Trust Company  
ABA: 107000068 Account: 700302840

Send all checks (made out to Cornerstone Escrow Corporation) and Contracts to:  
ROBIN HOOD INTERNATIONAL, LTD.  
140 W. 29th Street, PMB 350  
Pueblo, Colorado 81008 Phone: 719-549-0563 or 800-416-9500

Bond

**Escrow Agreement Schedule  
(Joint Order Escrow Trust Agreement)**

To: Cornerstone Escrow Corporation, as Escrow Agent/Escrow Trustee;

Customer Identification:

Purchaser's Name: Dorothy H. Booth  
Address: 1044 Bayon Place DOB: 1/29/25  
Address: Diamondhead, MS 39525-4107 SS#: [REDACTED]  
Phone: (228) 255-1330

- The Term "Viator" hereinafter refers to "Viator" and/or "Seller", as the context requires.
- The Term "Escrow Agent" or "Escrow Trustee" hereinafter refers to "Cornerstone Escrow Corporation", as the context requires.
- The Term "Escrow Agreement Schedule" herein refers to "Joint Order Escrow Trust Agreement".
- The Term "Insurer" herein refers to "Life Insurance Company".

Deposits: Check(s), certified cashier's check(s) or money wire transfer(s) for \$ 12,000.  
The funds deposited are designated for the purchase of one or more Viatical Settlement Policies.  
Fees: There will be a fee of \$250.00 for the disbursement of funds for a Policy purchase. There will be a \$50.00 charge per Purchaser for Policy purchases requiring more than three Purchasers. There will be a \$25.00 fee for any funds requiring a money wire. These fees are included in the policy purchase cost.  
Billing instructions: Escrow Agent will make a payment of Escrow Trust Fees from the gross Escrow Funds held in Escrow. Escrow Agent, upon disbursement of proceeds, shall make payment after receiving this Escrow Agreement Schedule and the "Escrow Disbursement" document(s). Cornerstone Escrow Corporation, at its sole discretion, may reduce or waive the Escrow Trust Fee for this Escrow Agreement Schedule. All parties understand that this Escrow Agreement Schedule is entered into under the interpreted laws of the State of Colorado.

Escrow Agreement Schedule: It is understood that this Escrow Agreement Schedule is in accordance with the "Master Escrow Agreement" between Robin Hood International, Ltd. and Cornerstone Escrow Corporation.

**Escrow Disbursement:**

1. Upon receipt of the beneficiary/ownership designation changes of the insurer (faxed verification is acceptable), payment to the Viator will be made within (3) business days, according to the direction of the Viator provided in the "Sellers Instructions". In addition to the Viator funds, the "Right to Cancel" letter will be supplied to the Viator designating (15) fifteen days, (30) thirty days for Kansas and Indiana residents, from the day the funds are received by the Viator. If a money wire has been requested by the Viator, the "Right to Cancel" will be mailed, designating (15) fifteen days, (30) thirty days for Kansas and Indiana residents from the receipt of the money wire.
2. Disbursement of any additional Escrow Funds in conjunction with the above named Policy sale shall be disbursed upon verification of the recorded changes with the insurer. These disbursements include, but are not limited to; insurance premiums, post-closing trust fees, Financial Guarantee Bond premiums, Escrow Trust Fees and any commission fees paid to all persons or entities in connection with the above named Policy sales transaction. An "Escrow Disbursement" document will list the breakdown of the disbursements and shall be provided to Cornerstone Escrow Corporation by Robin Hood International, Ltd. with the verification of the recorded changes of the insuring Life Insurance Company.  
The Purchaser and Cornerstone Escrow Corporation understands and agree that in the event the Viator exercises his/her "Right to Cancel" option, 100% of the deposited Escrow moneys, less any Escrow Trust Fees, post-closing trust fees, mailing or transfer fees associated with this transaction will be returned and deposited to the Purchaser's Escrow Account.

Robin Hood International, Ltd.:  
40 W. 29<sup>th</sup> Street, PMB 350  
Durango, Colorado 81008  
Stephanie Peterson  
Robin Hood International, Ltd.  
Dorothy H. Booth  
Purchaser

5/6/00  
Date  
5/6/00  
Date

## BONDED TRUST AGREEMENT

This Trust Agreement made this 22 day of October 2000, at the city of North Palm Beach, County of Palm Beach, State of Florida, between Dorothy Booth as Trustor(s) (hereinafter, and collectively if such is applicable, the "Trustor") and FEWKES MANAGEMENT CORPORATION, a Florida corporation, as Trustee (hereinafter the "Trustee"). The beneficiaries of this Trust are those persons named as beneficiaries of the life insurance policy described below and, unless indicated otherwise herein, are the same person(s) identified above as the Trustor.

In consideration of the mutual covenants and promises set forth herein, the Trustor and Trustee agree as follows:

1. The Trustor hereby acknowledges and agrees that Life Insurance Policy Number 1410188 ("the Policy"), issued by Great Southern Life Insurance Company (the "Carrier"), as to which the Trustor is purchasing, or in which the Trustor is purchasing an interest, shall be transferred to and held in trust by the Trustee for the benefit of the Trustor and any other purchaser(s) in the viatical settlement with respect to the Policy. The Trustee acknowledges that it is holding the Policy for the benefit of the Trustor.
2. The Trustee hereby agrees to: regularly contact the Insured's physician to monitor the maturity of the policy; Monitor the status of premium payments and as well as any change in the status of the Policy; notify the Carrier upon the death of the Insured. Upon the death of the insured named in the Policy (the "Insured"), the Trustee shall assist and cooperate with all parties necessary to facilitate payment of the Policy proceeds directly to the beneficiaries named in the Policy, in accordance with their proportionate interests therein.
3. In the event that the estimated maturity date of the policy is exceeded, the Financial Guarantee Bond is obligated to pay the proceeds to the trustee. The trustee will exchange the beneficiary position of the Trustor(s) for a cash settlement.
4. The Trustor shall pay its proportionate share of a fee to the Trustee for the services to be rendered by the Trustee. This fee shall be paid through the escrow agent (the "Escrow Agent") receiving closing funds at the time of consummation of the Viatical Settlement (the "Closing"). At the time of Closing, the statutorily required Escrow Agent, shall pay to the Trustee, to be placed in the trust account maintained by the Trustee for such purpose (the "Trust Account"), sufficient sums to cover the cost of the premiums required to keep the Policy in full force and effect for the then existing life expectancy of the Insured plus three months or \$500.00 for policies currently being paid by a disability waiver. For purposes hereof, the term "expected maturity" means the period of time between the date of the Closing and the date projected as the date of demise of the Insured (the "Insured's Expiration") based upon the Insured's life expectancy as of the date of Closing. Any funds remaining in the Trust Account, which are not utilized for the payment of premiums due to the insured's expiration, and/or for any other reason, shall be paid to the Trustee. The right and title to the "Policy Premiums" shall remain in the Trust Agent and the respective interests thereof, until the Policy Premiums are fully distributed according to the "Agreement to Purchase" signed by the Trustor.
  - (a) The Trustor hereby agrees to indemnify, and to save and hold harmless, Robin Hood International, Ltd. and the Trustee, from and against any claims, litigation, judgments and costs (including without limitation, reasonable attorneys fees) arising from any future disputes concerning this Policy, except that the Trustee shall not be held harmless with respect to any claims, damages, judgments or the like, pertaining to, or resulting from, gross negligence or willful misconduct of the Trustee.
5. At such time as the Trustee is notified of the insured's expiration or payment of the Financial Guarantee Bond obligation, the Trustee shall, without additional compensation, assist, cooperate and facilitate the payment of the Policy proceeds directly from the Carrier to the beneficiaries named in the Policy, in proportion to their respective interests in the Policy. In this regard, the Trustee is authorized and empowered to do all things necessary at the Trustee's sole discretion to facilitate payment of the Policy proceeds. However, the Trustee is under no obligation to bring suit or other legal proceedings unless: (a) it is advisable in the opinion of the Trustee's legal counsel; and (b) the Trustee has received adequate funds from the Trustor and the Other Beneficiaries for said purpose. For purposes hereof, adequate funds for litigating such matters shall be determined by counsel for the Trustee. Once the Policy proceeds have been paid to the beneficiaries named in the Policy, the Trustee's duties under this Trust Agreement shall immediately cease, and the Trustee shall be thereafter forever relieved and fully discharged from any liability or responsibility in connection therewith.

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Neither the Trustee, nor any successor trustee, shall be responsible or liable for performance or non-performance of or by, the Escrow Agent, the Carrier, the Insured or other seller of Policy, or the agents, employees or other persons or entities claiming an interest through any of the foregoing.

7. The Trustor acknowledges its understanding that the Trustee is not an employee or subcontractor of any of the parties involved in the Closing, rather, it is a business entity engaged solely to hold title to the Policy and to perform the services described herein. The Trustor understands and acknowledges that the Trustee has made no representations, evaluations, or investigations as to the advisability, risk, propriety or tax consequences of the underlying transaction (the "Purchase") and the Closing from which the Trust Agreement arises. The Trustor further warrants that it has not received nor relied on any representations of the Trustee or Trustee's agents in making the decision to enter into either the Purchase or this Trust Agreement.

8. In the event that a dispute arises regarding the Policy due to the gross negligence or willful misconduct of the Trustee, the Trustee shall, upon the request of the Trustor and Other Beneficiaries, transfer the ownership of title to the Policy, and all other obligations of performance by the Trustee, as reflected by this Trust Agreement, to a successor (the "Successor Trustee") designated by the Trustor and other beneficiaries. At such time, the Trustee shall also transfer to the Successor Trustee, all funds held in the Trust Account with respect to the Policy.

9. In the event of any dispute regarding the Policy, ownership of the Policy, or any beneficial interest in the proceeds of the Policy, the Trustee may implead the Policy and/or any funds held in Trust, before a court of competent jurisdiction. Thereafter, the Trustee shall be entitled to recover, from the Trustor and the other beneficiaries, who shall be liable on a joint and several basis, an amount equal to the sum of all damages and costs incurred by the Trustee with respect to said interpleader action. Thereafter, the Trustee shall be released from any and all liability with respect to or arising from the Policy, the Purchase, and/or other matters which are the subject of dispute, excepting however, such matters which involve, or as to which there is alleged, gross negligence or willful misconduct on the part of the Trustee.

10. The Trustee shall have the right to resign as Trustee due to non-compliance of this contract on the part of the Trustor or if the Trustee is unable to perform the duties outlined in this contract. In such event, the Trustee shall provide the Trustor and the Other Beneficiaries with no less than thirty (30) days prior written notice of the effective date of said resignation. At the end of the resignation period, the Trustee shall have no further duties or obligations under this Trust Agreement, except to see that the Policy is transferred, including but not limited to any ownership assigning and transferring ownership of the Policy, and the funds described in Section 8 above, to a Successor Trustee chosen by the Trustor and other beneficiaries. Notwithstanding anything else contained in this Section, the Trustee shall not be relieved of any liability for its own gross negligence or willful misconduct.

11. The Trustor and the Other Beneficiaries, upon their verified unanimous written consent, shall have the right to remove the Trustee and appoint a Successor Trustee upon twenty (20) days prior written notice delivered to the Trustee. In such event, the Trustee shall have no further duties or obligations under this Trust Agreement, except assigning and transferring ownership of the Policy, and delivering the funds described in Section 8 above, to the Successor Trustee chosen by the Trustor and Other Beneficiaries. Notwithstanding anything else contained in this Section, the Trustee shall not be relieved of any liability for its own gross negligence or willful misconduct.

12. Except as specifically provided for elsewhere in this Trust Agreement, the Trustee shall not alter or change the Trustor's recorded beneficiary percentage interest in, or the contingent beneficiary of, the Policy unless otherwise instructed in writing by the Trustor.

13. This Trust Agreement shall be administered, construed and interpreted pursuant to and in accordance with the laws of the State of Florida. Venue as to any legal proceeding pertaining to this Trust Agreement, or the obligations and performance called for herein, shall be exclusively in Palm Beach County, Florida. If any provision of this Agreement or the application thereof to any person or circumstances, is judicially held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision which can be given effect without the invalid provision or application thereof, and, to this end, the provisions hereof shall be severable.

14. This Trust Agreement constitutes the complete and final understanding between the parties hereto. The terms of this Trust Agreement can only be changed by written modification signed by said parties. Time is of the essence with respect to all matters described in this Trust Agreement.

15. This Trust Agreement shall become effective when executed by both the Trustee and the Trustor, and thereafter shall be binding upon the Trustor's heirs, representatives, and/or assigns, and upon the Trustee's successors. The parties to this Trust Agreement may sign separate counterpart copies, however, all copies shall be deemed to cumulatively constitute one original agreement.

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16. All notices required to be sent by certified mail shall be deemed delivered three business days after depositing in the United States Mail, whether or not an executed return receipt is received by the sender. All notices or correspondence shall be in writing provided to the parties at the addresses below:

Trustee: Fewkes Management Corporation  
12189 U.S. Highway One, Suite 49, # 95  
North Palm Beach, Florida 33408  
Phone: 561-776-1900

Trustee: Michael Sewko, President Date: 12/13/00

Trustor: Dorothy Booth  
Address: 1044 Bayou Place  
Diamondhead, MS 39525-4107  
Phone: [REDACTED]  
SS#: [REDACTED]

SIGNATURE: x Dorothy Booth Date: 11/27/00

Robin Hood International, Ltd.

Schedule "A"

Schedule "A" is an attachment to the "Agreement to Purchase interest in Life Insurance Policies".

10/23/00 ID: 005019 Age: 58 Male Contestable? No Till:

Primary Diagnosis: Severe Coronary Disease

Life Expectancy: From 24 to 36 months

Secondary Diseases:

Ischemic Cardiomyopathy

Recurrent Multiple MI's

5 angioplasty's

Inoperable

smoker

one vessel open

Insurance Company:

Great Southern Life Date issued: 12/12/1979 Rating: A By: A.M. Best

Policy Type: Term Policy #: 1410188 Policy Cert #:

Facevalue: \$100,000

Premiums: \$4,338.00

Premiums for: 39 mos.

Polycost: \$76,923.00

Amt. of Return: \$23,077.00

Total Return: 30.00%

Annual Return: 10.00%

Notes:  
Renewable To Age 100.

Notice: The figures below do not apply for policies with increasing death benefits. The schedule below should not be applied in calculating future possible returns on increasing death benefit policies. The figures below are only applicable when the face value of the policy remains the same.

6 mo	12 mo	18 mo	24 mo	36 mo	48 mo	5 yr
60.00%	30.00%	20.00%	15.00%	10.00%	7.50%	6.00%

Any rate of return represented does not constitute a guarantee. All return rates are annual estimates only and do not reflect any additional fees or costs that may be necessary.

Printed name: Dorothy Booth

Amount designated towards the purchase of this policy: \$ 1410188 12,000

I have read and agree with the terms set forth in the "Agreement to Purchase Interest in Life Insurance Policy". I understand and agree with the information provided to me in Schedule "A".

X Dorothy Booth  
Signature

11/27/00  
Date

Escrow Agreement Schedr  
(Joint Order Escrow Trust Agreement)

To: Cornerstone Escrow Corporation, as Escrow Agent/Escrow Trustee:

Customer Identification:

Purchaser's Name: Dorothy H. Booth  
Address: 1044 Bayan Place DOB: 1/29/25  
Address: Durawood, MS 39525-4107 SS#: [REDACTED]  
Phone: [REDACTED]

- The Term "Viator" hereinafter refers to "Viator" and/or "Seller", as the context requires.
- The Term "Escrow Agent" or "Escrow Trustee" hereinafter refers to "Cornerstone Escrow Corporation", as the context requires.
- The Term "Escrow Agreement Schedule" herein refers to "Joint Order Escrow Trust Agreement".
- The Term "Insurer" herein refers to "Life Insurance Company".

Deposits: Check(s), certified cashier's check(s) or money wire transfer(s) for \$ 12,000.  
The funds deposited are designated for the purchase of one or more Viatical Settlement Policies.

Fees: There will be a fee of \$250.00 for the disbursement of funds for a Policy purchase. There will be a \$50.00 charge per Purchase for Policy purchases requiring more than three Purchasers. There will be a \$25.00 fee for any funds requiring a money wire. All fees are included in the policy purchase cost.

Billing instructions: Escrow Agent will make a payment of Escrow Trust Fees from the gross Escrow Funds held in Escrow. Escrow Agent, upon disbursement of proceeds, shall make payment after receiving this Escrow Agreement Schedule and the "Escrow Disbursement" document(s). Cornerstone Escrow Corporation, at its sole discretion, may reduce or waive the Escrow Trust Fees on this Escrow Agreement Schedule. All parties understand that this Escrow Agreement Schedule is entered into under the interpretive laws of the State of Colorado.

Escrow Agreement Schedule: It is understood that this Escrow Agreement Schedule is in accordance with the "Master Escrow Agreement" between Robin Hood International, Ltd. and Cornerstone Escrow Corporation.

Escrow Disbursement:

1. Upon receipt of the beneficiary/ownership designation changes of the insurer (faxed verification is acceptable), payment to the Viator will be made within (3) business days, according to the direction of the Viator provided in the "Sellers Instructions" in addition to the Viator funds, the "Right to Cancel" letter will be supplied to the Viator designating (15) fifteen days, (30) thirty days for Kansas and Indiana residents, from the day the funds are received by the Viator. If a money wire has been requested by the Viator, the "Right to Cancel" will be mailed, designating (15) fifteen days, (30) thirty days for Kansas and Indiana residents from the receipt of the money wire.
2. Disbursement of any additional Escrow Funds in conjunction with the above named Policy sale shall be disbursed upon receipt of verification of the recorded changes with the insurer. These disbursements include, but are not limited to; insurance premium, post-closing trust fees, Financial Guarantee Bond premiums, Escrow Trust Fees and any commission fees paid to all person or entities in connection with the above named Policy sales transaction. An "Escrow Disbursement" document will list a breakdown of the disbursements and shall be provided to Cornerstone Escrow Corporation by Robin Hood International, Ltd. with the verification of the recorded changes of the insuring Life Insurance Company.

The Purchaser and Cornerstone Escrow Corporation understands and agree that in the event the Viator exercises his/her "Right to Cancel" option, 100% of the deposited Escrow moneys, less any Escrow Trust Fees, post-closing trust fees, mailing or transfer fees associated with this transaction will be returned and deposited to the Purchaser's Escrow Account.

Robin Hood International, Ltd.:  
140 W. 29<sup>th</sup> Street, PMB 350  
Pueblo, Colorado 81008

Stephanie Peterson  
Robin Hood International, Ltd.  
Dorothy H. Booth  
Purchaser

5/6/00  
Date  
5/6/00  
Date

## Schedule "A" Ownership and Beneficiary Designation

I designate and authorize the Assignment of Ownership of Life Insurance Policy Number 1410188, Certificate Number \_\_\_\_\_, issued by Great Southern (Policy Number) (Certificate Number) (Insurance Company) insuring the life of 5019 (Case Number)

I understand that the assignee and owner of this Policy will be responsible to perform any and all post closing activities.

Post closing activities include but are not limited to the following:

- Tracking of the medical progress of the Seller of the Policy.
- Monitoring the Policy Premium Payments of the Policy to the Life Insurance Company.
- Payment of premiums for the Policy that have been placed in Trust by the purchaser and informing the purchaser of additional premiums that may be necessary.
- Collecting and filing the necessary documentation for the death benefit proceeds.
- Monitoring the Life Insurance Company in disbursing the death benefit proceeds to the beneficiaries of the Policy.
- Other post closing activities as may be deemed necessary to fulfill the Trust's obligations. The bonded election includes the collection and distribution of Financial Guarantee Bond proceeds if the expected maturity date of policy is exceeded.

I designate the following as the owner of this policy. I understand that the designated owner will be totally responsible to perform the above named post closing activities until the maturity of the named policy.

\_\_\_\_\_ (Initial here) Trust Manager

Fewkes Management Corporation OR  
12189 U.S. Highway One, Suite 49, PMB 95  
North Palm Beach, FL 33408

Sherwood/Bowman, Inc.  
140 W. 29<sup>th</sup> Street, PMB 349  
Pueblo, Colorado 81008

*I understand that the above the Trust will be 100% responsible for the post closing activities of the Policy, therefore, I indemnify, save and hold Robin Hood International, Ltd. its authorized representatives and/or assigns harmless from any claims, litigation's, judgments and costs arising from any and all future liability regarding and associated with any and all post closing activities.*

**Notice: The beneficiary of the policy will be the purchaser unless otherwise designated.**

Beneficiary Designations	Contingent Beneficiary
Name: <u>Doethy Booth</u>	Name: <u>John J. Booth, Sr.</u>
Address: <u>1044 Bayou Place</u>	Address: <u>1044 Bayou Place</u>
Address: <u>Diamondhead, MS 39555-4107</u>	Address: <u>Diamondhead, MS 39557</u>
Phone: _____	Phone: _____
D.O.B.: <u>1/29/25</u>	D.O.B.: <u>10/2/24</u>
SS#: _____	SS#: _____

*If the beneficiary or contingent beneficiary is a trust please enclose a copy of the trust with your Purchase Agreement.*

I understand that a signed copy of the proper Trust agreement will be sent to me with my closing documents.

X Doethy Booth Date 11/27/00  
Purchaser

Bond

Letter of intention Bonded Viatical

This 6<sup>th</sup> (day) of May, 2000, I Dorothy H. Booth residing at 1044 Bayou Place, Diamondhead, MS 39525-3952 have designated \$12,500 for the purchase of the benefits for one (1) or more life insurance policy(s) by the Viatical Settlement process through Robin Hood International, Ltd. These funds will be held in an escrow account with:

Cornerstone Escrow Corporation
7 E. Bijou
Colorado Springs, Colorado 80903
Phone: 719-635-8938

I understand that any policy to be purchased will require my authorization prior to using the funds, which I have provided for the purchase of the policy(s). I further acknowledge that the purchase of any policy is dependent upon the acceptance of the terms by the seller of the policy. Should the seller decline sell his/her policy. I authorize the designated funds to be transferred to another policy transaction. In the event that my funds need to be transferred, I authorize my agent to designate a substitute policy.

Agent: Verna Cocciveau-
Address: 70335 Ninth St.
Covington, LA 70433
Phone: (504) 892-5540

I understand and acknowledge that the anticipated rate of return on the funds, which I invest, may vary depending on policy parameters, policies available for purchase and the life expectancy of the insured. Furthermore, the actual rate of return will depend upon the date of demise of the insured.

The following are my desired parameters for policy purchases:
Please indicate one or two choice preferences:

[checked] 36 months \_\_\_\_\_ 48 months

I acknowledge and agree that these funds have been specially designated for the purchase of (1) one or more Viatical Settlement Policy(s) and will not be used for any other purpose. If any of the designated funds are not utilized within 120 days of the above stated date, this agreement will automatically be considered null and void and all funds will be refunded to the purchaser unless I request otherwise. It is understood that there is no interest paid on funds held in escrow. I acknowledge that no one has made any representation to me regarding actual returns to be received, nor asserting any control over the successfulness of my investment.

[Signature of Dorothy H. Booth]
Purchaser

5-6-2000
Date

[Signature of Verna Cocciveau]
Agent

5/6/00
Date

(Verification of the funds designated for viatical settlement must be provided with this agreement to be considered valid.)

Bond

Robin Hood International, Ltd.

Viatical Settlement

(Bonded Option)

Memo of Understanding

In serving your financial needs, one of our goals is to make sure you understand the key elements of your Viatical Settlement Purchase:

[Signature] I understand that the benefits of the policy will be paid directly to me from the insurance company or by the owner of the policy upon the death of the terminally ill insured person in accordance with my beneficiary position and the payment procedures of the insurance company. If the Viator is still alive in month 36 of the 3 year bonded option or month 48 of the 4 year bonded option, Fewkes Management or Sherwood Bowman, Inc. will pay the equivalent death benefit position to me according to the bond issued for this policy purchase.

[Signature] I understand that I will have NO access to funds until the policy proceeds are paid to me because of the demise of the Viator or the payment to me according to the bonded option.

[Signature] I understand that the owner of the policy I purchase will be Fewkes Management Corporation or Sherwood Bowman, Inc. and I will be assigned as a beneficiary of the policy proceeds. The owner of the policy will track the medical condition of the Viator, monitor the status of the life insurance policy and assist in processing necessary claim forms with the insurance company.

[Signature] I understand that the annualized rate of return can only be determined AFTER the death of the insured or AFTER receipt of the benefits at the end of the 36<sup>th</sup> or 48<sup>th</sup> month bond option. THEREFORE NO ATTEMPT IS BEING MADE, NOR CAN BE MADE, TO PROJECT ACTUAL OR ANNUAL RATES OF RETURN.

This Memo of Understanding concerning my decision to purchase a viatical settlement policy(ies) is witnessed and dated by:

Please Initial all four paragraphs of this form:

[Signature]  
Purchaser

Co-Purchaser

Date

5/6/00

[Signature]  
Representative

Date

5/6/00

## Understanding Time-Certain, Bonded Settlements

*What is a time-certain settlement?*

*Time-certain settlements are a type of living benefit settlement, a billion dollar plus per year industry and very popular with institutional investors. It is easiest to understand such settlements by comparison to other instruments such as certificates of deposit. When you buy a certificate of deposit from a bank, your money, in turn, is lent out by the bank to some person and for some purpose unknown to you. When you purchase a time-certain, bonded settlement, your money goes to a specific class of individuals, those who are terminally ill and expected by medical experts to survive for a few years at the most. To further qualify, each applicant must have a life insurance contract that is at least two years old and issued by an A-rated insurance carrier. The "loan" is secured by the applicant's life insurance and matures on a predetermined date or when the insured passes away, if sooner.*

*Why would someone choose to get money this way?*

*Often, this is the only (or one of the only) sources of funds the terminally ill person has. The proceeds are used for medical expenses, for trips to visit distant relatives and friends, or for any purpose the ill person chooses--- in short, to enable that person to live out his or her final days in greater comfort and dignity.*

*What type of Purchaser is typically involved in these arrangements?*

*For years, large pension plans and institutional Purchasers have invested in these arrangements, making living benefits a multi-billion dollar a year industry. Now, with improvements in telecommunications, etc., smaller investments are welcome, and Purchasers from all walks of life are discovering the higher returns and security that only time-certain, bonded settlements offer.*

*Is this something new?*

*No. Virtually all insurance companies participate in these arrangements, although the only one's accepted for Purchasers in time-certain, bonded settlements are all A rated companies. In fact, many insurance companies are now building such a feature into newly issued contracts as a standard provision whereby the insured can receive a portion of the face value in cash if he or she is diagnosed as being terminally ill. This feature is called an "accelerated death benefit," but typically pays less to the insured than the time-certain, bonded settlement approach.*

*How do I, as the Purchaser, profit with a time-certain, bonded settlement?*

The Purchaser receives a settlement package from the carrier providing him with an interest in the ill person's contract equal to 130% of his investment. This works out to a little more than 9% compounded over the course of 3 years. Four year time-certain settlements pay 142% upon maturity.

When will I be paid?

Upon maturity, that is, the Purchaser will receive a return of his investment plus either 30% (3 years) or 42% (4 years) at the earlier of a) the death of the insured b) the expiration of the 36 months or the 48 months, depending upon which time period is chosen.

What does "time-certain" mean?

Some settlement companies offer settlements that will mature when the insured dies but not sooner. In contrast, the "time-certain" settlement calls for the Purchaser to be paid no later than 36 months from the date the investment is consummated. (If a four year plan is chosen, the payoff occurs at the end 48 months).

What makes a *bonded* time-certain settlement different?

The *bond* eliminates the one reason these arrangements were previously not practical for most individual small Purchasers. That reason was the possibility that the insured might live longer than expected, or even recover. Bonding eliminates this concern.

How does the bond solve this concern?

In the event that the insured does live longer than expected, the bonding company (one insuring such corporate and institutional clients as Chrysler, the U.S. Army Corps of Engineers, and others), assures that the full maturity amount is paid to the Purchaser.

What happens if the insured dies earlier than anticipated?

The full amount of the investment is due and payable. This means the Purchaser has actually realized more than a 9% annualized return for a 3 year settlement, for example, because the payoff occurred sooner. For instance, if the 130% were returned to the Purchaser at the end of 12 months, due to the insured's death, the annual return would be 30%, not 9%.

What if the Purchaser needs current income?

This is possible. Taking monthly income, rather than waiting for a lump-sum

payment, reduces the annual return by about 1%--to a little more than 8% with a three year plan, and about 9.5% for a four year plan.

Is it Insured?

The death benefit is not only backed by required insurance company reserves but is insured on a state-by-state basis per insured in amounts ranging from \$100,000 to \$500,000. (Louisiana and Mississippi insurance pools cover \$300,000.)

After the initial investment, are any further deposits, payments, costs, charges or expenses incurred by me as the Purchaser?

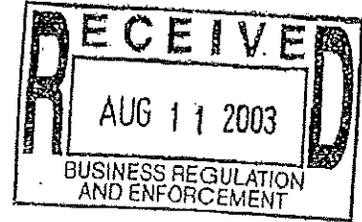
No. One hundred cents out of every dollar invested goes to work for you and no further deposits need ever be made.

What happens if I pass away during the term of contract?

Your interest passes to the beneficiary or beneficiaries you have chosen.

What is the process of becoming a purchaser?

Bonded contracts are in great demand both by institutions, pension plans, and private Purchasers. This means that it can take weeks and sometimes as long as 90 days before a suitable contract of the right duration and size becomes available. To assure that you will be invested at the earliest opportunity, your check made payable to Cornerstone Escrow Corporation is held until all or, at least, most of the money can be invested in the time-certain period of your choice (either 3 or 4 years). Once this occurs, your funds are forwarded to Cornerstone Escrow Corporation which will distribute your funds as soon as the insured's carrier has named you as one of the beneficiaries on the policy in question. By law, the carrier must record new beneficiaries within 30 days from the date of the requested change. In the rare instance that Cornerstone must hold your funds in escrow for more than 31 days, your funds are credited with a money market rate of return and a separate check amounting to this interest is sent to you upon disbursement.



Tuesday, March 11, 2003

Dorothy Booth  
1044 Bayou Place  
Diamondhead, MS 39525

Dear Dorothy:

I am writing you today concerning a matter of grave importance.

As you will recall, approximately 3 years ago, you invested in a living settlement that is due to mature soon. It has recently come to my attention that the bonding company that was paid to assume our contracts is in default on similar obligations involving other living settlement trusts and will no doubt default on our contracts as well.

This default does not mean that we have lost our investment. It does mean that there may be a delay in the the anticipated repayment of our funds. The bonding company, United Fidelity, was paid substantial premiums to assume our obligations at the end of our 3 year commitment. As a result of the earlier defaults, I am told, the FBI conducted an investigation of the principals, and the results of its findings have been remanded to the U.S. Attorney General's office. Prior to this investigation, United Fidelity ceased to operate as a bonding company.

I want to emphasize that neither the living settlement broker, Robin Hood, nor the management firm, Fewkes, are in any way responsible for this outcome. Robin Hood has been a living settlement broker for 10 years. They have a sterling reputation and have never been involved in anything like the current situation. Nearly half of the contracts they placed with our same 3-year time frame have already paid investors (the insureds passed away, so bonding was not an issue). The Robin Hood staff is working around the clock, obtaining current medical reports on the insureds, and crunching the numbers to devise an equitable and timely resolution to this predicament. Jeannie Cook, Robin Hood President, has instructed her staff to give your calls priority, and she will make herself available to answer any questions you might have. Robin Hood's phone number is 800-416-9500. Since they are located in Florida, they are in a different time zone. When it is 9:00 a.m. here, it is 10:00 a.m. there. Robin Hood is at the epicenter of this situation, and we will have Jeannie Cook to thank for any resolutions of this situation. We are very fortunate to have her working in our best interest. As always, I remain just a phone call away should you wish to speak with me as well. I will keep you posted as to any developments that could impact our interests.

Sincerely,

Verna Corriveau-Schoen, CLU, ChFC, MSFS

dcc/vcs

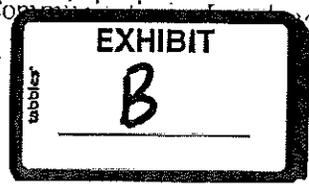
OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
BUSINESS REGULATION AND ENFORCEMENT DIVISION

IN THE MATTER OF: )  
 ) ADMINISTRATIVE HEARING  
 ) NUMBER: S-03-0124  
 )  
VERNA CORRIVEAU-SCHOEN, )  
 )  
a/k/a, VERNA CUTTER CORRIVEAU; )  
 )  
VECTOR CONSULTING & )  
 )  
COMMUNICATIONS, INC.; )  
 )  
ROBIN HOOD INTERNATIONAL, LTD.; )  
 )  
ROBIN HOOD GROUP, INC.; and, )  
 )  
FEWKES MANAGEMENT CORP. )  
 )  
RESPONDENTS. )

FINAL CEASE AND DESIST ORDER AND  
ORDER IMPOSING ADMINISTRATIVE PENALTY

The Business Regulation and Enforcement Division of the Office of the Secretary of State (hereafter the "Division"), having the authority to administer and enforce the provisions of the Mississippi Securities Act, Miss. Code Ann. §§75-71-101 to 75-71-735 (Rev. 2000) (hereafter, the "Act"), hereby issues this Final Cease and Desist Order and Order Imposing Administrative Penalty.

The Division issued a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty (hereafter "Summary Order") in this matter on May 5, 2004. A true and correct copy of this administrative order is attached hereto as Exhibit A. A certified copy of the Summary Order was served on Respondents Verna Corriveau-Schoen a/k/a Verna Cutter Corriveau, Vector Consulting and Communications, Inc., and Fewkes Management Corporation on May 10, 2004, as shown in the certified mail receipts attached hereto as Exhibits B, C, and D respectively. The Respondents were advised that they had thirty (30) days from the date of receipt of the Summary Order in which to request a hearing. Respondents Verna Corriveau-Schoen a/k/a Verna Cutter Corriveau, Vector Consulting and Communications, Inc., and Fewkes Management Corporation have failed to file an answer or



request for administrative hearing within the time specified by the applicable Mississippi Securities Act Rule. Therefore, entry of a Final Cease and Desist Order and Order Imposing Administrative Penalty is appropriate in this matter as to these Respondents.

Respondents Robin Hood International, Ltd., Robin Hood Group, Inc and Fewkes Management Corp. filed an "Answer to Order and Demand for Hearing" with the Division on June 14, 2004. Respondent Fewkes Management Corp. was required to file its response on or before June 10, 2004. Therefore, Respondent Fewkes Management Corp. has not timely filed its response and entry of this Final Order is appropriate as against Fewkes Management.

#### I. Findings of Fact

1. Verna Corriveau-Schoen a/k/a Verna Cutter Corriveau (hereafter, "Schoen") is an adult non-resident of the State of Mississippi and at all times relevant herein served as president and agent of Vector Consulting & Communications, Inc. According to the Central Registration Depository, Schoen holds Series 7 and Series 63 licenses. However, at all times material herein Schoen was not registered as either a broker/dealer agent or investment adviser representative in Mississippi. Schoen can be served with a copy of this order at 138 Acadian Lane, Suite 100, Mandaville, Louisiana, 70471.

2. Vector Consulting & Communications, Inc. (hereafter "Vector") is a Louisiana corporation located at 138 Acadian Lane, Suite 100, Mandaville, Louisiana, 70471. According to the Investment Adviser Registration Depository, Vector is registered in Louisiana as an investment adviser firm. A copy of this order can be served on Vector by service upon its president, Schoen, at 138 Acadian Lane, Suite 100, Mandaville, Louisiana, 70471.

3. Robin Hood International, Limited (hereafter, "RHI") is a viatical settlement company. Documents obtained by the Division reflect the following addresses for RHI.

14153 U.S. Highway One  
Juno Beach, Florida 33408

and

140 W. 29th Street  
PMB 350  
Pueblo, Colorado 81008

A copy of this order can be served on RHI at the above noted addresses.

4. The Robin Hood Group, Inc. (hereafter "RHG") is a life settlement company.

Documents obtained by the Division reflect the following addresses for RHG.

830 W. Main Street #376  
Lake Zurich, Illinois 60047

and

300 Village Square Crossing, Suite 202  
Palm Beach Gardens, Florida 33410

A copy of this order can be served on RHG at the above noted addresses.

5. Fewkes Management Corporation (hereafter "Fewkes") is a Florida corporation and can be served with a copy of this order at its offices located at 12189 U.S. Highway One, Suite 49 #95, North Palm Beach, Florida, 33408.

6. In or about May, 2000, Dorothy Booth, (hereafter "Booth") an adult resident citizen of the State of Mississippi, noticed a flyer advertising "the hottest return in town" guaranteeing "zero market risk" and "9% annual yield" by "A-Rated Companies." Additionally, this investment was advertised as being "bonded." The flyer listed Schoen as the person to contact for more information on the investment opportunity.

7. Following a retirement seminar conducted by Schoen and attended by Booth at the Ramada Inn in Diamondhead, Mississippi, on May 6, 2000, Schoen met personally with Booth to discuss investment opportunities.

8. During the meeting between Booth and Schoen, Booth explained that she only had \$12,000.00 to invest and this amount represented her life savings. Booth represented that she was in bad health and had obtained a reverse mortgage on her house in order to help pay bills. Booth stated she was looking for a safe investment.

9. At the conclusion of this meeting, Booth tendered a check to Schoen in the amount of \$12,000.00 to purchase an interest in a viaticated life insurance policy.

10. Schoen did not disclose that a viatical is a security and required to be registered with the Division, but was, in fact not registered with the Division. Schoen also failed to disclose that she was not registered as a broker/dealer agent with the Division as required by the Mississippi Securities Act and the rules promulgated thereunder. Furthermore, Schoen represented the investment as safe and risk free.

11. The purchase agreement purports to be a "Bonded Viatical Settlement Agreement." A memorandum of understanding attached to the purchase agreement provides in part that the following: "If the viator is still alive in month 36 of the 3 year bonded option or month 48 of the 4 year bonded option, Fewkes Management or Sherwood Bowman, Inc. will pay the equivalent death benefit position to me according to the bond issued for this policy purchase."

12. The agreement provides that the viatical would mature after three (3) years or the date upon death of the insured, whichever occurred first.

13. The agreement identifies RHI as the viatical settlement company and Fewkes was listed as the Trustee. Documents obtained by the Division reflect that RHI and/or individuals associated with RHI formed RHG subsequent to Booth's investment.

14. Nearly three years after Booth invested in the viatical, she received a letter from Schoen dated March 11, 2003. According to Schoen, the company that supplied the bond covering Booth's investment was in default rendering the so-called bond worthless.

15. Shortly thereafter, Booth received an invoice from Fewkes for \$369.64 representing her share of the policy premium. It appears that Fewkes failed to escrow funds sufficient to pay the premium on the policy purchased by Booth. Booth was never told that she might have to pay the policy premiums and that failure to pay such premiums would result in the policy being cancelled and the loss of her entire \$12,000.00 investment.

16. The viator has lived beyond the life expectancy represented by Schoen and the purchase agreement. To date, Booth has not realized a return on her investment.

## II. Applicable Law

The preceding paragraphs are incorporated herein by reference.

17. With respect to the offer and sale of the Securities, §75-71-401 of the Act states in part as follows:

it is unlawful for any person to offer or sell a security in the State of Mississippi unless (1) it is registered under this chapter or (2) the security or transaction is exempted under article 3 of this chapter.

18. Miss. Code Ann. §75-71-105(h) defines "Person" to include an individual (or) a corporation.

19. On December 3, 1999, the Secretary of State published for comment a policy statement titled "Policy Statement on Viatical Settlement Contracts." The purpose of the

statement was to clarify the Secretary of State's position on the regulation of the sale of viaticals. The Secretary of State announced that he intended to regulate such investments as securities necessitating the registration of such investments and the individuals that sell viaticals. The policy was adopted without change on January 26, 2000. Subsequently, the Legislature amended the definition of "Security" in the Act to codify the policy position taken by the Secretary of State.

20. In determining when the Act is applicable, Miss. Code Ann. §75-71-119 states:

(a)...[Section] 75-71-401...appl[ies] to persons who sell or offer to sell when (1) an offer to sell is made in this state...

(c)...an offer to sell or to buy is made in this state whether or not either party is then present in this state when the offer (1) originates from this state or (2) is directed by the offeror to this state...

21. Miss. Code Ann. §75-71-301 prohibits individuals from transacting business in this state as broker-dealers or agents unless said individuals are registered under the Act.

22. Miss. Code Ann. §75-71-501 prohibits fraud or deceit in connection with offers, sales and purchases of securities. More specifically, Miss. Code Ann. §75-71-501(2) states that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

23. Miss. Code Ann. §75-71-501(3) prohibits the use of any act, practice or course of business which operates or would operate as a fraud or deceit upon any person in connection with the offer, sale or purchase of a security.

### III. Conclusions of Law

The preceding paragraphs are incorporated herein by reference.

24. The Secretary of State has jurisdiction of this matter and the parties named herein.

25. Respondents offered and sold securities as that term is defined in the Mississippi Securities Act.

26. Respondents violated Miss. Code Ann. §75-71-301 of the Mississippi Securities Act by transacting business as broker-dealers or agents in Mississippi without registering as such.

27. Respondents violated Miss. Code Ann. §75-71-401 of the Mississippi Securities Act by offering and selling unregistered securities within the State of Mississippi.

28. Respondents violated Miss. Code Ann. §75-71-501(2) by failing to disclose that the securities were required to be registered and were not, in fact, registered with the Division.

29. Respondent violated Miss. Code Ann. §75-71-501(3) by claiming that Booth's investment in viaticals was safe and risk free and by advertising the investment as "guaranteed."

### IV. Order

The preceding paragraphs are incorporated herein by reference.

IT IS, THEREFORE, ORDERED, pursuant to the authority set out in §75-71-715(1) of the Act, that Respondents and their agents and representatives shall immediately and permanently CEASE AND DESIST from any further activity in, or originating from, the State of Mississippi in connection with the offer and/or sale of the Securities to any person without the Securities being duly registered or exempted from registration under the Act and Respondents being duly registered pursuant to the Act.

BE ADVISED THAT, pursuant to §75-71-735 of the Act, a willful violation of this Final Cease and Desist Order may be punishable upon conviction by a fine of not more than twenty-five thousand dollars (\$25,000.00) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

IT IS FURTHER ORDERED that the Respondents, shall be and hereby are assessed an administrative fine in the amount of twenty-five thousand dollars \$25,000.00 jointly and severally. The amount of this fine has been calculated upon consideration of the seriousness of the violation, the number of violations, the amount of money invested by the victim, the age of the victim, and the fraudulent misrepresentation that the investment was guaranteed.

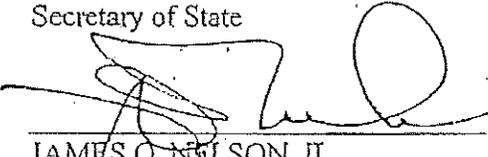
V. Public Interest

This Final Cease and Desist Order and Order Imposing Administrative Penalty is issued in the public interest and for the protection of investors consistent with the purpose of the Act.

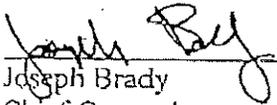
ISSUED, this the 16<sup>th</sup> day of JUNE 2004.

ERIC CLARK  
Secretary of State

BY:

  
\_\_\_\_\_  
JAMES O. NELSON, II  
Assistant Secretary of State  
Business Regulation and Enforcement

PREPARED AND SUBMITTED BY:

  
\_\_\_\_\_  
Joseph Brady  
Chief Counsel  
Business Regulation and Enforcement

Certificate of Service

I, Joseph Brady, Chief Counsel to the Division of Business Regulation and Enforcement, hereby certify that I have this day mailed a certified copy of the foregoing Order and via United States Mail, certified, return receipt requested, to the following:

VERNA CORRIVEAU-SCHOEN.  
a/ka, Verna CUTTER CORRIVEAU  
138 Acadian Lane, Suite 100,  
Mandaville, Louisiana, 70471

VECTOR CONSULTING &  
COMMUNICATIONS, INC.  
C/O Verna Corriveau-Schoen  
138 Acadian Lane, Suite 100,  
Mandaville, Louisiana, 70471

ROBIN HOOD INTERNATIONAL, LTD.  
14153 U.S. Highway One  
Juno Beach, Florida 33408

and

140 W. 29th Street  
PMB 350  
Pueblo, Colorado 81008

ROBIN HOOD GROUP, INC.  
830 W. Main Street #376  
Lake Zurich, Illinois 60047

and

300 Village Square Crossing, Suite 202  
Palm Beach Gardens, Florida 33410

FEWKES MANAGEMENT CORP.  
12189 U.S. Highway One  
Suite 49 #95  
North Palm Beach, Florida, 33408.

This the 16<sup>th</sup> day of June, 2004.

STATE OF MISSISSIPPI	
I hereby certify that this is a true and complete copy of	
the <u>43</u>	page document on file in this office
DATED <u>June 16</u>	, 20 <u>04</u>
BY <u>[Signature]</u>	
This Certification Stamp Replaces Our Previous Certification System	

Attorney [Signature]

VIA CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Dorothy Booth  
1044 Bayou Place  
Diamondhead, MS 39525

Re: Viatical Settlement Case No.: 5019

Dear Ms. Booth:

As part of an agreement reached with the Office of the Mississippi Secretary of State, we are writing to inform you that you may request a full refund of your viatical settlement investment plus any additional premium amounts which you paid.

According to our records, your initial investment was \$12,000.00 and you subsequently paid an additional premium of \$369.64. Thus, the total amount of your refund would be \$12,369.64.

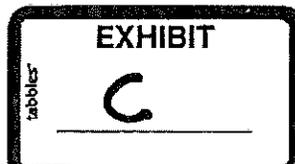
In order to receive a refund, you must agree to the following terms: (1) you must agree to assign your interest in the viatical settlement to us (or our designee) and relinquish any and all interest you may have in this investment; (2) you must agree to sign any other documents which may be required in connection with the assignment of your investment to us (or our designee); (3) you must agree to release and forever discharge Robin Hood International, LTD, Robin Hood Group, Inc., Fewkes Management Corp., as well as their employees, officers, and agents, ("Released Parties") of and from any and all legal claims for money damages or other relief which you may have relating to and/or arising from your investment; and (4) you must agree not to file a lawsuit or commence any other legal proceeding against the Released Parties which relates to and/or arises from your investment.

If you would like to receive this refund and agree to the foregoing terms, please sign and return a copy of the enclosed Assignment and Release Agreement in the enclosed self-addressed stamped envelope within the next fourteen (14) days. We have included an extra copy of the Assignment and Release Agreement for you to keep with your records. Your refund will be processed and sent to you via certified mail within thirty (30) days after we receive the signed Assignment and Release from you.

We believe that under the circumstances it would be in your best interests to accept this refund offer. However, you may wish to consult with your own advisor or attorney concerning this matter. If you have any questions, you can contact me at \_\_\_\_\_; or you may contact the Mississippi Secretary of State at 601-359-9055.

Sincerely,

Jeannie Cook



## Assignment and Release Agreement

I, Dorothy Booth, hereby request and agree to accept the amount of \$12,369.64 as a full refund of my initial investment in Viatical Settlement Case No. 5019 and any additional payments which I made in connection with this Case. In exchange for this refund payment, I agree to following terms:

1. I hereby assign my entire interest in Viatical Settlement Case No. 5019 to Robin Hood International, LTD. (and/or its designee) and hereby relinquish any and all interest which I have in Viatical Settlement Case No. 5019;
2. I agree to sign any other documents which may be required in connection with the assignment of my entire interest in Viatical Settlement Case No. 5019 to Robin Hood International, LTD (and/or its designee);
3. I hereby release and forever discharge Robin Hood International, LTD, Robin Hood Group, Inc., Fewkes Management Corp., as well as their employees, officers, and agents, ("Released Parties") of and from any and all legal claims for money damages or other relief which I may have relating to and/or arising from my investment in Viatical Settlement Case No. 5019; and
4. I agree not to file a lawsuit or commence any other legal proceeding against the Released Parties which relates to and/or arises from my investment in Viatical Settlement Case No. 5019.

I have read and understand the terms of this Assignment and Release Agreement. I am voluntarily signing and entering into this Assignment and Release Agreement based upon my own free act and deed and without coercion or duress.

\_\_\_\_\_  
Dorothy Booth

\_\_\_\_\_  
Date