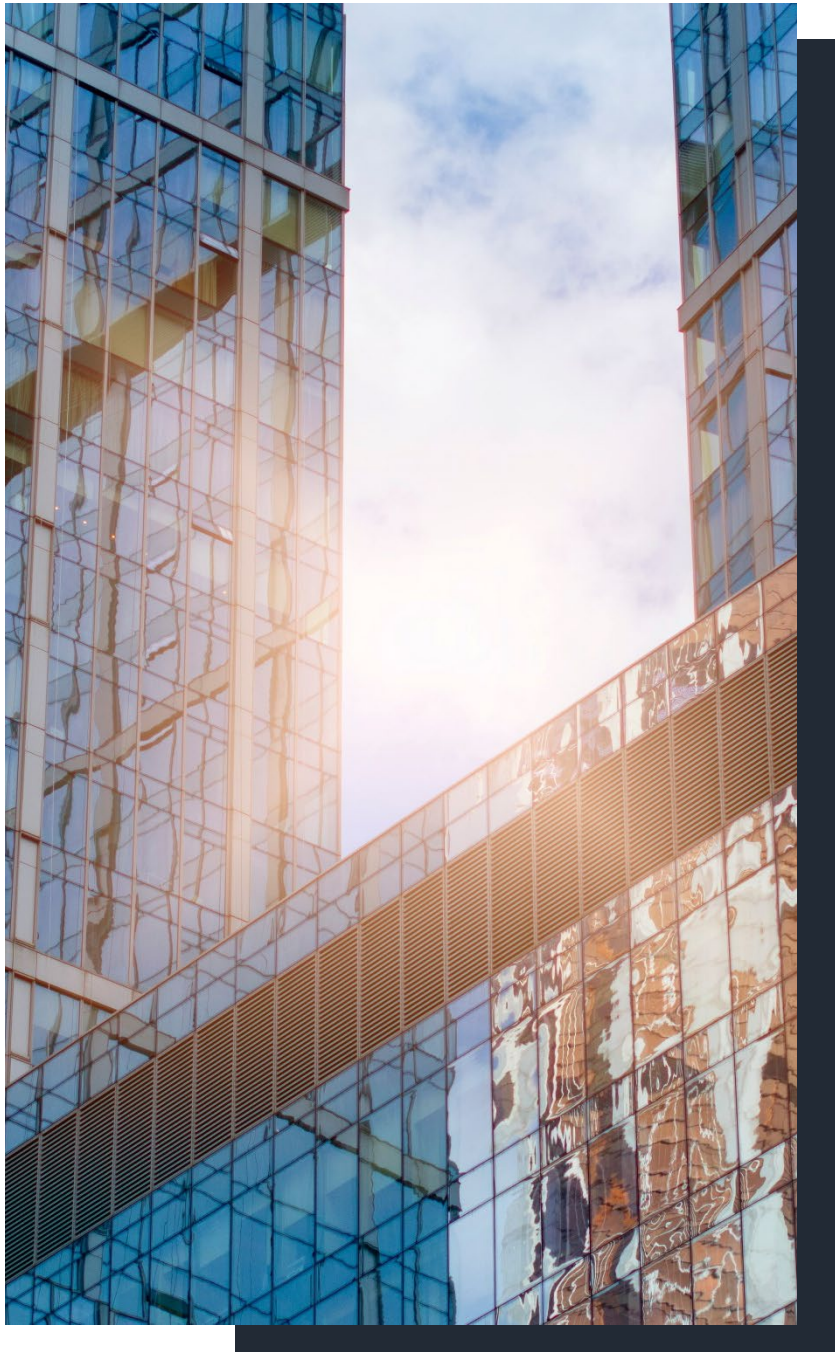
OPUS
FUNDING PARTNERS

A New Method of Premium Finance



About Us

We are a group of seasoned insurance, finance and legal executives whose extensive experience helps guide partnering advisors and their clients with the financing of life insurance premiums in the most effective and cost-efficient manner possible.

Our network brings together commercial and investment banks, insurance companies, and law firms to provide complex capital solutions for our clients.

With a long-standing track record of helping individuals and businesses achieve their financial goals, The Opus Program brings a wide array of new opportunities and applications for the insurance market.

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Transaction Participants

Established institutional partners across the country allow us to bring our proprietary funding strategy to clients in almost any geographic location within the United States, and in certain cases, to foreign nationals abroad.

Banks	Underwriters	Law Firms
Goldman Sachs	Stern Brothers & Co	Orrick Herrington
Comerica		Husch Blackwell
Woodforest National		Greenberg Traurig
NexBank		Foley Gardere
Wells Fargo		
Bank of Texas		
Texas Capital Bank		
BBVA Compass		
PNC Bank		
Plains Capital Bank		
Umpqua Bank		

We also work with many insurance companies and can provide insurance company references and options upon request.

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The Opus Program™

The Opus Program™:

- Is an insurance premium funding strategy for high-net-worth individuals which allows them to fund life insurance premiums with low cost, institutional capital.
- Offers a defined risk for clients. The client's liability is limited to the "Gap" Collateral. The "Gap" Collateral assets are *pledged, (not liquidated to pay premiums),* meaning that all interest and/or appreciation attributable to the asset's value is retained by the client.
- Gives clients access to the same capital markets as a Fortune 500 company.
- Is relatively new to the premium finance industry. The ability to lower the interest cost, extend traditional borrowing terms, and create immediate liquidity for future premium payments; all give the client flexibility, otherwise unavailable, when implementing this vital estate planning tool.

Program Highlights

- Minimal out-of-pocket costs
- Low cost, longer-term financing
- Tax-efficient structuring
- Limited Recourse
- Client flexibility

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The Opus Program™ - Starts with a Need for Insurance

1

Estate Equalization

2

Business Succession

3

Charitable Donations

4

Tax-deferred income

5

Deferred Compensation Plans

High net worth individuals and companies purchase life-insurance for purposes that include, but are not limited to:

1) Coverage of estate taxes to prevent the untimely sale of valuable assets
2) Business buy-sell agreements and key man insurance
3) Donating to charities and other not for profit organizations such as the United Way and Universities
4) Creating cash flow for individuals in need of liquidity to supplement their needs and maintain their lifestyle
5) Deferred compensation plans like golden handcuffs and other incentive-based programs used to retain key employees

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Opus Funding Structure Overview

- Unlike traditional LIBOR premium finance, The Opus Program™ accesses the capital markets by issuing Variable Rate Demand Obligation (VRDO) notes.
- The Opus Program™ offers limited recourse financing and stable, fixed, margins.
- We fund the insurance policy over 7 to 10 years with the maximum amount allowable by the IRS to take advantage of the tax-deferred accumulation of the policy's Cash Value.
- The client is responsible for pledging the Gap collateral, which typically represents approximately 15-30% of the face amount of the policy.
- The pledged collateral is reduced and released over time as the historical spread between the tax-deferred earnings on the policy and the cost of the debt provides an arbitrage for the client.

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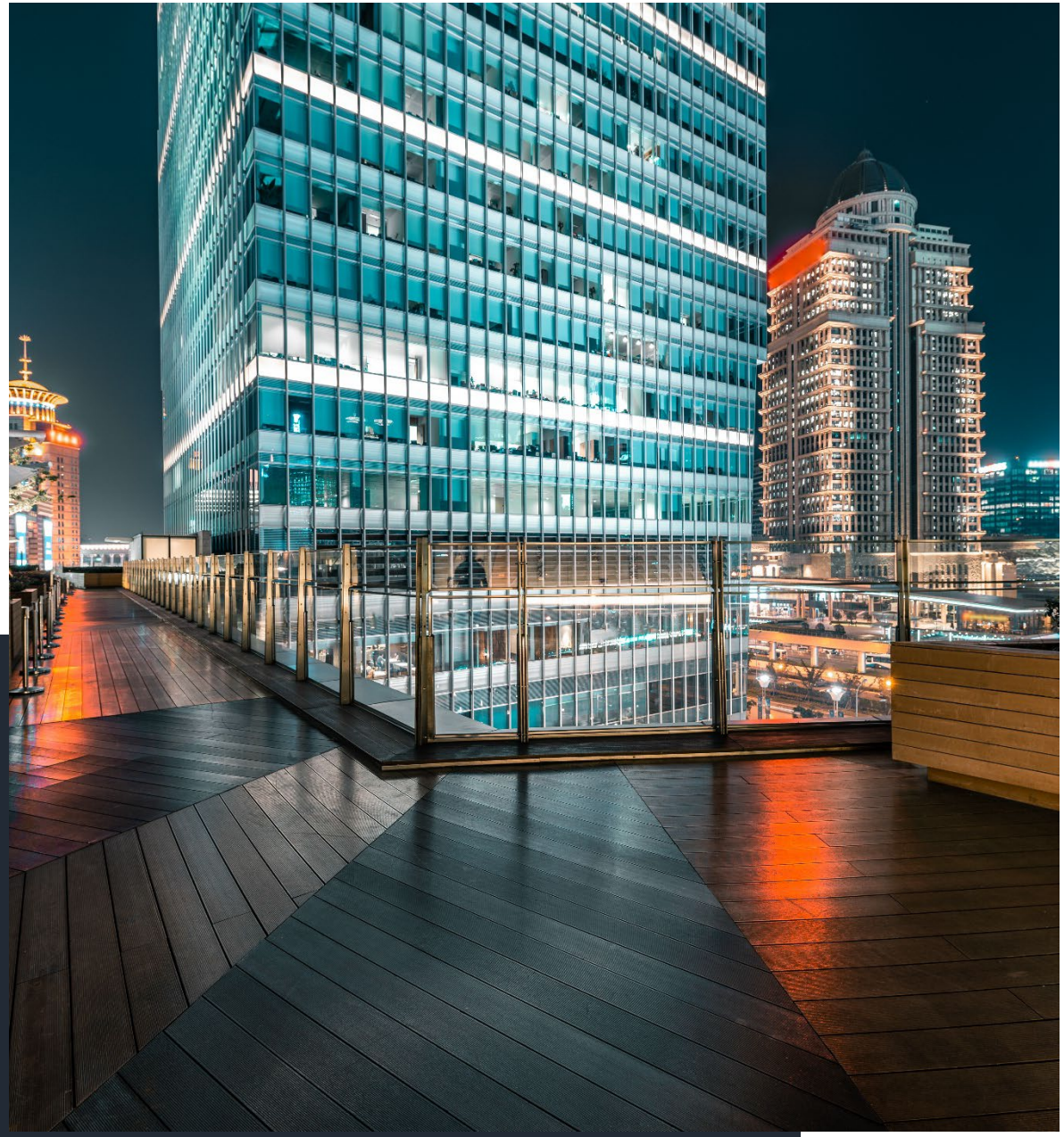

Variable Rate Demand Obligations (VRDO) Features

- **History:** The VRDO market has been in existence for over 50 years.
- **VRDO Market Size:** Over $2 Trillion in market size.
- **Buyers:** Typical purchasers of VRDOs include companies such as Fidelity, Charles Schwab, Vanguard, USAA, and other very large money managers and insurance companies with an active need for liquidity.
- **Maturity:** 30 – 50 years.
- **Credit Rating**: The notes carry the highest Standard & Poor's rating (AA+/A-1+) because the notes are credit-enhanced with a Letter of Credit provided by one of Opus' program banks.
- **Interest Rate:** The VRDO interest rate resets every 7 days and generally trades between 7 and 30-day LIBOR.

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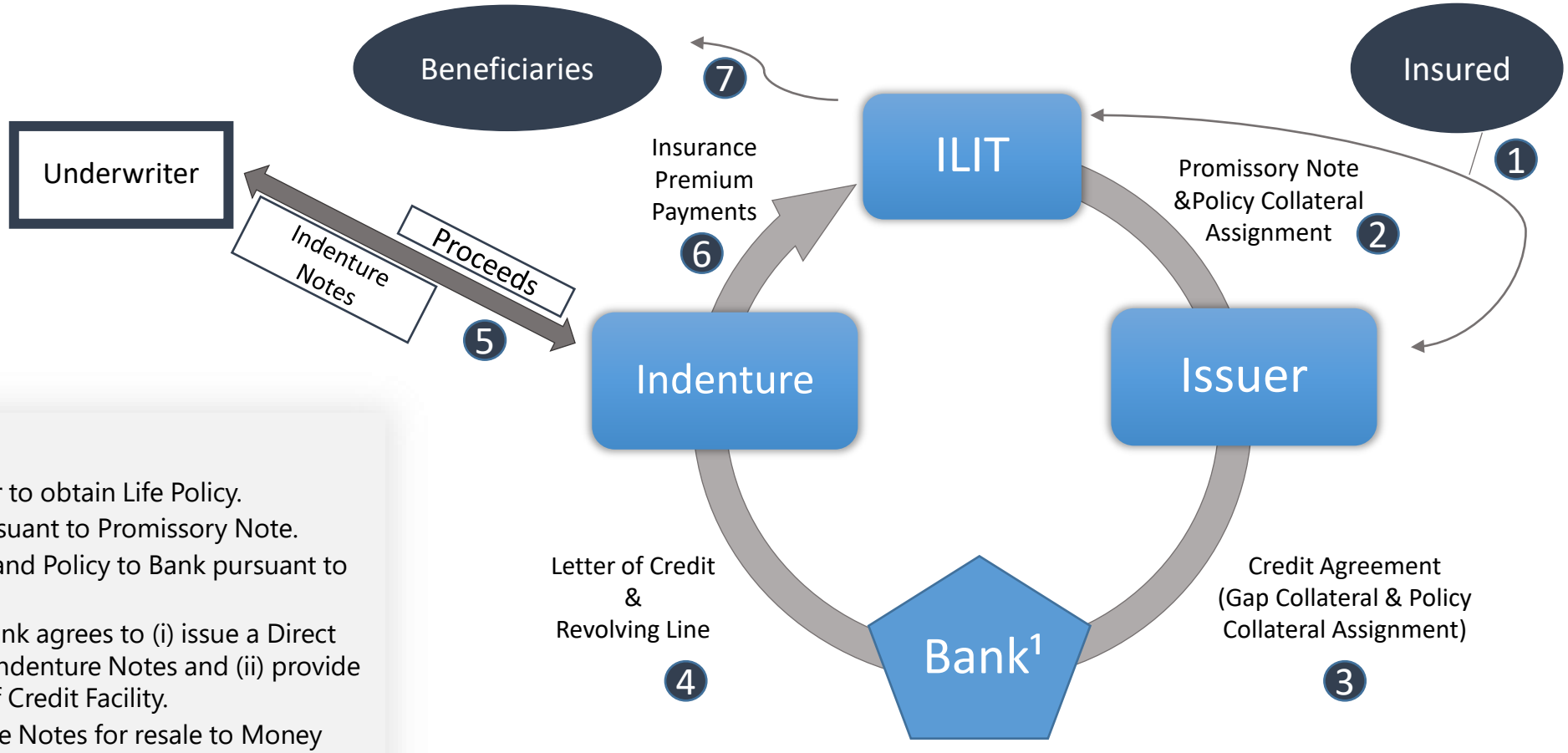
Structure Chart



1) Client establishes ILIT and Issuer to obtain Life Policy.
2) ILIT pledges Policy to Issuer pursuant to Promissory Note.
3) Issuer pledges "Gap" Collateral and Policy to Bank pursuant to Credit Agreement.
4) Under the Credit Agreement, Bank agrees to (i) issue a Direct Pay Letter of Credit to support Indenture Notes and (ii) provide a LIBOR based Revolving Line of Credit Facility.
5) Underwriter purchases Indenture Notes for resale to Money Market Funds and other Institutional Investors.
6) Indenture Note proceeds used for Premium Payments.
7) All death benefits and others Policy proceeds are paid to ILIT beneficiaries after Bank is repaid or reimbursed.

NOTE: None of the Money Market Funds, other Institutional Investors, or the Underwriter have any interest in the Policy.

[1] Please refer to Exhibit A at the end of the presentation for a more detailed explanation of this process

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Insurance Product Features

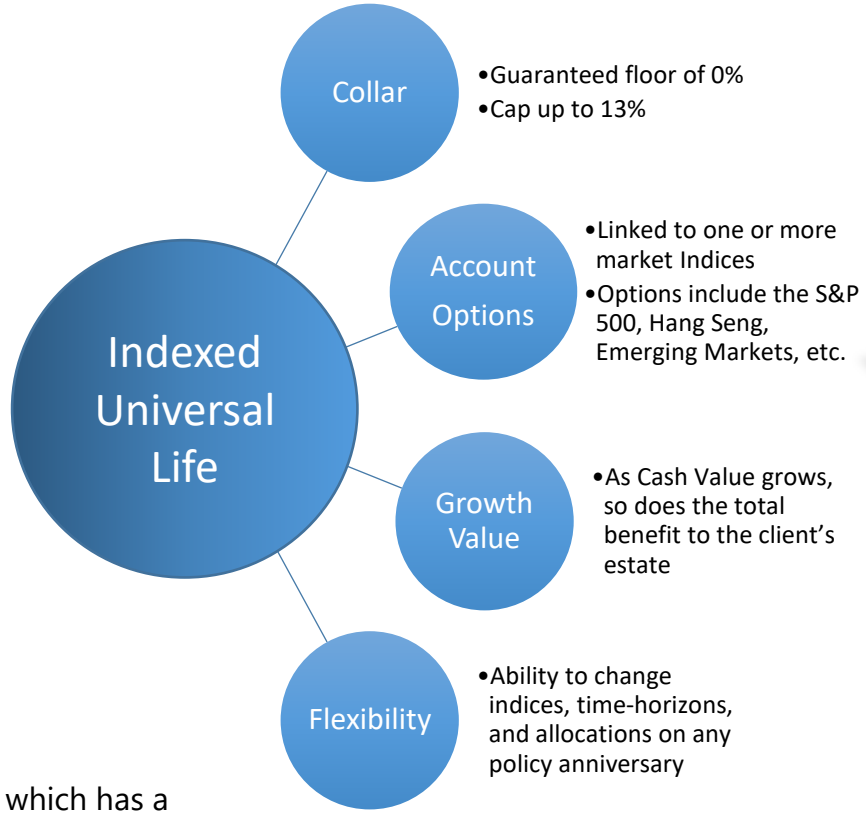
Indexed Universal Life

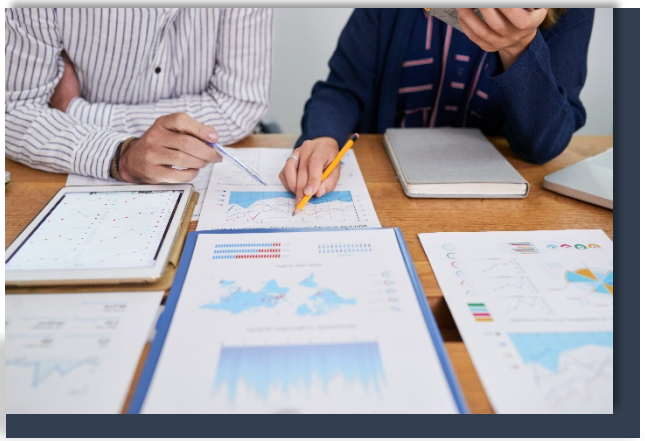
Flexible

Tax-Advantaged

Sustainable

Predictable





- Indexed Universal Life is a type of permanent insurance which has a long history of providing stable and consistent returns as well as traditional tax-benefits for clients.
- By linking the Cash Value returns to an equity index with a floor of no less than 0%, these products are able to offer growth while still being able to mitigate downside risk.
- Many clients view this sort of financial product as a diversification tool to provide returns which are uncorrelated to their business and other portfolio investments.
- For Opus, this helps define our clients' risk to their specific "Gap" collateral.

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Where the Opus Program™ Worked

TRUSTED.
Serving clients in a wide range of markets and special situations.

FLEXIBLE.
Case-by-case customization to serve your clients' complex estate and financial planning needs.

TRACK RECORD.
Over 12 years of proven success funding life insurance with VRDO.

Business Owners and Entrepreneurs	High Net Worth Families	Professional Services Firms	High Net Worth Foreign Nationals
Real Estate Developers	ESOP Obligations	PPLI	Debt Re-Financings
Retirees	Medical Professionals	Farmers and other Agribusiness Professionals	Professional Athletes

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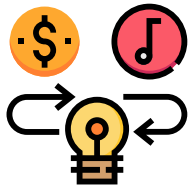
Initial Process



Identify

Preliminarily discuss structure highlights and benefits.

Request Proposal

Submit a request for proposal.

General turnaround timeframe is 2-3 business days.

Connect

Hold review call with an Opus team member to review the model and answer any client questions.

Engage

Once client expresses interest to proceed, have the HIPPA release form filled out to begin the medical underwriting process.

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Timeline & Steps

Planning & Analysis

Step 1) Discuss the Opus Program™ features and benefits

Step 2) Submit proposal request to the Opus team, turnaround 2-3 days

Step 3) Review proposal with the client

Step 4) Complete HIPAA authorization form and begin the medical underwriting process

Underwriting & Closing

Step 5) Engage medical underwriters and submit HIPPAA form

Step 6) Submit Financials to Opus for preliminary financial review and approval

Step 7) Complete medical examination

Step 8) Engage lawyer to draft client Irrevocable Life Insurance Trust

Step 9) Financials formally submitted to one of the Opus Program™ Banks for Credit Underwriting

Step 10) Identify gap collateral assets to be pledged

Step 11) Financing package is delivered to VRDO underwriters

Step 12) Documentation and closing ~ (30-45 days)

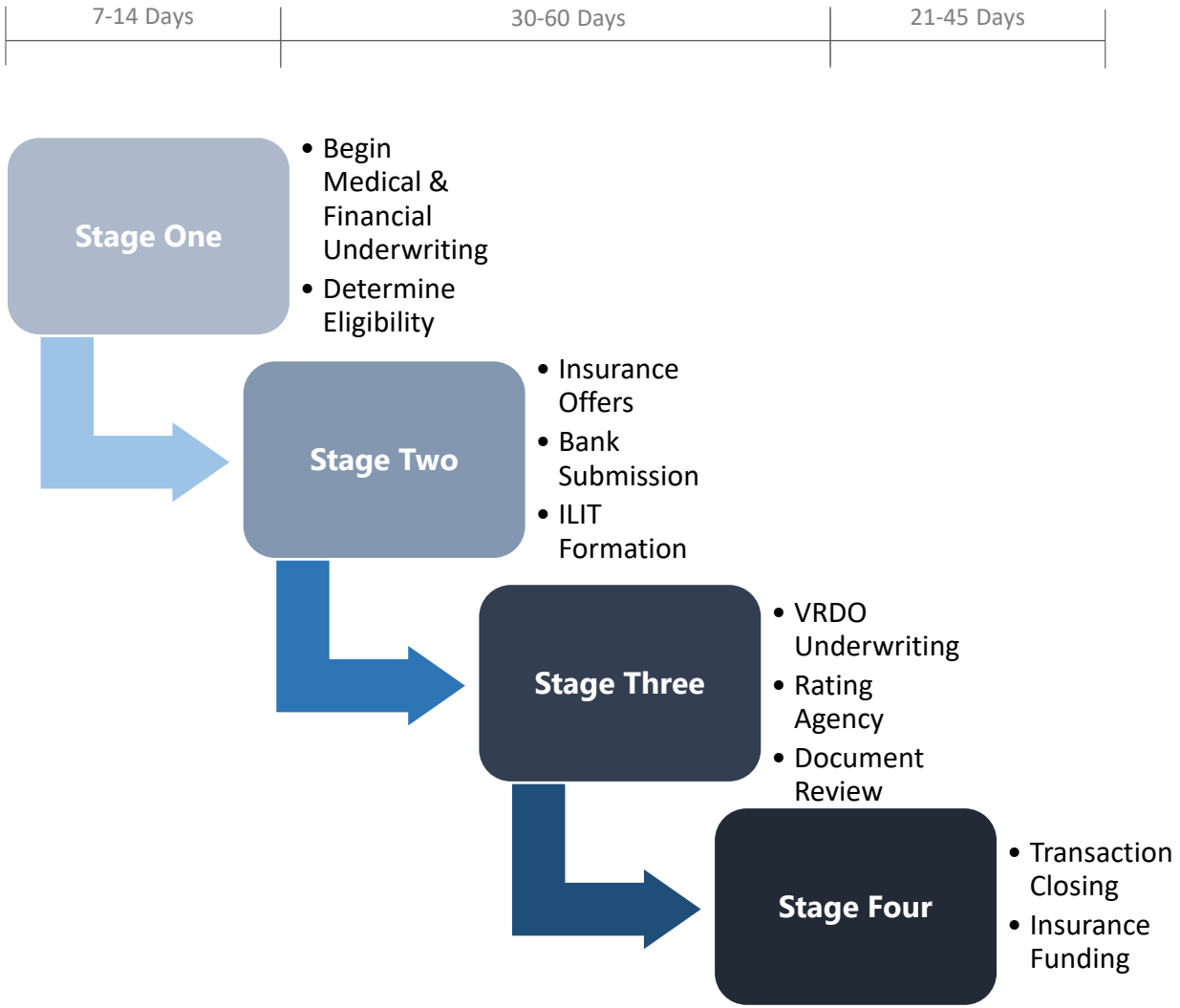

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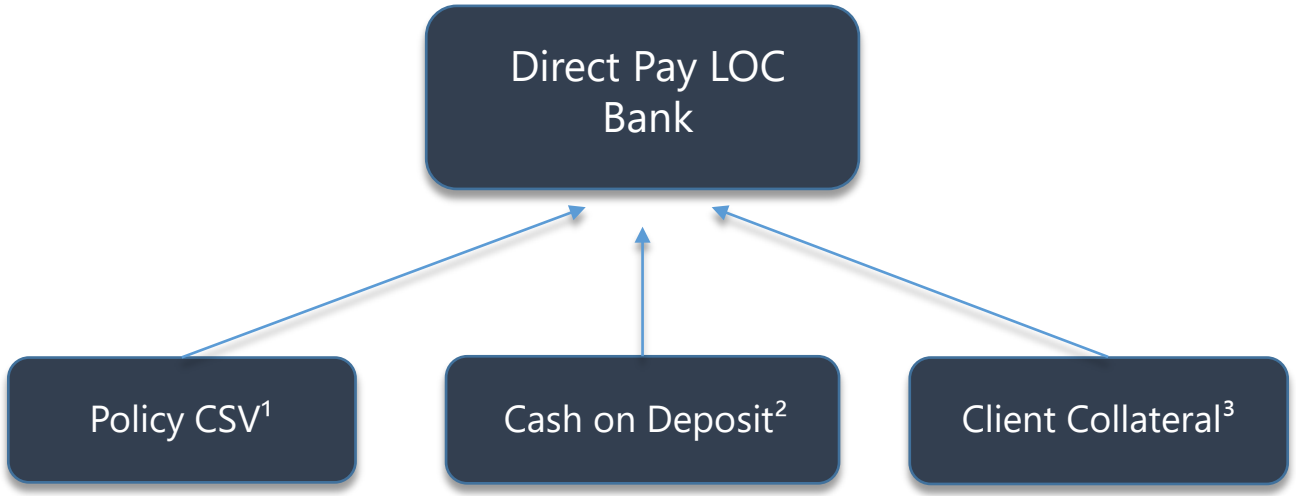
Exhibit A



Direct Pay Letter of Credit (DPLOC) Collateral Pool

1) Insurance policy from an A rated carrier is assigned and pledged to the Bank as collateral for their Direct Pay Letter of Credit Obligation

2) Cash proceeds from the VRDO Note offering sit on deposit at the DPLOC bank, also pledged as collateral to their Direct Pay Letter of Credit obligation. Premiums are paid from this account once every year, which in turn increases the Cash Surrender Value of the policy.

3) Client collateral in the form of:
   a) Cash
   b) Portfolio of securities
   c) Another highly rated bank's letter of credit. Bank's providing client collateral Letters of credit must have assets in excess of $10 billion, and their letter of credit must be delivered to the beneficiary (DPLOC Bank) with a sight-draft provision.
   d) Other assets dependent upon negotiation with the DPLOC Bank

Pursuant to the terms of the credit agreement, and limited guaranty, with the client, the bank's DPLOC remains fully collateralized at all times. It is the client's responsibility to always maintain sufficient "shortfall" collateral such that the bank's total security interest is at or above 1.05x their DPLOC obligation amount.

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