IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE:	§	
	§	
AGAP LIFE OFFERINGS, LLC,	§	**Case No. 16-40520-btr**
AGAP LS 108, LLC,	§	**Chapter 11**
AGAP LS 109, LLC,	§	
AGAP LS 209, LLC,	§	**(Jointly Administered)**
AGAP LS 309, LLC,	§	
AGAP LS 509, LLC,	§	
	§	
Debtors.	§	

SECOND DISCLOSURE STATEMENT DATED JULY 10, 2016

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ARTICLE I
INTRODUCTION

Identity of the Debtor

1.01 Debtors AGAP Life Offerings, LLC, AGAP LS 108, LLC, AGAP LS 109, LLC, AGAP LS 209, LLC, AGAP LS 309, LLC and AGAP LS 509, LLC (collectively "AGAP Debtors"), Debtors in the specified bankruptcy cases filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. Section 101, et seq. ("Code") in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division ("Court"), initiating the above-styled and referenced bankruptcy proceeding. The Debtors are operating their businesses as Debtors-in-Possession pursuant to Sections 1107 and 1108 of the Code.

Purpose of This Disclosure; Source of Information

1.02 Debtors submit this Disclosure Statement pursuant to Section 1125 of the Code to all known Claimants of Debtors for the purpose of disclosing that information which the Court has determined is material, important, and necessary for Creditors of, and the Members of, Debtors in order to arrive at an intelligent, reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtors' Plan. A copy of the Plan is attached hereto as ***Exhibit "1"*** and incorporated herein by this reference. The Plan sets forth in detail the repayment arrangement between the Debtors and their creditors. This Disclosure describes the operations of the Debtors contemplated under the Plan. Any accounting information contained herein has been provided by the Debtors and has been prepared using the cash method of accounting. This disclosure statement also addresses certain objections from the Office of the U.S. Trustee ("UST') and a creditor known as 3:10 Capital Investments, L.P. ("3:10"). Now central to the Plan and the future operations of the Debtors will be the formation of ad hoc committees for each Debtor entity to provide advice to the management of the Debtors. Also the Debtors are seeking to retain a Chief Restructuring Officer, Bill Short, who will oversee Plan approval, Plan consummation and the future operations of the Debtors and will replace current management by Jeff and Charles Madden. The terms of Mr. Short's employment will be described in a separate motion filed for the purpose of retaining him in this case as a professional. The Debtors have concluded that between the ad hoc committees and the employment of a CRO this Plan should be able to move forward and avoid the huge expense of a trustee in these cases.

Explanation of Chapter 11

1.03 Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of its creditors and equity interest holders. Formulation of a plan of reorganization is the principal purpose of a Chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in the debtor. After a plan of reorganization has been filed, it must be accepted by holders of claims against, or interests in, the debtor. Section 1125 of the Code requires full disclosure before solicitation of acceptances of a plan of reorganization. This Disclosure is presented to Claimants to satisfy the requirements of Section 1125 of the Code.

Explanation of the Process of Confirmation

1.04 Even if all Classes of Claims accept the plan, its confirmation may be refused by the Court. Section 1129 of the Code sets forth the requirements for confirmation and, among other things, requires that a plan of reorganization be in the best interests of Claimants. It generally requires that the value to be distributed to Claimants and Equity Interest Holders may not be less than such parties would receive if the debtor were liquidated under Chapter 7 of the Code.

1.05 Acceptance of the plan by the Creditors and Equity Interest Holders is important. In order for the plan to be accepted by each class of claims, the creditors that hold at least two thirds (2/3) in amount and more than one-half (½) in number of the allowed claims actually voting on the plan in such class must vote for the plan and the equity interest holders that hold at least two-thirds (2/3) in amount of the allowed interests actually voting on the plan in such class must vote for the plan. Chapter 11 of the Code does not require that each holder of a claim against, or interest in, the debtor vote in favor of the plan in order for it to be confirmed by the Court. The plan, however, must be accepted by: (i) at least the holder of one (1) class of claims by a majority in number and two-thirds (2/3) in amount of those claims of such class actually voting; or (ii) at least the holders of one (1) class of allowed interests by two-thirds (2/3) in amount of the allowed interests of such class actually voting.

1.06 The Court may confirm the plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

1.07 Confirmation of the plan discharges the debtor from all of its pre-confirmation debts and liabilities except as expressly provided for in the plan and Section 1141(d) of the Code. Confirmation makes the plan binding upon the debtor and all claimants, equity interest holders and other parties-in-interest, regardless of whether or not they have accepted the plan. In this case the creditors will be voting by Debtor and class. Some Plans may be approved and others may fail approval. In the event any Plan fails approval the Debtor on the advice of the ad hoc committee and the CRO if employed may elect to submit a further Plan or liquidate the policy made the subject of that particular Plan.

Voting Procedures

1.08 **Unimpaired Class**. There may be classified unimpaired Classes under this Plan. To the extent that any Class is determined to be unimpaired they are deemed to have accepted the Plan.

1.09 **Impaired Classes**. The AGAP 108 Classes 1-5, AGAP 109 Classes 1-5, AGAP 209 Classes 1-5, AGAP 309 Classes 1-5, AGAP 509 Classes 1-5 and AGAP Life Offerings Classes 1-2 are impaired as defined by Section 1124 of the Code. The Debtors are seeking the acceptance of the Plan by Claimants in each of these Classes. Each holder of an Allowed Claim in these Classes may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below. One ballot will be sent to each Claimant eligible to vote on the Plan. For all Classes, the ballots must be returned to Debtors' attorney, Joyce W.

Lindauer, Joyce W. Lindauer Attorney, PLLC, 12720 Hillcrest Road, Suite 625, Dallas, Texas 75230 by mail, email at joyce@joycelindauer.com, or facsimile at (972) 503-4034. In order to be counted, ballots must be **RECEIVED** no later than at the time and on the date stated on the ballot. The Court may designate certain classes as insider classes and to the extent such classes are so designated they may not be counted towards confirmation. The Ballot may also include additional information to be considered by the creditors in voting on the Plan including options to stay in the Plan but not pay future premiums. Such opt in and opt out provisions will be included in the Ballot and are subject to approval by the Court.

1.10 **Acceptances**. Ballots that are signed and returned but fail to indicate either an acceptance or rejection will not be counted.

Best Interests of Creditors Test

1.11 Section 1129(a)(7) of the **Code** requires that each impaired class of claims or interests accept the **Plan** or receive or retain under the **Plan** on account of such claim or interest, property of a value as of the **Effective Date** of the **Plan**, that is not less than the amount that such holder would so receive or retain if the **Debtors** were liquidated under Chapter 7 of the Bankruptcy **Code**. If Section 1111(b)(2) of the **Code** applies to the claims of such class, each holder of a claim of such class will receive or retain under the **Plan**, on account of such claim, property of a value, as of the **Effective Date** of the **Plan**, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims. In order for the **Plan** to be confirmed, the **Court** must determine that the **Plan** is in the best interests of the **Debtor**s' creditors. Accordingly, the proposed plan must provide the **Debtor**s' creditors with more than they would receive in a Chapter 7 liquidation. Accordingly, the **Plan** satisfies the requirements of Section 1129(a)(7).

Cramdown

1.12 The **Court** may confirm the **Plan** even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the **Code**. Accordingly, **Debtors**, as the plan proponents, request the **Court** to determine that the **Plan** does not discriminate unfairly, and is fair and equitable with respect to any objecting creditor. A discussion of the specific requirements for Cramdown of a Plan are set forth starting below.

Definition of Impairment

1.13 As set forth in section 1124 of the Bankruptcy Code, a class of claims or equity interests is impaired under a plan of reorganization unless, with respect to each claim or equity interest of such class, the plan:

(a) leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or equity interest; or

(b) notwithstanding any contractual provision or applicable law that entitles the holder or a claim or equity interest to demand or receive accelerated payment of such claim or equity interest after the occurrence of a default:

(i) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code;

(ii) reinstates the maturity of such claim or interest as it existed before such default;

(iii) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; and

(iv) does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

Classification and Treatment of Claims and Interests

1.14 The Plan classifies Claims separately in accordance with the Bankruptcy Code and provides different treatment for different classes of Claims.

1.15 Only holders of Allowed Claims are entitled to receive distributions under the Plan. Allowed Claims are Claims that are not in dispute, are not contingent, are liquidated in amount, and are not subject to objection or estimation. Initial distributions or other transfers of Cash or other consideration specified in the Plan otherwise available to the holders of Allowed Claims will be made on the Effective Date, or (b) the date on which such Claim becomes an Allowed Claim), as otherwise provided in the Plan, or as may be ordered by the Bankruptcy Court.

1.16 In accordance with the Plan, unless otherwise provided in the Plan or the Confirmation Order, the treatment of any Claim under the Plan will be in full satisfaction, settlement, release, and discharge of and in exchange for each and every Claim.

Requirements for Confirmation of the Plan

1.17 At the confirmation hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

The plan complies with the applicable provisions of the Bankruptcy Code.

The proponents of the plan comply with the applicable provisions of the Bankruptcy Code.

The plan has been proposed in good faith and not by any means forbidden by law.

> Any payment made or promised by the Debtor, by the plan proponents, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.

(A) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint plan with the Debtor, or a successor to the Debtor under the plan; and (B) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and the proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider.

Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the Debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

With respect to each impaired class of claims or interests:

(i) each holder of a claim or interest of such class has (A) accepted the plan or (B) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated on such date under chapter 7 of the Bankruptcy Code on such date; or (ii) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the plan on account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.
With respect to each class of claims or interests:

(i) such class has accepted the plan; or

(ii) such class is not impaired under the plan.

Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:

(i) with respect to a claim of a kind specified in section 507(a)(1) or 507(a)(2) of the Bankruptcy Code, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

(ii) with respect to a class of claims of a kind specified in section 507(a)(3), 507(a)(4), 507(a)(5) or 507(a)(6) of the Bankruptcy Code, each holder of a claim of such class will receive: (i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and

(iii) with respect to a claim of a kind specified in section 507(a)(7) of the Bankruptcy Code, the holder of a claim will receive on account of such claim deferred cash payments, over a period not exceeding six years after the date of assessment of such claim, of a value, as of the effective date of the plan, equal to the allowed amount of such claim.

If a class of claims is impaired under the plan, at least one class of claims that is impaired has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the petition.

Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation of the plan, have been paid or the plan provides for the payments of all such fees on the effective date of the plan.

The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the plan, for the duration of the period the Debtor has obligated itself to provide such benefits.

The Debtor believes that the Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtor has complied with or will have complied with all the requirements of chapter 11, and that the Plan is proposed in good faith.

At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims or Allowed Equity Interests would receive greater distributions under the Plan than they would receive in a liquidation under chapter 7.

The Debtors believe that the feasibility requirement for confirmation of the Plan is satisfied by the fact that the Debtors believe that all future operating revenues will be sufficient to satisfy the obligations under the Plan. If at any time such revenues do not sustain the payment of policy premiums then the Debtor that owns such policy may sale such policy to retire the debt owed to its creditors under the Plan. Any sale will be made on the open market for the maximum amounts available for such unmatured policy. These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

Cramdown

1.18 The bankruptcy court may confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the proponents of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or interests that has not accepted the plan.

1.19 "Fair and equitable" has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

With respect to a class of **secured claims**, the plan provides:

(a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the Debtor or transferred to another entity, to the extent of the allowed amount of such claims; and

(ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property;

(b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or

(c) the realization by such holders of the "indubitable equivalent" of such claims.

With respect to a class of **unsecured claims**, the plan provides:

(a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property, except that in a case in which the debtor is an individual, the debtor may retain property included in the estate under section 1115 subject to the requirements that a) the value, as of effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or (b) the value of property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2)) to be received during the 5-year period beginning on the date that the first

payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

With respect to a class of **interests**, the plan provides:

(a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or

(b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

1.20 In the event that one or more classes of impaired Claims reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired class of Claims. SO LONG AS THE CLASSES OF UNSECURED CREDITORS VOTE FOR THE PLAN THEN THE PLAN WILL NOT VIOLATE THE ABSOLUTE PRIORITY RULE.

The absolute priority rule requires that prior to the Debtors retaining or receiving any property the senior classes of claims must be paid in full or vote to accept the Plan. In these cases the actual equity ownership of the Debtors is being cancelled and transferred to Life Offerings so the actual ownership of the Debtors is being changed as a part of the Plan and therefore the prior equity owners are not retaining nor receiving any ownership in the Debtors, except Life Offerings. With regard to Life Offerings the actual ownership of Life Offerings is being reallocated and the existing equity owners are having their interests reduced.

The Debtors believe the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired class of Claims.

ARTICLE II
REPRESENTATIONS

2.01 This Disclosure is provided pursuant to Section 1125 of the **Code** to all of the **Debtor**s' known **Creditors** and other parties in interest in connection with the solicitation of acceptance of its **Plan** of reorganization, as amended or modified. The purpose of this Disclosure is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of **Claims**, to make an informed judgment in exercising its rights either to accept or reject the **Plan**.

2.02 The information contained in this Disclosure has been derived from information submitted by the **Debtors**, unless specifically stated to be from other sources.

2.03 No representations concerning the **Debtors** are authorized by the **Debtors** other than those set forth in this Disclosure. The **Debtors** recommend that any representation or inducement made to secure your acceptance or rejection of the **Plan** which is not contained in this

Disclosure should not be relied upon by you in reaching your decision on how to vote on the **Plan**. Any representation or inducement made to you not contained herein should be reported to the attorneys for **Debtors** who shall deliver such information to the **Court** for such action as may be appropriate.

2.04 ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT GOVERNMENTAL AUTHORITY IN ANY STATE OF THE UNITED STATES. IN ADDITION, NEITHER THE SEC, NOR ANY OTHER GOVERNMENTAL AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

2.05 THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. FOR THE FOREGOING REASON, AS WELL AS BECAUSE OF THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES AND PROJECTIONS INTO THE FUTURE WITH ACCURACY, THE DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THE APPROVAL BY THE COURT OF THIS DISCLOSURE DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OR GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

2.06 THE DEBTORS BELIEVE THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTORS' ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTORS URGE THAT CLAIMANTS VOTE FOR THE PLAN.

2.07 DEBTORS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS CORRECT, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. THE STATEMENTS CONTAINED IN THIS DISCLOSURE ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN.

ARTICLE III
FINANCIAL PICTURE OF THE DEBTORS

AGAP LS 108 LLC

Financial History and Background of the Debtor

AGAP LS 108 LLC is a Nevada Limited Liability Company formed in 2008 for the purpose of holding a single life insurance policy, receiving and distributing proceeds to investors, collecting and distributing subscriber proceeds to administer the life insurance policy. AGAP LS 108 LLC receives no other sources of revenue other than subscriber contributions prior to the closing of the fund and after the longevity risk carrier failed and further contributions were required to pay ongoing policy premiums and administrative costs.

Events leading to filing of Bankruptcy

Once each of the AGAP companies (AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 309 LLC and AGAP LS 509 LLC) was fully funded, each AGAP company operated mostly as expected until the premiums that were escrowed ran out. The exception to this was that in April of 2010 AGAP received a Cease and Desist (C&D) order by the Texas State Securities Board (TSSB) for selling what they believed to be unregistered securities. AGAP had spent many months and upwards of $50,000 for a securities lawyer with a reputable law firm to construct an investment in fractional life settlement to primarily retail investors that was in accordance with both state and applicable federal securities laws. We were advised to offer this investment with the same/similar structure as Life Partners, who offered this same type of investment to retail investors globally. Furthermore, Life Partners had existing case law to support its investment structure and this case law supported the belief that the life settlement investment was not determined to be considered a "security" in the state of Texas and elsewhere. We accepted this advice and sold these investments from 2007 to 2010. AGAP was given the opportunity to argue against the C&D at the State Office of Administrative Hearings (SOAH) in Austin Texas. While Judge Jenkins, who presided over the hearings, found no evidence of fraud or failure to disclose in both our marketing materials and investment documents stating so in both his Proposal for Decision (PFD) and in his responsive supplemental findings, he did agree with the state that he believed the AGAP investment to be consistent with what the TSSB defines as a security. As such, AGAP was ruled to be selling a non-registered security. The commissioner of the TSSB accepted Judge Jenkins findings and the order was affirmed. On the 23rd day from receiving this decision, AGAP officially challenged this ruling at the District Court level. However, the TSSB petitioned the court for a "Plea of Jurisdiction" which meant that, in their view, we had no right to challenge this ruling since we had not filed with the District Court in a timely manner. The TSSB argued that at some unannounced time during the SOAH proceedings that the AGAP matter, which once was governed by the Administrative Procedures Act (APA) now fell under the Texas Securities Act (TSA) although AGAP was never notified of this change. The difference is that under the APA, AGAP was allowed 30 days to appeal the decision affirmed by the TSSB Commissioner and under the TSA AGAP was given 22 days. Having filed on the 23rd day AGAP was, the TSSB argued, not allowed to challenge the commissioners' findings and subsequent ruling. Still, this ruling of arbitrary "Act" switching

was argued in from of the District Court. AGAP argued that "if" the TSSB is going to change "Acts" then the TSSB has an obligation to notify the party(s) and at what time the change is going to take effect. AGAP was shocked that the District Court ruled in favor of the State of Texas that there is no obligation of the State to notify or give explanation to the accused party of when they, the TSSB, elect to or not to change from the APA to the TSA or back again. Perhaps even more discouraging was that AGAP lost this argument again at the Appellate level. AGAP felt that it had no more resources to further advance this argument with the hope that AGAP would be able to argue the merits of the original findings by the Commissioner of the TSSB. In addition to the TSSB C&D, AGAP also received a C&D from the Texas Department of Insurance (TDI) in late April 2010. However, unlike the TSSB, the TDI sought to freeze all of the AGAP companies' funds that were set aside to pay agents for selling the AGAP investment as well as organizational fees payable to AGAP. We argued this matter at the same SOAH to a disinterested Judge whose findings were a mere recital of the States pleadings. Again, when AGAP appealed this decision the TDI argued the same Plea of Jurisdiction (POJ) as did the TSSB. However, this POJ argument was thrown out and we were immediately approached by the TDI with the intent to settle prior to bringing this matter to the district court. Having seen how the TSSB matter was handled AGAP entered into a Consent Order with the TDI. The consent order stated that AGAP would agree not to sell or otherwise procure unregistered insurance without the permission of the TDI and in turn the TDI would release (unfreeze) all the money that AGAP had collected for the life settlement investments in the AGAP companies. All legal matters with the TSSB and the TDI wound up almost exactly 3 years after they were initiated in the spring of 2010 with a total cost of near $1,000,000.

During this time, premiums for each of the policies in the AGAP companies were being paid. They each continued being paid until each policy met its defined maturity date which coincided with the premium reserve amount set aside to pay premiums in each AGAP company. As the defined maturity date approached AGAP notified the longevity risk carrier (LRC) with a claim and requested AGAP be notified of how they would like for us to proceed with making a claim. We received no response by mail or phone from the LRC. A brief investigation resulted in AGAP becoming aware that the LRC had, the previous year, lost a lawsuit. The result of this lawsuit, other than hundreds of millions in monetary damages, was the exposure of the LRC's independent financial auditing firm, who, they found, fraudulently over valued the LRC's assets. As a direct result of the lawsuit, the auditing firm, we were informed, faced criminal charges and the LRC filed for bankruptcy. AGAP, authorized a legal view on the financial status of the LRC and even went as far as to drive to the LRC president's home in Mississippi to assist in determining the benefit, if any, of pursuing legal action against the LRC. AGAP made the determination that by pursuing legal action against the LRC would likely cost hundreds of thousands of dollars in which we may receive very little, if anything in return. Given the very limited amount of AGAP's capital reserves, our focus quickly turned to keeping the existing life insurance policies held in each of the AGAP companies in force. At the demise of the LRC, who provided the full payment of the death benefit once the insured for each policy met his previously established life expectancy plus a deferred period of 12 months, AGAP reviewed the AGAP investment contracts for clarity. At this time, premiums that were escrowed to pay ongoing premiums had either ran out or were running out. While AGAP knew that each investor had acknowledged his/her ability to pay ongoing premiums in such a case, we also knew that it would be unexpected and sudden. It was clear to AGAP that it was essential to pay the ongoing

premiums on the life insurance policies in order to realize the eventual death benefit. The only means to pay the policy premiums was from the investment contracts investor obligation to do so in such an event as the longevity risk carrier's failure to pay and the insured continuing to live. While AGAP Life Offerings was under no obligation to organize a premium facility to collect premiums to pay ongoing policy premiums it was believed that without AGAP's intervention that the policy premiums would not be collected in full and the policy(s) would eventually lapse. Initially AGAP used company and personal capital to pay premiums to allow time for the premiums facility to be established and investors to adjust to the sudden and unexpected idea of further expenses associated with their investment. After some time, AGAP started making premium calls to investors for investors to pay their contractual pro-rata obligation of each premium call. It was immediately evident that not all investors were willing or able to pay their pro rata share of the premium calls. Because of this, it became clear that without any long term premium financing the AGAP policies would lapse. Although this was primarily due to the unwillingness or inability for some investors to pay their premium obligation(s), due to AGAP's assumed role, AGAP had ambiguous authority to act in the best interest of those investors who were abiding by their contractual agreement and little recourse to those who were not. Even though AGAP had begun negotiations with Green Bank for possible short term lending for the AGAP companies, the understanding that investors would continue to dismiss their obligation to pay premiums intensified the need for long term premium financing. Through an accountability board that AGAP had established, an idea was proposed by Rod Sanders as a means for long term premium funding. Included in this proposal was a 5 year agreement to pay the premium shortfalls as they became due for all AGAP policies as well as purchasing investment contracts at a discount from investors who desired to liquidate. Those investors who chose not to pay premiums and chose not to liquidate would forfeit their entire investment in the AGAP companies. AGAP knew that its contractual authority to forfeit investors due to not paying the pro-rat share of their premium obligation was not explicit. AGAP also knew, and was advised on several occasions by legal counsel, fund managers and business professionals, that continuing to carry those investors who were not willing or able to pay their pro-rata share of the premiums was detrimental to those who were abiding by their contractual obligation and paying their pro rata share of policy premiums. Therefore, it was determined that AGAP must act in the best interest of the policies and therefore the best interest of those who actively abiding by their contractual obligation. Because of this determination, Mr. Sanders founded 3:10 Capital Investment LLC (3:10) in the Spring of 2015 to raise capital from high net worth individuals and qualifying capital partners to supply long term funding for the AGAP companies/policies and to purchase investment contracts at a discount. This endeavor, however, would take some time to ramp up and the need for funding was immediate. Fortunately, AGAP was able to negotiate a short term loan from Green Bank; but on a limited basis. Green Bank would pay 50% of each premium call and each company (AGAP LS 108/109/209/309/509) would have a limited line of credit projected to last 18 months. For this funding, Green bank would receive full death benefit collateral on each policy through the insurance carrier and was allowed cross-collateralization from all AGAP companies. At the end of the 18 months, or prior, 3:10 would "buy out" Green Bank and take over as a 1st position secured creditor. During these 18 months of premium lending, with the exceptions of AGAP LS 108 LLC and AGAP LS 109 LLC, each of the AGAP companies was able to raise enough funds through investor participation to cover the required 50% of premium and therefore required no premium funding from 3:10. In some cases, 3:10 made up the deficiency for AGAP LS 108/109 and in other cases AGAP, through personal loans,

made up to differences. 3:10 loaned a total of approximately $74,000 for policy premiums on AGAP LS 108 and 109 combined. Although it was not required or necessary, 3:10 also paid 2 months of interest of the 18 months of interest payments for all the AGAP lines of credit. After the last interest payment was made by 3:10, 3:10 notified AGAP that it had had difficulty raising the necessary funds to continue its agreement to fund all the AGAP policies. Mr. Sanders explained that the obstacle in raising money to lend to the AGAP companies because Life Partners, the largest retailer of this type of investment and a publicly traded company, had recently filed chapter 7 bankruptcy and because 3:10 had no power or control over the policies. Mr. Sanders proposed that in lieu of further lending on the AGAP policies, 3:10 would exchange its interest by purchasing either AGAP LS 108 LLC and/or AGAP LS 109 LLC outright. AGAP agreed that if the policies were to be considered for sale that 3:10 would be allowed to bid on them for purchase but could not commit or agree to a non-market attained price. At that time, 3:10 informed AGAP they would no longer be able to provide premium financing and the agreement between AGAP and 3:10 was suspended. Still, it was evident that the AGAP companies faced a premium collection shortfall in the near future. The lines for all companies were set to expire on January 22nd 2016. Although a loan renewal was offered by Green Bank, further cash flow analysis and forecasting showed that further indebtedness was a short term solution with dire consequences in the likely event that some insureds continued to live at the end of the renewable notes term. AGAP sought advice from business professionals and investors alike and through those encounters. AGAP was informed that by filing chapter 11 bankruptcies for each AGAP company, AGAP would be given the opportunity to establish operating protocols and "rewrite" the rules subject to investor majority approval. This, if approved, would allow AGAP the means to effectively manage the AGAP policies and the collection/payment of the AGAP policy premiums through to fruition. Being given the opportunity to collectively and consensually construct a plan with those investors affected by the plan was believed to be the foremost equitable solution. In December of 2015, AGAP notified Green Bank of its plan to reorganize under Chapter 11 bankruptcy with the intention of paying off all debts in full. AGAP's ability to defer some investor's premium obligation had expired once the bank lending expired. In February 2016, AGAP filed for Chapter 11 Bankruptcy for AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 509 LLC and AGAP Life Offerings LLC.

Future Income/ Expenses under the Plan

AGAP LS 108 should have minimal future expenses under the Plan since its policy just matured in June of 2016 with a face amount of $2M. That being the case its policy proceeds will be available to meet its Plan obligations on Confirmation, including paying its creditors with Allowed Claims, its administrative expenses and distributions to its creditor/investors. It will have very minimal ongoing operations other than meeting its Plan payment terms from its policy proceeds.

Future Management of Debtors

Both Jeffrey Madden, managing member and Charles Madden, managing member are the sole members and managers of AGAP LS 108 LLC. Along with the other AGAP companies, AGAP intends to create a board of investors to provide oversight on issues facing the investors. The exact duties and oversight of this board has not yet been determined and AGAP does not intend

to provide compensation for time served on the board. Also there will be an application filed to appoint a chief restructuring officer to take over the affairs of this Debtor entity which will remove Jeff and Charles Madden from the operations of the Debtor.

Analysis and Valuation of Property

With the maturity of the policy of AGAP LS 108 LLC there is $2M now part of this Plan.

Personal Property

Life Insurance Carrier	Indianapolis Life Insurance Company
Type of Life Insurance Policy	Universal Life Insurance Policy
Death Benefit	$2,000,000
Insured Gender	Male
Insured D.O.B (Age)	12/29/1926 (89)
Life Expectancy Valuation (in months)	Death has occurred
Valuation Date	02/11/2016
Valuation Company	American Viatical Services (AVS)

AGAP LS 109, LLC

Financial History and Background of the Debtor

AGAP LS 109 LLC is a Nevada Limited Liability Company formed in 2008 for the purpose of holding a single life insurance policy, receiving and distributing proceeds to investors, collecting and distributing subscriber proceeds to administer the life insurance policy. AGAP LS 109 LLC receives no other sources of revenue other than subscriber contributions prior to the closing of the fund and after the longevity risk carrier failed and further contributions were required to pay ongoing policy premiums and administrative costs.

Events leading to filing of Bankruptcy

Once each of the AGAP companies (AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 309 LLC and AGAP LS 509 LLC) was fully funded, each AGAP company operated mostly as expected until the premiums that were escrowed ran out. The exception to this was that in April of 2010 AGAP received a Cease and Desist (C&D) order by the Texas State Securities Board (TSSB) for selling what they believed to be unregistered securities. AGAP had spent many months and upwards of $50,000 for a securities lawyer with a reputable law firm to construct an investment in fractional life settlement to primarily retail investors that was in accordance with both state and applicable federal securities laws. We were advised to offer this investment with the same/similar structure as Life Partners, who offered this same type of investment to retail investors globally. Furthermore, Life Partners had existing case law to support its investment structure and this case law supported the belief that the life settlement investment was not determined to be considered a “security” in the state of Texas and elsewhere. We accepted this advice and sold these investments from 2007 to 2010. AGAP was given the opportunity to argue against the C&D at the State Office of Administrative Hearings (SOAH) in

Austin Texas. While Judge Jenkins, who presided over the hearings, found no evidence of fraud or failure to disclose in both our marketing materials and investment documents stating so in both his Proposal for Decision (PFD) and in his responsive supplemental findings, he did agree with the state that he believed the AGAP investment to be consistent with what the TSSB defines as a security. As such, AGAP was ruled to be selling a non-registered security. The commissioner of the TSSB accepted Judge Jenkins findings and the order was affirmed. On the 23rd day from receiving this decision, AGAP officially challenged this ruling at the District Court level. However, the TSSB petitioned the court for a "Plea of Jurisdiction" which meant that, in their view, we had no right to challenge this ruling since we had not filed with the District Court in a timely manner. The TSSB argued that at some unannounced time during the SOAH proceedings that the AGAP matter, which once was governed by the Administrative Procedures Act (APA) now fell under the Texas Securities Act (TSA) although AGAP was never notified of this change. The difference is that under the APA, AGAP was allowed 30 days to appeal the decision affirmed by the TSSB Commissioner and under the TSA AGAP was given 22 days. Having filed on the 23rd day AGAP was, the TSSB argued, not allowed to challenge the commissioners' findings and subsequent ruling. Still, this ruling of arbitrary "Act" switching was argued in from of the District Court. AGAP argued that "if" the TSSB is going to change "Acts" then the TSSB has an obligation to notify the party(s) and at what time the change is going to take effect. AGAP was shocked that the District Court ruled in favor of the State of Texas that there is no obligation of the State to notify or give explanation to the accused party of when they, the TSSB, elect to or not to change from the APA to the TSA or back again. Perhaps even more discouraging was that AGAP lost this argument again at the Appellate level. AGAP felt that it had no more resources to further advance this argument with the hope that AGAP would be able to argue the merits of the original findings by the Commissioner of the TSSB. In addition to the TSSB C&D, AGAP also received a C&D from the Texas Department of Insurance (TDI) in late April 2010. However, unlike the TSSB, the TDI sought to freeze all of the AGAP companies' funds that were set aside to pay agents for selling the AGAP investment as well as organizational fees payable to AGAP. We argued this matter at the same SOAH to a disinterested Judge whose findings were a mere recital of the States pleadings. Again, when AGAP appealed this decision the TDI argued the same Plea of Jurisdiction (POJ) as did the TSSB. However, this POJ argument was thrown out and we were immediately approached by the TDI with the intent to settle prior to bringing this matter to the district court. Having seen how the TSSB matter was handled AGAP entered into a Consent Order with the TDI. The consent order stated that AGAP would agree not to sell or otherwise procure unregistered insurance without the permission of the TDI and in turn the TDI would release (unfreeze) all the money that AGAP had collected for the life settlement investments in the AGAP companies. All legal matters with the TSSB and the TDI wound up almost exactly 3 years after they were initiated in the spring of 2010 with a total cost of near $1,000,000.

During this time, premiums for each of the policies in the AGAP companies were being paid. They each continued being paid until each policy met its defined maturity date which coincided with the premium reserve amount set aside to pay premiums in each AGAP company. As the defined maturity date approached AGAP notified the longevity risk carrier (LRC) with a claim and requested AGAP be notified of how they would like for us to proceed with making a claim. We received no response by mail or phone from the LRC. A brief investigation resulted in AGAP becoming aware that the LRC had, the previous year, lost a lawsuit. The result of this

lawsuit, other than hundreds of millions in monetary damages, was the exposure of the LRC's independent financial auditing firm, who, they found, fraudulently over valued the LRC's assets. As a direct result of the lawsuit, the auditing firm, we were informed, faced criminal charges and the LRC filed for bankruptcy. AGAP, authorized a legal view on the financial status of the LRC and even went as far as to drive to the LRC president's home in Mississippi to assist in determining the benefit, if any, of pursuing legal action against the LRC. AGAP made the determination that by pursuing legal action against the LRC would likely cost hundreds of thousands of dollars in which we may receive very little, if anything in return. Given the very limited amount of AGAP's capital reserves, our focus quickly turned to keeping the existing life insurance policies held in each of the AGAP companies in force. At the demise of the LRC, who provided the full payment of the death benefit once the insured for each policy met his previously established life expectancy plus a deferred period of 12 months, AGAP reviewed the AGAP investment contracts for clarity. At this time, premiums that were escrowed to pay ongoing premiums had either ran out or were running out. While AGAP knew that each investor had acknowledged his/her ability to pay ongoing premiums in such a case, we also knew that it would be unexpected and sudden. It was clear to AGAP that it was essential to pay the ongoing premiums on the life insurance policies in order to realize the eventual death benefit. The only means to pay the policy premiums was from the investment contracts investor obligation to do so in such an event as the longevity risk carrier's failure to pay and the insured continuing to live. While AGAP Life Offerings was under no obligation to organize a premium facility to collect premiums to pay ongoing policy premiums it was believed that without AGAP's intervention that the policy premiums would not be collected in full and the policy(s) would eventually lapse. Initially AGAP used company and personal capital to pay premiums to allow time for the premiums facility to be established and investors to adjust to the sudden and unexpected idea of further expenses associated with their investment. After some time, AGAP started making premium calls to investors for investors to pay their contractual pro-rata obligation of each premium call. It was immediately evident that not all investors were willing or able to pay their pro rata share of the premium calls. Because of this, it became clear that without any long term premium financing the AGAP policies would lapse. Although this was primarily due to the unwillingness or inability for some investors to pay their premium obligation(s), due to AGAP's assumed role, AGAP had ambiguous authority to act in the best interest of those investors who were abiding by their contractual agreement and little recourse to those who were not. Even though AGAP had begun negotiations with Green Bank for possible short term lending for the AGAP companies, the understanding that investors would continue to dismiss their obligation to pay premiums intensified the need for long term premium financing. Through an accountability board that AGAP had established, an idea was proposed by Rod Sanders as a means for long term premium funding. Included in this proposal was a 5 year agreement to pay the premium shortfalls as they became due for all AGAP policies as well as purchasing investment contracts at a discount from investors who desired to liquidate. Those investors who chose not to pay premiums and chose not to liquidate would forfeit their entire investment in the AGAP companies. AGAP knew that its contractual authority to forfeit investors due to not paying the pro-rat share of their premium obligation was not explicit. AGAP also knew, and was advised on several occasions by legal counsel, fund managers and business professionals, that continuing to carry those investors who were not willing or able to pay their pro-rata share of the premiums was detrimental to those who were abiding by their contractual obligation and paying their pro rata share of policy premiums. Therefore, it was determined that AGAP must act in the best

interest of the policies and therefore the best interest of those who actively abiding by their contractual obligation. Because of this determination, Mr. Sanders founded 3:10 Capital Investment LLC (3:10) in the Spring of 2015 to raise capital from high net worth individuals and qualifying capital partners to supply long term funding for the AGAP companies/policies and to purchase investment contracts at a discount. This endeavor, however, would take some time to ramp up and the need for funding was immediate. Fortunately, AGAP was able to negotiate a short term loan from Green Bank; but on a limited basis. Green Bank would pay 50% of each premium call and each company (AGAP LS 108/109/209/309/509) would have a limited line of credit projected to last 18 months. For this funding, Green bank would receive full death benefit collateral on each policy through the insurance carrier and was allowed cross-collateralization from all AGAP companies. At the end of the 18 months, or prior, 3:10 would "buy out" Green Bank and take over as a 1st position secured creditor. During these 18 months of premium lending, with the exceptions of AGAP LS 108 LLC and AGAP LS 109 LLC, each of the AGAP companies was able to raise enough funds through investor participation to cover the required 50% of premium and therefore required no premium funding from 3:10. In some cases, 3:10 made up the deficiency for AGAP LS 108/109 and in other cases AGAP, through personal loans, made up to differences. 3:10 loaned a total of approximately $74,000 for policy premiums on AGAP LS 108 and 109 combined. Although it was not required or necessary, 3:10 also paid 2 months of interest of the 18 months of interest payments for all the AGAP lines of credit. After the last interest payment was made by 3:10, 3:10 notified AGAP that it had had difficulty raising the necessary funds to continue its agreement to fund all the AGAP policies. Mr. Sanders explained that the obstacle in raising money to lend to the AGAP companies because Life Partners, the largest retailer of this type of investment and a publicly traded company, had recently filed chapter 7 bankruptcy and because 3:10 had no power or control over the policies. Mr. Sanders proposed that in lieu of further lending on the AGAP policies, 3:10 would exchange its interest by purchasing either AGAP LS 108 LLC and/or AGAP LS 109 LLC outright. AGAP agreed that if the policies were to be considered for sale that 3:10 would be allowed to bid on them for purchase but could not commit or agree to a non-market attained price. At that time, 3:10 informed AGAP they would no longer be able to provide premium financing and the agreement between AGAP and 3:10 was suspended. Still, it was evident that the AGAP companies faced a premium collection shortfall in the near future. The lines for all companies were set to expire on January 22nd 2016. Although a loan renewal was offered by Green Bank, further cash flow analysis and forecasting showed that further indebtedness was a short term solution with dire consequences in the likely event that some insureds continued to live at the end of the renewable notes term. AGAP sought advice from business professionals and investors alike and through those encounters. AGAP was informed that by filing chapter 11 bankruptcies for each AGAP company, AGAP would be given the opportunity to establish operating protocols and "rewrite" the rules subject to investor majority approval. This, if approved, would allow AGAP the means to effectively manage the AGAP policies and the collection/payment of the AGAP policy premiums through to fruition. Being given the opportunity to collectively and consensually construct a plan with those investors affected by the plan was believed to be the foremost equitable solution. In December of 2015, AGAP notified Green Bank of its plan to reorganize under Chapter 11 bankruptcy with the intention of paying off all debts in full. AGAP's ability to defer some investor's premium obligation had expired once the bank lending expired. In February 2016, AGAP filed for Chapter 11 Bankruptcy for AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 509 LLC and AGAP Life Offerings LLC.

Future Income expense under the plan

5 YEAR ANTICIPATED EXPENSES

	2016	2017[1]	2018[1]	2019[1]	2020[1]
Annual Premium Expense	**$279,516.25**	**$381,064.82**	**$390,502.18**	**$410,581.27**	**$434,159.99**
Administrative Charge[2]	**$19,275.86**	**$19,275.86**	**$19,275.86**	**$19,275.86**	**$19,275.86**

1 – Denotes the estimated amount (only the current policy year has been optimized)
2 – Admin charge is currently .75% of investors subscription amount (ex: $100,000 x .075=$750.00 annually)

5 YEAR ANTICIPATED INCOME/REVENUES

The only source of revenue for AGAP LS 109 LLC is the subscriber's contributions to pay the pro-rata share of premiums for the AGAP LS 109 LLC policy as they become due. No other source is expected with the exception of the maturity of the $5,000,000 universal life insurance policy held in AGAP LS 109 LLC. To the extent that the Debtor is unable to maintain its policy premiums from funds raised from its investor/creditors then it will sell of unmatured policy. The expected sales proceeds from such a sale are $1.25M.

Future Management of Debtors

Both Jeffrey Madden, managing member and Charles Madden, managing member are the sole members and managers of AGAP LS 108 LLC. Along with the other AGAP companies, AGAP intends to create a board of investors to provide oversight on issues facing the investors. The exact duties and oversight of this board has not yet been determined and AGAP does not intend to provide compensation for time served on the board. Also there will be an application filed to appoint a chief restructuring officer to take over the affairs of this Debtor entity which will remove Jeff and Charles Madden from the operations of the Debtor.

Analysis and Valuation of Property

In December 2014 AGAP received a verbal value on the AGAP LS 109 LLC policy to purchase for the amount of $1,000,000 (20% of face value). At the time of the valuation the insured for the policy held within AGAP LS 109 LLC was 89 years old and given a life expectancy valuation (LE) of 50 months. Both the LE and the age of the insured are two of the most critical variables in determining a policies value. Other factors include the anticipated cost of insurance estimates during the anticipated life of the policy. In January of 2016, AGAP requested an updated LE but that LE has not yet been acquired. The insured current age as of May 18, 2016 is 90 years old. Three different life settlement purchasing companies have shown interest in

purchasing the AGAP LS 109 LLC policy. Given the age of the insured and the anticipated deteriorating LE, it is projected that the AGAP LS 109 LLC policy would receive a bid price between $1,000,000 and $1,250,000 if sold. All LE's have been underwritten by American Viatical Services (AVS).

Personal Property

Life Insurance Carrier	John Hancock Life Insurance Company
Type of Life Insurance Policy	Universal Life Insurance Policy
Death Benefit	$5,000,000
Insured Gender	Male
Insured D.O.B (Age)	02/16/1926 (90)
Life Expectancy Valuation (in months)	50
Valuation Date	12/29/2014
Valuation Company	American Viatical Services (AVS)

AGAP LS 209, LLC

Financial History and Background of the Debtor

AGAP LS 209 LLC is a Nevada Limited Liability Company formed in 2009 for the purpose of holding a single life insurance policy, receiving and distributing proceeds to investors, collecting and distributing subscriber proceeds to administer the life insurance policy. AGAP LS 209 LLC receives no other sources of revenue other than subscriber contributions prior to the closing of the fund and after the longevity risk carrier failed and further contributions were required to pay ongoing policy premiums and administrative costs.

Events leading to filing of Bankruptcy

Once each of the AGAP companies (AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 309 LLC and AGAP LS 509 LLC) was fully funded, each AGAP company operated mostly as expected until the premiums that were escrowed ran out. The exception to this was that in April of 2010 AGAP received a Cease and Desist (C&D) order by the Texas State Securities Board (TSSB) for selling what they believed to be unregistered securities. AGAP had spent many months and upwards of $50,000 for a securities lawyer with a reputable law firm to construct an investment in fractional life settlement to primarily retail investors that was in accordance with both state and applicable federal securities laws. We were advised to offer this investment with the same/similar structure as Life Partners, who offered this same type of investment to retail investors globally. Furthermore, Life Partners had existing case law to support its investment structure and this case law supported the belief that the life settlement investment was not determined to be considered a "security" in the state of Texas and elsewhere. We accepted this advice and sold these investments from 2007 to 2010. AGAP was given the opportunity to argue against the C&D at the State Office of Administrative Hearings (SOAH) in Austin Texas. While Judge Jenkins, who presided over the hearings, found no evidence of fraud or failure to disclose in both our marketing materials and investment documents stating so in both his Proposal for Decision (PFD) and in his responsive supplemental findings, he did agree

with the state that he believed the AGAP investment to be consistent with what the TSSB defines as a security. As such, AGAP was ruled to be selling a non-registered security. The commissioner of the TSSB accepted Judge Jenkins findings and the order was affirmed. On the 23rd day from receiving this decision, AGAP officially challenged this ruling at the District Court level. However, the TSSB petitioned the court for a "Plea of Jurisdiction" which meant that, in their view, we had no right to challenge this ruling since we had not filed with the District Court in a timely manner. The TSSB argued that at some unannounced time during the SOAH proceedings that the AGAP matter, which once was governed by the Administrative Procedures Act (APA) now fell under the Texas Securities Act (TSA) although AGAP was never notified of this change. The difference is that under the APA, AGAP was allowed 30 days to appeal the decision affirmed by the TSSB Commissioner and under the TSA AGAP was given 22 days. Having filed on the 23rd day AGAP was, the TSSB argued, not allowed to challenge the commissioner's findings and subsequent ruling. Still, this ruling of arbitrary "Act" switching was argued in from of the District Court. AGAP argued that "if" the TSSB is going to change "Acts" then the TSSB has an obligation to notify the party(s) and at what time the change is going to take effect. AGAP was shocked that the District Court ruled in favor of the State of Texas that there is no obligation of the State to notify or give explanation to the accused party of when they, the TSSB, elect to or not to change from the APA to the TSA or back again. Perhaps even more discouraging was that AGAP lost this argument again at the Appellate level. AGAP felt that it had no more resources to further advance this argument with the hope that AGAP would be able to argue the merits of the original findings by the Commissioner of the TSSB. In addition to the TSSB C&D, AGAP also received a C&D from the Texas Department of Insurance (TDI) in late April 2010. However, unlike the TSSB, the TDI sought to freeze all of the AGAP companies' funds that were set aside to pay agents for selling the AGAP investment as well as organizational fees payable to AGAP. We argued this matter at the same SOAH to a disinterested Judge whose findings were a mere recital of the States pleadings. Again, when AGAP appealed this decision the TDI argued the same Plea of Jurisdiction (POJ) as did the TSSB. However, this POJ argument was thrown out and we were immediately approached by the TDI with the intent to settle prior to bringing this matter to the district court. Having seen how the TSSB matter was handled AGAP entered into a Consent Order with the TDI. The consent order stated that AGAP would agree not to sell or otherwise procure unregistered insurance without the permission of the TDI and in turn the TDI would release (unfreeze) all the money that AGAP had collected for the life settlement investments in the AGAP companies. All legal matters with the TSSB and the TDI wound up almost exactly 3 years after they were initiated in the spring of 2010 with a total cost of near $1,000,000.

During this time, premiums for each of the policies in the AGAP companies were being paid. They each continued being paid until each policy met its defined maturity date which coincided with the premium reserve amount set aside to pay premiums in each AGAP company. As the defined maturity date approached AGAP notified the longevity risk carrier (LRC) with a claim and requested AGAP be notified of how they would like for us to proceed with making a claim. We received no response by mail or phone from the LRC. A brief investigation resulted in AGAP becoming aware that the LRC had, the previous year, lost a lawsuit. The result of this lawsuit, other than hundreds of millions in monetary damages, was the exposure of the LRC's independent financial auditing firm, who, they found, fraudulently over valued the LRC's assets. As a direct result of the lawsuit, the auditing firm, we were informed, faced criminal charges and

the LRC filed for bankruptcy. AGAP, authorized a legal view on the financial status of the LRC and even went as far as to drive to the LRC president's home in Mississippi to assist in determining the benefit, if any, of pursuing legal action against the LRC. AGAP made the determination that by pursuing legal action against the LRC would likely cost hundreds of thousands of dollars in which we may receive very little, if anything in return. Given the very limited amount of AGAP's capital reserves, our focus quickly turned to keeping the existing life insurance policies held in each of the AGAP companies in force. At the demise of the LRC, who provided the full payment of the death benefit once the insured for each policy met his previously established life expectancy plus a deferred period of 12 months, AGAP reviewed the AGAP investment contracts for clarity. At this time, premiums that were escrowed to pay ongoing premiums had either ran out or were running out. While AGAP knew that each investor had acknowledged his/her ability to pay ongoing premiums in such a case, we also knew that it would be unexpected and sudden. It was clear to AGAP that it was essential to pay the ongoing premiums on the life insurance policies in order to realize the eventual death benefit. The only means to pay the policy premiums was from the investment contracts investor obligation to do so in such an event as the longevity risk carrier's failure to pay and the insured continuing to live. While AGAP Life Offerings was under no obligation to organize a premium facility to collect premiums to pay ongoing policy premiums it was believed that without AGAP's intervention that the policy premiums would not be collected in full and the policy(s) would eventually lapse. Initially AGAP used company and personal capital to pay premiums to allow time for the premiums facility to be established and investors to adjust to the sudden and unexpected idea of further expenses associated with their investment. After some time, AGAP started making premium calls to investors for investors to pay their contractual pro-rata obligation of each premium call. It was immediately evident that not all investors were willing or able to pay their pro rata share of the premium calls. Because of this, it became clear that without any long term premium financing the AGAP policies would lapse. Although this was primarily due to the unwillingness or inability for some investors to pay their premium obligation(s), due to AGAP's assumed role, AGAP had ambiguous authority to act in the best interest of those investors who were abiding by their contractual agreement and little recourse to those who were not. Even though AGAP had begun negotiations with Green Bank for possible short term lending for the AGAP companies, the understanding that investors would continue to dismiss their obligation to pay premiums intensified the need for long term premium financing. Through an accountability board that AGAP had established, an idea was proposed by Rod Sanders as a means for long term premium funding. Included in this proposal was a 5 year agreement to pay the premium shortfalls as they became due for all AGAP policies as well as purchasing investment contracts at a discount from investors who desired to liquidate. Those investors who chose not to pay premiums and chose not to liquidate would forfeit their entire investment in the AGAP companies. AGAP knew that its contractual authority to forfeit investors due to not paying the pro-rat share of their premium obligation was not explicit. AGAP also knew, and was advised on several occasions by legal counsel, fund managers and business professionals, that continuing to carry those investors who were not willing or able to pay their pro-rata share of the premiums was detrimental to those who were abiding by their contractual obligation and paying their pro rata share of policy premiums. Therefore, it was determined that AGAP must act in the best interest of the policies and therefore the best interest of those who actively abiding by their contractual obligation. Because of this determination, Mr. Sanders founded 3:10 Capital Investment LLC (3:10) in the Spring of 2015 to raise capital from high net worth individuals and

qualifying capital partners to supply long term funding for the AGAP companies/policies and to purchase investment contracts at a discount. This endeavor, however, would take some time to ramp up and the need for funding was immediate. Fortunately, AGAP was able to negotiate a short term loan from Green Bank; but on a limited basis. Green Bank would pay 50% of each premium call and each company (AGAP LS 108/109/209/309/509) would have a limited line of credit projected to last 18 months. For this funding, Green bank would receive full death benefit collateral on each policy through the insurance carrier and was allowed cross-collateralization from all AGAP companies. At the end of the 18 months, or prior, 3:10 would "buy out" Green Bank and take over as a 1st position secured creditor. During these 18 months of premium lending, with the exceptions of AGAP LS 108 LLC and AGAP LS 109 LLC, each of the AGAP companies was able to raise enough funds through investor participation to cover the required 50% of premium and therefore required no premium funding from 3:10. In some cases, 3:10 made up the deficiency for AGAP LS 108/109 and in other cases AGAP, through personal loans, made up to differences. 3:10 loaned a total of approximately $74,000 for policy premiums on AGAP LS 108 and 109 combined. Although it was not required or necessary, 3:10 also paid 2 months of interest of the 18 months of interest payments for all the AGAP lines of credit. After the last interest payment was made by 3:10, 3:10 notified AGAP that it had had difficulty raising the necessary funds to continue its agreement to fund all the AGAP policies. Mr. Sanders explained that the obstacle in raising money to lend to the AGAP companies because Life Partners, the largest retailer of this type of investment and a publicly traded company, had recently filed chapter 7 bankruptcy and because 3:10 had no power or control over the policies. Mr. Sanders proposed that in lieu of further lending on the AGAP policies, 3:10 would exchange its interest by purchasing either AGAP LS 108 LLC and/or AGAP LS 109 LLC outright. AGAP agreed that if the policies were to be considered for sale that 3:10 would be allowed to bid on them for purchase but could not commit or agree to a non-market attained price. At that time, 3:10 informed AGAP they would no longer be able to provide premium financing and the agreement between AGAP and 3:10 was suspended. Still, it was evident that the AGAP companies faced a premium collection shortfall in the near future. The lines for all companies were set to expire on January 22nd 2016. Although a loan renewal was offered by Green Bank, further cash flow analysis and forecasting showed that further indebtedness was a short term solution with dire consequences in the likely event that some insureds continued to live at the end of the renewable notes term. AGAP was informed that by filing chapter 11 bankruptcies for each AGAP company, AGAP would be given the opportunity to establish operating protocols and "rewrite" the rules subject to investor majority approval. This, if approved, would allow AGAP the means to effectively manage the AGAP policies and the collection/payment of the AGAP policy premiums through to fruition. Being given the opportunity to collectively and consensually construct a plan with those investors affected by the plan was believed to be the foremost equitable solution. In December of 2015, AGAP notified Green Bank of its plan to reorganize under Chapter 11 bankruptcy with the intention of paying off all debts in full. AGAP's ability to defer some investor's premium obligation had expired once the bank lending expired. In February 2016, AGAP filed for Chapter 11 Bankruptcy for AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 509 LLC and AGAP Life Offerings LLC.

Future Income expense under the plan

5 YEAR ANTICIPATED EXPENSES

	2016	2017[1]	2018[1]	2019[1]	2020[1]
Annual Premium Expense	**$283,147.25**	**$443,863.64**	**$484,827.63**	**$520,177.67**	**$566,176.51**
Administrative Charge[2]	**$20,514.82**	**$20,514.82**	**$20,514.82**	**$20,514.82**	**$20,514.82**

1 – Denotes the estimated amount (only the current policy year has been optimized)
2 – Admin charge is currently .75% of investors subscription amount (ex: $100,000 x .075=$750.00 annually)

5 YEAR ANTICIPATED INCOME/REVENUES

The only source of revenue for AGAP LS 209 LLC is the subscriber's contributions to pay the pro-rata share of premiums for the AGAP LS 209 LLC policy as they become due. No other source is expected with the exception of the maturity of the $5,000,000 universal life insurance policy held in AGAP LS 209 LLC. To the extent that the Debtor is unable to maintain its policy premiums from funds raised from its investor/creditors then it will sell of unmatured policy. The expected sales proceeds from such a sale are less than $500,000.00.

Future Management of Debtors

Both Jeffrey Madden, managing member and Charles Madden, managing member are the sole members and managers of AGAP LS 108 LLC. Along with the other AGAP companies, AGAP intends to create a board of investors to provide oversight on issues facing the investors. The exact duties and oversight of this board has not yet been determined and AGAP does not intend to provide compensation for time served on the board. Also there will be an application filed to appoint a chief restructuring officer to take over the affairs of this Debtor entity which will remove Jeff and Charles Madden from the operations of the Debtor.

Analysis and Valuation of Property

In March 2014 AGAP sought a valuation on the AGAP LS 209 LLC policy to purchase. At that time, no bid was given for the AGAP LS 209 policy. At the time of the requested valuation the insured for the policy held within AGAP LS 209 LLC was 87 years old and given a life expectancy valuation (LE) of 95 months. Both the LE and the age of the insured are two of the most critical variables in determining a policies value. Other factors include the anticipated cost of insurance estimates during the anticipated life of the policy. In January of 2016, an updated LE was acquired and was stated at 89 months with the insureds attained age of 88. The insured current age as of May 18, 2016 is 88 years old. Although previously no bid was given for the purchase of the AGAP LS 209 LLC policy, three different life settlement purchasing companies have shown interest in purchasing some or all of the AGAP policies. However, given the age of the insured, the slowly deteriorating LE, and anticipated increase of the cost of insurance at the

carrier level, it is projected that the AGAP LS 209 LLC policy would receive a bid price between $0.00 and $150,000 if sold. All LE's have been underwritten by American Viatical Services (AVS).

Personal Property

Life Insurance Carrier	AXA Equitable Life Insurance Company
Type of Life Insurance Policy	Universal Life Insurance Policy
Death Benefit	$5,000,000
Insured Gender	Female
Insured D.O.B (Age)	11/19/1927 (88)
Life Expectancy Valuation (in months)	89
Valuation Date	01/22/2016
Valuation Company	American Viatical Services (AVS)

AGAP LS 309 LLC

Financial History and Background of the Debtor

AGAP LS 309 LLC is a Nevada Limited Liability Company formed in 2009 for the purpose of holding a single life insurance policy, receiving and distributing proceeds to investors, collecting and distributing subscriber proceeds to administer the life insurance policy. AGAP LS 309 LLC receives no other sources of revenue other than subscriber contributions prior to the closing of the fund and after the longevity risk carrier failed and further contributions were required to pay ongoing policy premiums and administrative costs.

Events leading to filing of Bankruptcy

Once each of the AGAP companies (AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 309 LLC and AGAP LS 509 LLC) was fully funded, each AGAP company operated mostly as expected until the premiums that were escrowed ran out. The exception to this was that in April of 2010 AGAP received a Cease and Desist (C&D) order by the Texas State Securities Board (TSSB) for selling what they believed to be unregistered securities. AGAP had spent many months and upwards of $50,000 for a securities lawyer with a reputable law firm to construct an investment in fractional life settlement to primarily retail investors that was in accordance with both state and applicable federal securities laws. We were advised to offer this investment with the same/similar structure as Life Partners, who offered this same type of investment to retail investors globally. Furthermore, Life Partners had existing case law to support its investment structure and this case law supported the belief that the life settlement investment was not determined to be considered a "security" in the state of Texas and elsewhere. We accepted this advice and sold these investments from 2007 to 2010. AGAP was given the opportunity to argue against the C&D at the State Office of Administrative Hearings (SOAH) in Austin Texas. While Judge Jenkins, who presided over the hearings, found no evidence of fraud or failure to disclose in both our marketing materials and investment documents stating so in both his Proposal for Decision (PFD) and in his responsive supplemental findings, he did agree with the state that he believed the AGAP investment to be consistent with what the TSSB defines

as a security. As such, AGAP was ruled to be selling a non-registered security. The commissioner of the TSSB accepted Judge Jenkins findings and the order was affirmed. On the 23rd day from receiving this decision, AGAP officially challenged this ruling at the District Court level. However, the TSSB petitioned the court for a "Plea of Jurisdiction" which meant that, in their view, we had no right to challenge this ruling since we had not filed with the District Court in a timely manner. The TSSB argued that at some unannounced time during the SOAH proceedings that the AGAP matter, which once was governed by the Administrative Procedures Act (APA) now fell under the Texas Securities Act (TSA) although AGAP was never notified of this change. The difference is that under the APA, AGAP was allowed 30 days to appeal the decision affirmed by the TSSB Commissioner and under the TSA AGAP was given 22 days. Having filed on the 23rd day AGAP was, the TSSB argued, not allowed to challenge the commissioner's findings and subsequent ruling. Still, this ruling of arbitrary "Act" switching was argued in from of the District Court. AGAP argued that "if" the TSSB is going to change "Acts" then the TSSB has an obligation to notify the party(s) and at what time the change is going to take effect. AGAP was shocked that the District Court ruled in favor of the State of Texas that there is no obligation of the State to notify or give explanation to the accused party of when they, the TSSB, elect to or not to change from the APA to the TSA or back again. Perhaps even more discouraging was that AGAP lost this argument again at the Appellate level. AGAP felt that it had no more resources to further advance this argument with the hope that AGAP would be able to argue the merits of the original findings by the Commissioner of the TSSB. In addition to the TSSB C&D, AGAP also received a C&D from the Texas Department of Insurance (TDI) in late April 2010. However, unlike the TSSB, the TDI sought to freeze all of the AGAP companies' funds that were set aside to pay agents for selling the AGAP investment as well as organizational fees payable to AGAP. We argued this matter at the same SOAH to a disinterested Judge whose findings were a mere recital of the States pleadings. Again, when AGAP appealed this decision the TDI argued the same Plea of Jurisdiction (POJ) as did the TSSB. However, this POJ argument was thrown out and we were immediately approached by the TDI with the intent to settle prior to bringing this matter to the district court. Having seen how the TSSB matter was handled AGAP entered into a Consent Order with the TDI. The consent order stated that AGAP would agree not to sell or otherwise procure unregistered insurance without the permission of the TDI and in turn the TDI would release (unfreeze) all the money that AGAP had collected for the life settlement investments in the AGAP companies. All legal matters with the TSSB and the TDI wound up almost exactly 3 years after they were initiated in the spring of 2010 with a total cost of near $1,000,000.

During this time, premiums for each of the policies in the AGAP companies were being paid. They each continued being paid until each policy met its defined maturity date which coincided with the premium reserve amount set aside to pay premiums in each AGAP company. As the defined maturity date approached AGAP notified the longevity risk carrier (LRC) with a claim and requested AGAP be notified of how they would like for us to proceed with making a claim. We received no response by mail or phone from the LRC. A brief investigation resulted in AGAP becoming aware that the LRC had, the previous year, lost a lawsuit. The result of this lawsuit, other than hundreds of millions in monetary damages, was the exposure of the LRC's independent financial auditing firm, who, they found, fraudulently over valued the LRC's assets. As a direct result of the lawsuit, the auditing firm, we were informed, faced criminal charges and the LRC filed for bankruptcy. AGAP, authorized a legal view on the financial status of the LRC

and even went as far as to drive to the LRC president's home in Mississippi to assist in determining the benefit, if any, of pursuing legal action against the LRC. AGAP made the determination that by pursuing legal action against the LRC would likely cost hundreds of thousands of dollars in which we may receive very little, if anything in return. Given the very limited amount of AGAP's capital reserves, our focus quickly turned to keeping the existing life insurance policies held in each of the AGAP companies in force. At the demise of the LRC, who provided the full payment of the death benefit once the insured for each policy met his previously established life expectancy plus a deferred period of 12 months, AGAP reviewed the AGAP investment contracts for clarity. At this time, premiums that were escrowed to pay ongoing premiums had either ran out or were running out. While AGAP knew that each investor had acknowledged his/her ability to pay ongoing premiums in such a case, we also knew that it would be unexpected and sudden. It was clear to AGAP that it was essential to pay the ongoing premiums on the life insurance policies in order to realize the eventual death benefit. The only means to pay the policy premiums was from the investment contracts investor obligation to do so in such an event as the longevity risk carrier's failure to pay and the insured continuing to live. While AGAP Life Offerings was under no obligation to organize a premium facility to collect premiums to pay ongoing policy premiums it was believed that without AGAP's intervention that the policy premiums would not be collected in full and the policy(s) would eventually lapse. Initially AGAP used company and personal capital to pay premiums to allow time for the premiums facility to be established and investors to adjust to the sudden and unexpected idea of further expenses associated with their investment. After some time, AGAP started making premium calls to investors for investors to pay their contractual pro-rata obligation of each premium call. It was immediately evident that not all investors were willing or able to pay their pro rata share of the premium calls. Because of this, it became clear that without any long term premium financing the AGAP policies would lapse. Although this was primarily due to the unwillingness or inability for some investors to pay their premium obligation(s), due to AGAP's assumed role, AGAP had ambiguous authority to act in the best interest of those investors who were abiding by their contractual agreement and little recourse to those who were not. Even though AGAP had begun negotiations with Green Bank for possible short term lending for the AGAP companies, the understanding that investors would continue to dismiss their obligation to pay premiums intensified the need for long term premium financing. Through an accountability board that AGAP had established, an idea was proposed by Rod Sanders as a means for long term premium funding. Included in this proposal was a 5 year agreement to pay the premium shortfalls as they became due for all AGAP policies as well as purchasing investment contracts at a discount from investors who desired to liquidate. Those investors who chose not to pay premiums and chose not to liquidate would forfeit their entire investment in the AGAP companies. AGAP knew that its contractual authority to forfeit investors due to not paying the pro-rat share of their premium obligation was not explicit. AGAP also knew, and was advised on several occasions by legal counsel, fund managers and business professionals, that continuing to carry those investors who were not willing or able to pay their pro-rata share of the premiums was detrimental to those who were abiding by their contractual obligation and paying their pro rata share of policy premiums. Therefore, it was determined that AGAP must act in the best interest of the policies and therefore the best interest of those who actively abiding by their contractual obligation. Because of this determination, Mr. Sanders founded 3:10 Capital Investment LLC (3:10) in the Spring of 2015 to raise capital from high net worth individuals and qualifying capital partners to supply long term funding for the AGAP companies/policies and to

purchase investment contracts at a discount. This endeavor, however, would take some time to ramp up and the need for funding was immediate. Fortunately, AGAP was able to negotiate a short term loan from Green Bank; but on a limited basis. Green Bank would pay 50% of each premium call and each company (AGAP LS 108/109/209/309/509) would have a limited line of credit projected to last 18 months. For this funding, Green bank would receive full death benefit collateral on each policy through the insurance carrier and was allowed cross-collateralization from all AGAP companies. At the end of the 18 months, or prior, 3:10 would "buy out" Green Bank and take over as a 1st position secured creditor. During these 18 months of premium lending, with the exceptions of AGAP LS 108 LLC and AGAP LS 109 LLC, each of the AGAP companies was able to raise enough funds through investor participation to cover the required 50% of premium and therefore required no premium funding from 3:10. In some cases, 3:10 made up the deficiency for AGAP LS 108/109 and in other cases AGAP, through personal loans, made up to differences. 3:10 loaned a total of approximately $74,000 for policy premiums on AGAP LS 108 and 109 combined. Although it was not required or necessary, 3:10 also paid 2 months of interest of the 18 months of interest payments for all the AGAP lines of credit. After the last interest payment was made by 3:10, 3:10 notified AGAP that it had had difficulty raising the necessary funds to continue its agreement to fund all the AGAP policies. Mr. Sanders explained that the obstacle in raising money to lend to the AGAP companies because Life Partners, the largest retailer of this type of investment and a publicly traded company, had recently filed chapter 7 bankruptcy and because 3:10 had no power or control over the policies. Mr. Sanders proposed that in lieu of further lending on the AGAP policies, 3:10 would exchange its interest by purchasing either AGAP LS 108 LLC and/or AGAP LS 109 LLC outright. AGAP agreed that if the policies were to be considered for sale that 3:10 would be allowed to bid on them for purchase but could not commit or agree to a non-market attained price. At that time, 3:10 informed AGAP they would no longer be able to provide premium financing and the agreement between AGAP and 3:10 was suspended. Still, it was evident that the AGAP companies faced a premium collection shortfall in the near future. The lines for all companies were set to expire on January 22nd 2016. Although a loan renewal was offered by Green Bank, further cash flow analysis and forecasting showed that further indebtedness was a short term solution with dire consequences in the likely event that some insureds continued to live at the end of the renewable notes term. AGAP was informed that by filing chapter 11 bankruptcies for each AGAP company, AGAP would be given the opportunity to establish operating protocols and "rewrite" the rules subject to investor majority approval. This, if approved, would allow AGAP the means to effectively manage the AGAP policies and the collection/payment of the AGAP policy premiums through to fruition. Being given the opportunity to collectively and consensually construct a plan with those investors affected by the plan was believed to be the foremost equitable solution. In December of 2015, AGAP notified Green Bank of its plan to reorganize under Chapter 11 bankruptcy with the intention of paying off all debts in full. AGAP's ability to defer some investor's premium obligation had expired once the bank lending expired. In February 2016, AGAP filed for Chapter 11 Bankruptcy for AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 509 LLC and AGAP Life Offerings LLC.

Future Income expense under the plan

5 year anticipated expenses

	2016	2017[1]	2018[1]	2019[1]	2020[1]
Annual Premium Expense	**$149,251.01**	**$325,298.24**	**$217,888.89**	**$305,787.59**	**$250,801.11**
Administrative Charge[2]	**$19,606.52**	**$19,606.52**	**$19,606.52**	**$19,606.52**	**$19,606.52**

1 – Denotes the estimated amount (only the current policy year has been optimized)
2 – Admin charge is currently .75% of investors subscription amount (ex: $100,000 x .075=$750.00 annually)

5 YEAR ANTICIPATED INCOME/REVENUES

The only source of revenue for AGAP LS 309 LLC is the subscriber's contributions to pay the pro-rata share of premiums for the AGAP LS 309 LLC policy as they become due. No other source is expected with the exception of the maturity of the $5,000,000 universal life insurance policy held in AGAP LS 309 LLC. To the extent that the Debtor is unable to maintain its policy premiums from funds raised from its investor/creditors then it will sell of unmatured policy. The expected sales proceeds from such a sale are less than $500,000.00.

Future Management of Debtors

Both Jeffrey Madden, managing member and Charles Madden, managing member are the sole members and managers of AGAP LS 108 LLC. Along with the other AGAP companies, AGAP intends to create a board of investors to provide oversight on issues facing the investors. The exact duties and oversight of this board has not yet been determined and AGAP does not intend to provide compensation for time served on the board. Also there will be an application filed to appoint a chief restructuring officer to take over the affairs of this Debtor entity which will remove Jeff and Charles Madden from the operations of the Debtor.

Analysis and Valuation of Property

In March 2015 AGAP received a verbal value on the AGAP LS 309 LLC policy to purchase for the amount of $250,000 (5% of face value). At the time of the valuation the insured for the policy held within AGAP LS 309 LLC was 84 years old and given a life expectancy valuation (LE) of 98 months. Both the LE and the age of the insured are two of the most critical variables in determining a policies value. Other factors include the anticipated cost of insurance estimates during the anticipated life of the policy. In February of 2016 an updated LE was acquired and was stated at 65 months with the insureds attained age of 85. Three different life settlement purchasing companies have shown interest in purchasing the AGAP LS 309 LLC policy. Given the age of the insured and the materially deteriorating LE, it is projected that the AGAP LS 309

LLC policy would receive a bid price between $300,000 and $500,000 if sold. All LE's have been underwritten by American Viatical Services (AVS).

Personal Property

Life Insurance Carrier	American National Insurance Company
Type of Life Insurance Policy	Universal Life Insurance Policy
Death Benefit	$5,000,000
Insured Gender	Male
Insured D.O.B (Age)	03/12/1931 (85)
Life Expectancy Valuation (in months)	65
Valuation Date	01/22/2016
Valuation Company	American Viatical Services (AVS)

AGAP LS 509, LLC

Financial History and Background of the Debtor

AGAP LS 509 LLC is a Nevada Limited Liability Company formed in 2009 for the purpose of holding a single life insurance policy, receiving and distributing proceeds to investors, collecting and distributing subscriber proceeds to administer the life insurance policy. AGAP LS 509 LLC receives no other sources of revenue other than subscriber contributions prior to the closing of the fund and after the longevity risk carrier failed and further contributions were required to pay ongoing policy premiums and administrative costs.

Events leading to filing of Bankruptcy

Once each of the AGAP companies (AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 309 LLC and AGAP LS 509 LLC) was fully funded, each AGAP company operated mostly as expected until the premiums that were escrowed ran out. The exception to this was that in April of 2010 AGAP received a Cease and Desist (C&D) order by the Texas State Securities Board (TSSB) for selling what they believed to be unregistered securities. AGAP had spent many months and upwards of $50,000 for a securities lawyer with a reputable law firm to construct an investment in fractional life settlement to primarily retail investors that was in accordance with both state and applicable federal securities laws. We were advised to offer this investment with the same/similar structure as Life Partners, who offered this same type of investment to retail investors globally. Furthermore, Life Partners had existing case law to support its investment structure and this case law supported the belief that the life settlement investment was not determined to be considered a "security" in the state of Texas and elsewhere. We accepted this advice and sold these investments from 2007 to 2010. AGAP was given the opportunity to argue against the C&D at the State Office of Administrative Hearings (SOAH) in Austin Texas. While Judge Jenkins, who presided over the hearings, found no evidence of fraud or failure to disclose in both our marketing materials and investment documents stating so in both his Proposal for Decision (PFD) and in his responsive supplemental findings, he did agree with the state that he believed the AGAP investment to be consistent with what the TSSB defines as a security. As such, AGAP was ruled to be selling a non-registered security. The

commissioner of the TSSB accepted Judge Jenkins findings and the order was affirmed. On the 23rd day from receiving this decision, AGAP officially challenged this ruling at the District Court level. However, the TSSB petitioned the court for a "Plea of Jurisdiction" which meant that, in their view, we had no right to challenge this ruling since we had not filed with the District Court in a timely manner. The TSSB argued that at some unannounced time during the SOAH proceedings that the AGAP matter, which once was governed by the Administrative Procedures Act (APA) now fell under the Texas Securities Act (TSA) although AGAP was never notified of this change. The difference is that under the APA, AGAP was allowed 30 days to appeal the decision affirmed by the TSSB Commissioner and under the TSA AGAP was given 22 days. Having filed on the 23rd day AGAP was, the TSSB argued, not allowed to challenge the commissioners' findings and subsequent ruling. Still, this ruling of arbitrary "Act" switching was argued in from of the District Court. AGAP argued that "if" the TSSB is going to change "Acts" then the TSSB has an obligation to notify the party(s) and at what time the change is going to take effect. AGAP was shocked that the District Court ruled in favor of the State of Texas that there is no obligation of the State to notify or give explanation to the accused party of when they, the TSSB, elect to or not to change from the APA to the TSA or back again. Perhaps even more discouraging was that AGAP lost this argument again at the Appellate level. AGAP felt that it had no more resources to further advance this argument with the hope that AGAP would be able to argue the merits of the original findings by the Commissioner of the TSSB. In addition to the TSSB C&D, AGAP also received a C&D from the Texas Department of Insurance (TDI) in late April 2010. However, unlike the TSSB, the TDI sought to freeze all of the AGAP companies' funds that were set aside to pay agents for selling the AGAP investment as well as organizational fees payable to AGAP. We argued this matter at the same SOAH to a disinterested Judge whose findings were a mere recital of the States pleadings. Again, when AGAP appealed this decision the TDI argued the same Plea of Jurisdiction (POJ) as did the TSSB. However, this POJ argument was thrown out and we were immediately approached by the TDI with the intent to settle prior to bringing this matter to the district court. Having seen how the TSSB matter was handled AGAP entered into a Consent Order with the TDI. The consent order stated that AGAP would agree not to sell or otherwise procure unregistered insurance without the permission of the TDI and in turn the TDI would release (unfreeze) all the money that AGAP had collected for the life settlement investments in the AGAP companies. All legal matters with the TSSB and the TDI wound up almost exactly 3 years after they were initiated in the spring of 2010 with a total cost of near $1,000,000.

During this time, premiums for each of the policies in the AGAP companies were being paid. They each continued being paid until each policy met its defined maturity date which coincided with the premium reserve amount set aside to pay premiums in each AGAP company. As the defined maturity date approached AGAP notified the longevity risk carrier (LRC) with a claim and requested AGAP be notified of how they would like for us to proceed with making a claim. We received no response by mail or phone from the LRC. A brief investigation resulted in AGAP becoming aware that the LRC had, the previous year, lost a lawsuit. The result of this lawsuit, other than hundreds of millions in monetary damages, was the exposure of the LRC's independent financial auditing firm, who, they found, fraudulently over valued the LRC's assets. As a direct result of the lawsuit, the auditing firm, we were informed, faced criminal charges and the LRC filed for bankruptcy. AGAP, authorized a legal view on the financial status of the LRC and even went as far as to drive to the LRC president's home in Mississippi to assist in

determining the benefit, if any, of pursuing legal action against the LRC. AGAP made the determination that by pursuing legal action against the LRC would likely cost hundreds of thousands of dollars in which we may receive very little, if anything in return. Given the very limited amount of AGAP's capital reserves, our focus quickly turned to keeping the existing life insurance policies held in each of the AGAP companies in force. At the demise of the LRC, who provided the full payment of the death benefit once the insured for each policy met his previously established life expectancy plus a deferred period of 12 months, AGAP reviewed the AGAP investment contracts for clarity. At this time, premiums that were escrowed to pay ongoing premiums had either ran out or were running out. While AGAP knew that each investor had acknowledged his/her ability to pay ongoing premiums in such a case, we also knew that it would be unexpected and sudden. It was clear to AGAP that it was essential to pay the ongoing premiums on the life insurance policies in order to realize the eventual death benefit. The only means to pay the policy premiums was from the investment contracts investor obligation to do so in such an event as the longevity risk carrier's failure to pay and the insured continuing to live. While AGAP Life Offerings was under no obligation to organize a premium facility to collect premiums to pay ongoing policy premiums it was believed that without AGAP's intervention that the policy premiums would not be collected in full and the policy(s) would eventually lapse. Initially AGAP used company and personal capital to pay premiums to allow time for the premiums facility to be established and investors to adjust to the sudden and unexpected idea of further expenses associated with their investment. After some time, AGAP started making premium calls to investors for investors to pay their contractual pro-rata obligation of each premium call. It was immediately evident that not all investors were willing or able to pay their pro rata share of the premium calls. Because of this, it became clear that without any long term premium financing the AGAP policies would lapse. Although this was primarily due to the unwillingness or inability for some investors to pay their premium obligation(s), due to AGAP's assumed role, AGAP had ambiguous authority to act in the best interest of those investors who were abiding by their contractual agreement and little recourse to those who were not. Even though AGAP had begun negotiations with Green Bank for possible short term lending for the AGAP companies, the understanding that investors would continue to dismiss their obligation to pay premiums intensified the need for long term premium financing. Through an accountability board that AGAP had established, an idea was proposed by Rod Sanders as a means for long term premium funding. Included in this proposal was a 5 year agreement to pay the premium shortfalls as they became due for all AGAP policies as well as purchasing investment contracts at a discount from investors who desired to liquidate. Those investors who chose not to pay premiums and chose not to liquidate would forfeit their entire investment in the AGAP companies. AGAP knew that its contractual authority to forfeit investors due to not paying the pro-rat share of their premium obligation was not explicit. AGAP also knew, and was advised on several occasions by legal counsel, fund managers and business professionals, that continuing to carry those investors who were not willing or able to pay their pro-rata share of the premiums was detrimental to those who were abiding by their contractual obligation and paying their pro rata share of policy premiums. Therefore, it was determined that AGAP must act in the best interest of the policies and therefore the best interest of those who actively abiding by their contractual obligation. Because of this determination, Mr. Sanders founded 3:10 Capital Investment LLC (3:10) in the Spring of 2015 to raise capital from high net worth individuals and qualifying capital partners to supply long term funding for the AGAP companies/policies and to purchase investment contracts at a discount. This endeavor, however, would take some time to

ramp up and the need for funding was immediate. Fortunately, AGAP was able to negotiate a short term loan from Green Bank; but on a limited basis. Green Bank would pay 50% of each premium call and each company (AGAP LS 108/109/209/309/509) would have a limited line of credit projected to last 18 months. For this funding, Green bank would receive full death benefit collateral on each policy through the insurance carrier and was allowed cross-collateralization from all AGAP companies. At the end of the 18 months, or prior, 3:10 would "buy out" Green Bank and take over as a 1st position secured creditor. During these 18 months of premium lending, with the exceptions of AGAP LS 108 LLC and AGAP LS 109 LLC, each of the AGAP companies was able to raise enough funds through investor participation to cover the required 50% of premium and therefore required no premium funding from 3:10. In some cases, 3:10 made up the deficiency for AGAP LS 108/109 and in other cases AGAP, through personal loans, made up to differences. 3:10 loaned a total of approximately $74,000 for policy premiums on AGAP LS 108 and 109 combined. Although it was not required or necessary, 3:10 also paid 2 months of interest of the 18 months of interest payments for all the AGAP lines of credit. After the last interest payment was made by 3:10, 3:10 notified AGAP that it had had difficulty raising the necessary funds to continue its agreement to fund all the AGAP policies. Mr. Sanders explained that the obstacle in raising money to lend to the AGAP companies because Life Partners, the largest retailer of this type of investment and a publicly traded company, had recently filed chapter 7 bankruptcy and because 3:10 had no power or control over the policies. Mr. Sanders proposed that in lieu of further lending on the AGAP policies, 3:10 would exchange its interest by purchasing either AGAP LS 108 LLC and/or AGAP LS 109 LLC outright. AGAP agreed that if the policies were to be considered for sale that 3:10 would be allowed to bid on them for purchase but could not commit or agree to a non-market attained price. At that time, 3:10 informed AGAP they would no longer be able to provide premium financing and the agreement between AGAP and 3:10 was suspended. Still, it was evident that the AGAP companies faced a premium collection shortfall in the near future. The lines for all companies were set to expire on January 22nd 2016. Although a loan renewal was offered by Green Bank, further cash flow analysis and forecasting showed that further indebtedness was a short term solution with dire consequences in the likely event that some insureds continued to live at the end of the renewable notes term. AGAP sought advice from business professionals and investors alike and through those encounters. AGAP was informed that by filing chapter 11 bankruptcies for each AGAP company, AGAP would be given the opportunity to establish operating protocols and "rewrite" the rules subject to investor majority approval. This, if approved, would allow AGAP the means to effectively manage the AGAP policies and the collection/payment of the AGAP policy premiums through to fruition. Being given the opportunity to collectively and consensually construct a plan with those investors affected by the plan was believed to be the foremost equitable solution. In December of 2015, AGAP notified Green Bank of its plan to reorganize under Chapter 11 bankruptcy with the intention of paying off all debts in full. AGAP's ability to defer some investor's premium obligation had expired once the bank lending expired. In February 2016, AGAP filed for Chapter 11 Bankruptcy for AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 509 LLC and AGAP Life Offerings LLC.

Future Income expense under the plan

5 year anticipated expenses

	2016	2017[1]	2018[1]	2019[1]	2020[1]
Annual Premium Expense	**$189,320.69**	**$283,649.19**	**$299,935.29**	**$323,471.92**	**349,623.43**
Administrative Charge[2]	**$15,543.39**	**$15,543.39**	**$15,543.39**	**$15,543.39**	**$15,543.39**

1 – Denotes the estimated amount (only the current policy year has been optimized)
2 – Admin charge is currently .85% of investors subscription amount (ex: $100,000 x .085=$850.00 annually)

5 YEAR ANTICIPATED INCOME/REVENUES

The only source of revenue for AGAP LS 509 LLC is the subscriber's contributions to pay the pro-rata share of premiums for the AGAP LS 509 LLC policy as they become due. No other source is expected with the exception of the maturity of the $3,750,000 universal life insurance policy held in AGAP LS 509 LLC. To the extent that the Debtor is unable to maintain its policy premiums from funds raised from its investor/creditors then it will sell of unmatured policy. The expected sales proceeds from such a sale are less than $100,000.00.

Future Management of Debtors

Both Jeffrey Madden, managing member and Charles Madden, managing member are the sole members and managers of AGAP LS 108 LLC. Along with the other AGAP companies, AGAP intends to create a board of investors to provide oversight on issues facing the investors. The exact duties and oversight of this board has not yet been determined and AGAP does not intend to provide compensation for time served on the board. Also there will be an application filed to appoint a chief restructuring officer to take over the affairs of this Debtor entity which will remove Jeff and Charles Madden from the operations of the Debtor.

Analysis and Valuation of Property

In March 2015 AGAP received a verbal value on the AGAP LS 509 LLC policy to purchase for the amount of $75,000 (2% of face value). At the time of the valuation the insured for the policy held within AGAP LS 509 LLC was 86 years old and given a life expectancy valuation (LE) of 83 months. Both the LE and the age of the insured are two of the most critical variables in determining a policies value. Other factors include the anticipated cost of insurance estimates during the anticipated life of the policy. In January of 2016 an updated LE was acquired and was stated at 77 months with the insureds attained age of 87. Three different life settlement purchasing companies have shown interest in purchasing the AGAP LS 509 LLC policy. Given the age of the insured and the deteriorating LE, and anticipated increase of the cost of insurance at the carrier level, it is projected that the AGAP LS 509 LLC policy would receive a bid price

between $75,000 and $150,000 if sold. All LE's have been underwritten by American Viatical Services (AVS).

Personal Property

Life Insurance Carrier	AXA Equitable Life Insurance Company
Type of Life Insurance Policy	Universal Life Insurance Policy
Death Benefit	$3,750,000
Insured Gender	Male
Insured D.O.B (Age)	04/21/1929 (87)
Life Expectancy Valuation (in months)	77
Valuation Date	01/21/2016
Valuation Company	American Viatical Services (AVS)

AGAP Life Offerings, LLC

Financial History and Background of the Debtor

AGAP Life Offerings LLC is a Nevada Limited Liability Company formed in 2008 for the purpose of facilitating the purchase of a fractional portion of a life settlement (life insurance policy) by qualified investors (subscribers) in accordance with all applicable state and federal laws. AGAP received an Organizational fee for this transaction but this fee was withheld from AGAP until the spring of 2013 by a Cease and Desist Order issued by the Texas Department of Insurance (see Events Leading to filing of Bankruptcy below). In addition to the Cease and Desist Order issued by the Texas Department of Insurance, AGAP Life Offerings also received a Cease and Desist Order from the Texas State Securities Board. Although the orders were not punitive, AGAP Life Offering LLC was unable to overcome the negative stigma and therefore, outside of the organizational fees released in 2013, has had no operating income. At the onset of AGAP Life Offerings and the funding of the life settlement offerings (AGAP LS 108/109/209/309/509 LLC), it was never intended for AGAP to have a managerial role or act, in any manner, outside the scope of the investment contracts. However, due to the legal issues faced during the early stages of the life settlement offerings, as well as the necessity of an organized Premium Facility for the AGAP companies once the longevity risk contract failed and the insured's continued to live, AGAP asserted itself to defend the companies interests against the TSSB/TDI and later to establish an organized means of collecting premiums to keep each companies life insurance policy in force for the eventual benefit of all parties. For the first 10-18 months of AGAP enacting the premium facility, no administrative charges were applied to investors for this service. However, starting in 2015, AGAP assessed a .75% of investment capital annual administrative charge which equates to roughly $90,000 per annum. Due to lack of investor participation in the premium facility, AGAP collected less than $65,000 of that administrative charge.

Events leading to filing of Bankruptcy

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did the TSSB. However, this POJ argument was thrown out and we were immediately approached by the TDI with the intent to settle prior to bringing this matter to the district court. Having seen how the TSSB matter was handled AGAP entered into a Consent Order with the TDI. The consent order stated that AGAP would agree not to sell or otherwise procure unregistered insurance without the permission of the TDI and in turn the TDI would release (unfreeze) all the money that AGAP had collected for the life settlement investments in the AGAP companies. All legal matters with the TSSB and the TDI wound up almost exactly 3 years after they were initiated in the spring of 2010 with a total cost of near $1,000,000.

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assumed role, AGAP had ambiguous authority to act in the best interest of those investors who were abiding by their contractual agreement and little recourse to those who were not. Even though AGAP had begun negotiations with Green Bank for possible short term lending for the AGAP companies, the understanding that investors would continue to dismiss their obligation to pay premiums intensified the need for long term premium financing. Through an accountability board that AGAP had established, an idea was proposed by Rod Sanders as a means for long term premium funding. Included in this proposal was a 5 year agreement to pay the premium shortfalls as they became due for all AGAP policies as well as purchasing investment contracts at a discount from investors who desired to liquidate. Those investors who chose not to pay premiums and chose not to liquidate would forfeit their entire investment in the AGAP companies. AGAP knew that its contractual authority to forfeit investors due to not paying the pro-rat share of their premium obligation was not explicit. AGAP also knew, and was advised on several occasions by legal counsel, fund managers and business professionals, that continuing to carry those investors who were not willing or able to pay their pro-rata share of the premiums was detrimental to those who were abiding by their contractual obligation and paying their pro rata share of policy premiums. Therefore, it was determined that AGAP must act in the best interest of the policies and therefore the best interest of those who actively abiding by their contractual obligation. Because of this determination, Mr. Sanders founded 3:10 Capital Investment LLC (3:10) in the Spring of 2015 to raise capital from high net worth individuals and qualifying capital partners to supply long term funding for the AGAP companies/policies and to purchase investment contracts at a discount. This endeavor, however, would take some time to ramp up and the need for funding was immediate. Fortunately, AGAP was able to negotiate a short term loan from Green Bank; but on a limited basis. Green Bank would pay 50% of each premium call and each company (AGAP LS 108/109/209/309/509) would have a limited line of credit projected to last 18 months. For this funding, Green bank would receive full death benefit collateral on each policy through the insurance carrier and was allowed cross-collateralization from all AGAP companies. At the end of the 18 months, or prior, 3:10 would "buy out" Green Bank and take over as a 1st position secured creditor. During these 18 months of premium lending, with the exceptions of AGAP LS 108 LLC and AGAP LS 109 LLC, each of the AGAP companies was able to raise enough funds through investor participation to cover the required 50% of premium and therefore required no premium funding from 3:10. In some cases, 3:10 made up the deficiency for AGAP LS 108/109 and in other cases AGAP, through personal loans, made up to differences. 3:10 loaned a total of approximately $74,000 for policy premiums on AGAP LS 108 and 109 combined. Although it was not required or necessary, 3:10 also paid 2 months of interest of the 18 months of interest payments for all the AGAP lines of credit. After the last interest payment was made by 3:10, 3:10 notified AGAP that it had had difficulty raising the necessary funds to continue its agreement to fund all the AGAP policies. Mr. Sanders explained that the obstacle in raising money to lend to the AGAP companies because Life Partners, the largest retailer of this type of investment and a publicly traded company, had recently filed chapter 7 bankruptcy and because 3:10 had no power or control over the policies. Mr. Sanders proposed that in lieu of further lending on the AGAP policies, 3:10 would exchange its interest by purchasing either AGAP LS 108 LLC and/or AGAP LS 109 LLC outright. AGAP agreed that if the policies were to be considered for sale that 3:10 would be allowed to bid on them for purchase but could not commit or agree to a non-market attained price. At that time, 3:10 informed AGAP they would no longer be able to provide premium financing and the agreement between AGAP and 3:10 was suspended. Still, it was evident that the AGAP

companies faced a premium collection shortfall in the near future. The lines for all companies were set to expire on January 22nd 2016. Although a loan renewal was offered by Green Bank, further cash flow analysis and forecasting showed that further indebtedness was a short term solution with dire consequences in the likely event that some insureds continued to live at the end of the renewable notes term. AGAP was informed that by filing chapter 11 bankruptcies for each AGAP company, AGAP would be given the opportunity to establish operating protocols and "rewrite" the rules subject to investor majority approval. This, if approved, would allow AGAP the means to effectively manage the AGAP policies and the collection/payment of the AGAP policy premiums through to fruition. Being given the opportunity to collectively and consensually construct a plan with those investors affected by the plan was believed to be the foremost equitable solution. In December of 2015, AGAP notified Green Bank of its plan to reorganize under Chapter 11 bankruptcy with the intention of paying off all debts in full. AGAP's ability to defer some investor's premium obligation had expired once the bank lending expired. In February 2016, AGAP filed for Chapter 11 Bankruptcy for AGAP LS 108 LLC, AGAP LS 109 LLC, AGAP LS 209 LLC, AGAP LS 509 LLC and AGAP Life Offerings LLC.

Future Income expense under the plan

5 year anticipated expenses

MONTHLY	2016[1]	2017[2]	2018[2]	2019[2]	2020[2]
Personnel	$3,500	$28,000	$42,000	$42,000	$42,000	$42,000
Facilities	$450	$3,600	$5,400	$5,400	$5,400	$5,400
Telephone & Data	$502	$4,016	$6,024	$6,024	$6,024	$6,024
Office Expenses	$569	$4,552	$6,828	$6,828	$6,828	$6,828
Policy Serving Fees	$362.50	$2,900	$4,350	$4,350	$4,350	$4,350
Travel/Vehicle	$75.00	$600	$900	$900	$900	$900
Miscellaneous Expense	$400	$3,200	$4,800	$4,800	$4,800	$4,800
Professional Fees	$1,650.00	$13,200	$19,800	$19,800	$19,800	$19,800
	$7,508.50	$60,068	$91,102	$91,102	$91,102	$91,102

1 – Denotes partial year
2 – Denotes estimates and will be affected by policy maturities

5 YEAR ANTICIPATED INCOME/REVENUES

	2016	2017[1]	2018[1]	2019[1]	2020[1]
Administrative Charge	**$60,068**	**$91,102**	**$91,102**	**$91,102**	**$91,102**

1 – Denotes estimates and will be affected by policy maturities

The only source of revenue for AGAP Life Offerings LLC is the assessed administrative charge to subscriber's to pay the costs associated with administering the premium facility for all policies in the AGAP companies. The administrative charge as of May 2016 is .85% of investor

investment capital. No other source is expected with the potential exception of monetary benefit from the eventual maturity of the AGAP policies held in the AGAP companies. Any exception will be outlined in the plan to be approved by the US trustee, presiding bankruptcy judge and majority unsecured creditors (AGAP company subscribers). The CRO to be employed by the Debtors should be able to work within the expected costs set forth for administration of the Debtors. The exact terms of his employment will be set forth in the Application to Employ CRO. One of the reasons for asking to appoint a CRO as opposed to a Trustee is to maintain the projected overhead costs.

Future Management of Debtors

Both Jeffrey Madden, managing member and Charles Madden, managing member are the sole members and managers of AGAP LS 108 LLC. Along with the other AGAP companies, AGAP intends to create a board of investors to provide oversight on issues facing the investors. The exact duties and oversight of this board has not yet been determined and AGAP does not intend to provide compensation for time served on the board. Also there will be an application filed to appoint a chief restructuring officer to take over the affairs of this Debtor entity which will remove Jeff and Charles Madden from the operations of the Debtor.

Analysis and Valuation of Property

AGAP Life Offerings LLC have receivables that may be collected from other AGAP Debtors on maturity of policies and sales of policies.

Objections to the Disclosure Statement

3:10 Capital's objections to the Plan and Disclosure Statement are discussed below:

3:10 Capital Investments, L.P. claims it is a secured creditor of AGP LS 108, LLC, AGAP LS 109, LLC, AGAP LS 209, LLC, AGAP 309, LLC, and AGAP 509, LLC by virtue of a Revolving Credit Facility to each of the Debtors evidenced by Loan and Security Agreement (collectively "Loan Agreements"). The Debtors have found no evidence of a validly perfected security interest in the policies of the Debtors. Debtors contend that such interest would have to be reflected in notices to the insurance companies or some type of public filing neither of which show to have been done by 3:10 Capital Investments, L.P. Irrespective, 3:10 claims it is owed monies by the Debtors under the Loan Agreements secured by a Collateral Assignment of Life Insurance in favor of 3:10 Capital on each of the Debtors' life insurance policies as well as substantially all of the Debtors' assets. 3:10 also claims it is a creditor of AGAP Life Offerings, LLC as successor in interest to Charles and Cynthia McWilliams to a loan agreement with Life Offerings secured by the death benefit of six life policies even though the actual McWilliams paperwork shows that there is no valid lien on the six policies since Life Offerings owned no such policies. Debtors contend that 3:10 defaulted on its obligations to the Debtors regarding funding to be provided by 3:10.

3:10 claims that as of the Petition Date, the AGAP Debtors owning policies were indebted to 3:10 Capital for the outstanding balance of the Loan Agreement with each Policy Owning Debtor

and for deferred origination fees and maturity fees payable upon the maturity of each policy. 3:10 also claims that Offerings was indebted to 3:10 Capital for the total indebtedness due under the loan with Offerings. Debtors have disputed whether such fees are actually due and owing because 3:10 allegedly did not fulfill its obligations to raise funding for the Debtors.

3:10 claims that Debtor's Plan and Disclosure Statement should be denied for the following reasons:

The Plan and Disclosure Statement lack sufficient information to allow even the most sophisticated investors to make an informed decision whether to support the Plan. The Plan is patently unconfirmable. The Plan proposes to obligate the Debtors' unsecured creditors who choose to support the Plan to pay an undetermined amount of money to fund the Debtors' policy premiums for an undefined amount of time. The Debtors contend that this obligation already exists because the investor/creditors made this commitment when they invested originally in the Debtors' policies. The Debtors can provide a schedule of what these amounts look like once it knows who will continue to participate in the Plan. Informally the Debtors' ad hoc committees have determined that there will be 80-90% participation from the investor creditor participants in AGAP LS 209, 309 and 509. The only Debtor that is likely to liquidate is AGAP LS 109 because it has had a miserable participation in premium payments both prior to and after the filing of the bankruptcy cases.

Also these provisions do not apply to the claims of 3:10. To date no creditor/investors in the Debtors have raised these concerns and through the ad hoc committees they have formed they have a good understanding of what the future obligations of the Debtors look like. 3:10claims that because of this, Debtors' unsecured creditors receive an undefined interest in the Debtors which is subject to future reallocation, reduction and dilution at the sole discretion of the Debtors' principals and for an incalculable return on their investments. The Debtors would argue that this was the case prior to the filing of the case and that in fact the amounts can be determined with some certainty although not complete certainty until the creditors that choose to participate are determined and those that opt out are determined.

3:10 asserts that the Disclosure Statement lacks sufficient information to make an informed judgment about the Plan. It is a fact that the only source of revenue for the Policy Owning Debtors is each hypothetical subscriber's contributions to pay their pro-rata share of premiums. The only source of revenue for Offerings is an assessed administrative fee to the hypothetical subscribers. 3:10 contends that the Debtors Plan is wholly contingent upon the individual investors in each of the policy-owning Debtors, many of whom have already failed to answer past premium calls, (a) "opting in" to the Plan, (b) agreeing to pay an undefined pro-rata share of policy premiums as they come due; and (c) having the financial wherewithal and commitment to pay their undefined, pro-rata share of the policy premiums as they come due until the policy matures. **The Debtors recognize this issue and have added a provision to the Plan that in the event that there are not enough contributing creditors to maintain the policies through premium calls, then the Debtors will sell the policies on the open market and distribute the funds from such sale in accordance with the terms of the Plan. The Plan does contemplate the possibility of the sale of the policies at a time post-confirmation. This is particularly the case with AGAP LS 109 which has had very few investor creditors willing to contribute**

to premium calls. An additional recourse is the option to reduce the death benefit to a manageable and affordable level.

3:10 contends that the Life Expectancy Valuations are purely speculative. Debtors would disagree these are actually based on expert actuarial tables and calculations that the Debtors have been provided. The reports that the Debtors have on life expectancies are summarized as follows:

	AGAP LS 109	AGAP LS 209	AGAP LS 309	AGAP LS 509
Age	89	88	85	87
Life Expectancy	50 months	89 months	65 months	77 months
Primary Impairment	Diabetes	Elder	Atrial Fibrillation	Elder
Report By	AVS Underwriting LLC	AVS Underwriting LLC	AVS Underwriting LLC	AVS Underwriting LLC
Report Date	12/29/2014	1/22/2016	1/22/2016	1/21/2016

3:10 contends that the period of each subscribers' commitment to pay policy premiums is undefined and could extend far beyond the current Life Expectancy Valuation. That fact is true and existed prior to the filing of the case and has not changed with the case filings. 3:10 contends that the Life Expectancy Valuations have not been provided so there is no way to evaluate the facts, assumptions or methodologies that were used in determining each valuation. Such reports are available from the Debtors. Financial projections (Exhibit 3 to DS and Plan) are based purely on the assumption that a sufficient number of subscribers will participate in the Plan and pay their undetermined pro-rata share of the policy premiums until the policy matures. These facts are correct and if the premiums are not met the policies will be sold. Debtors contend that 3:10 will receive no deferred fee on a sale of the policies as the fee, if one is entitled to be paid at all, was contingent on the policies reaching maturity.

3:10 contends that the financial projections are incomplete in that the Financial Projections only go through 2020. The Disclosure Statement and Plan are also silent as to the event of insufficient subscribers participating in the Plan or meeting their premium calls and provide no evidence that sufficient subscribers will participate, pay their premiums as they due and stay committed to do so for an undeterminable amount of time. **The Debtors recognize this issue and have added a provision to the Plan that in the event that there are not enough contributing creditors to maintain the policies through premium calls, then the Debtors will sell the policies on the open market and distribute the funds from such sale in accordance with the terms of the Plan. The Plan does contemplate the possibility of the sale of the policies at a time post-confirmation. An additional recourse is the option to reduce the death benefit to a manageable and affordable level.**

3:10 contends that the Debtor's plan is nothing more than an assumption based on multiple contingencies and offers zero certainty as to the final return on any subscriber's investment. The plan offers the subscribers who opt-in to the Policy Holding Debtors absolutely no assurance of what their premium commitment will be in either amount or term. By opting-in, they become burdened to pay an undetermined amount of money for an undetermined time. This was the case when the creditor investor first invested in the policies. The Plan provides for the potential that

the face value of any policy may be reduced or that the policy may be sold. As a result, the value of any particular subscriber's investment may be reduced, diluted and their premium obligations extended for much longer than anticipated, all at the discretion of the loosely defined management structure. All of these things are possibilities. The Debtors intend to address the management issue by retaining a CRO and each Debtor has had ad hoc committees be formed. 3:10 contends that there is no assurance of what any particular subscriber will realize at the end of the Plan term. Such a plan offers no promise that creditors will ever get paid in full, but only that subsequent Plan modification or further reorganization will be necessary. The Debtors will either continue until maturity and pay out at maturity or have the option to sell the policies at any time that the policy funding is undersubscribed.

3:10 contends that the proposed treatment of 3:10 Capital's alleged secured claims drastically alters the structure of the original Loan Agreements by lengthening the loan term to an undetermined time. 3:10 argues that the Indebtedness due to 3:10 Capital is due and payable in full and that instead, the plan extends the term to an undefined time when 3:10 Capital will be paid "from the proceeds of such sale or the maturity of the insurance policy" owned by each of the Policy Owning Debtors. 3:10 claims that the Plan fails to provide for the payment of deferred origination fee and deferred maturity dee due to 3:10 Capital upon the maturity of the policies. 3:10 claims that the Plan interest rate violates the "fair and equitable" test because the proposed interest rate is too low. The Debtors disagree with each of these contentions.

3:10 claims that the Debtor's Liquidation Analysis attached as Exhibit 2 to the Plan and DS makes it clear that 3:10 Capital will get paid the full amount of its claim in a liquidation scenario. 3:10 will get paid in either a liquidation or a Plan that waits to maturity. By liquidating the policies now there is a greater likelihood that the other unsecured creditors will not get paid or will get paid only a fraction of their debt.

3:10 claims that the multiple contingencies within he Plan; i.e., sufficient creditors, "opting-in," the undeterminable date of policy maturation, the potential sale of any policy and the potential for reduction in face value of a policy all make it impossible to determine whether any particular unsecured creditor will receive more or less than through liquidation. There is no question but that a liquidation will return far less to the unsecured creditors than waiting for a maturity to occur.

3:10 claims that the Class 4 creditors who abandon their investment are treated as having accepted the Plan when in reality, they have only expressed the intent to not make future policy premiums. The Debtors have addressed this issue in the amended Plan by indicating that such creditors may actually be treated as voting against the Plan should they do so. Several, if not all, creditors who were contributing pre-petition have been advised, or elected, to cease making premium calls in discovery of the Trustee's motion to appoint a trustee. The Debtors believe that once the plan is approved and Debtors exit bankruptcy that participation will increase above the pre-petition ratios.

3:10 claims that rather than receive their pro-rata share of their current investment as they would in a liquidation, this subclass of creditors receives only 10% of the value of their allowed claim

after either maturity of the policy or a sale of the policy. In a liquidation the Debtors have shown what this Class of creditors would receive and it is equal to or less than 10%.

ARTICLE IV
ANALYSIS AND VALUATION OF PROPERTY

Liquidation Value of Assets

The analysis of the liquidation of the policies is described on ***Exhibit "2"*** attached hereto.

ARTICLE V
SUMMARY OF THE PLAN[1]

Pursuant to Section 1122 of the Bankruptcy Code, each of the Debtors has designated Classes of Claims and Interests under the Plan which will be treated as laid out below. Administrative Expenses and Priority Tax Claims are excluded from each Debtor's respective classes in accordance with § 1123(a)(1), and are instead treated in their own section. The classes shall be as follows:

Claims against AGAP LS 108, Case No. 16-40529-btr

- Class AGAP 108 1: Allowed Claim of AGAP LS 409, LLC[2]
- Class AGAP 108 2: Allowed Claim of 3:10 Capital Investments
  Class AGAP 108 3: Allowed AGAP Life Offerings Claim
- Class AGAP 108 4: Allowed General Unsecured Claims
- Class AGAP 108 5: Equity Interests in the Debtor

Claims against AGAP LS 109, Case No. 16-40530-btr

- Class AGAP 109 1: Allowed Claim of AGAP LS 409, LLC[3]
- Class AGAP 109 2: Allowed Claim of 3:10 Capital Investments
- Class AGAP 109 3: Allowed AGAP Life Offerings Claim
- Class AGAP 109 4: Allowed General Unsecured Claims
- Class AGAP 109 5: Equity Interests in the Debtor

Claims against AGAP LS 209, Case No. 16-40531-btr

- Class AGAP 209 1: Allowed Claim of AGAP LS 409, LLC[4]

[1] A complete list of claims by class is attached hereto as Exhibit A-1 to address the objection of the U.S. Trustee.
[2] This claim reflects the claim of Green Bank which was paid by AGAP LS 409, LLC for which it asserts the right to such position of Green Bank to the extent of the funds that it paid for this Debtor entity.
[3] Same as footnote 1.
[4] Same as footnote 1.

- Class AGAP 209 2: Allowed Claim of 3:10 Capital Investments
- Class AGAP 209 3: Allowed AGAP Life Offerings Claim
- Class AGAP 209 4: Allowed General Unsecured Claims
- Class AGAP 209 5: Equity Interests in the Debtor

Claims against AGAP LS 309, Case No. 16-40521-btr

- Class AGAP 309 1: Allowed Claim of AGAP LS 409, LLC[5]
- Class AGAP 309 2: Allowed Claim of 3:10 Capital Investments
- Class AGAP 309 3: Allowed AGAP Life Offerings Claim
- Class AGAP 309 4: Allowed General Unsecured Claims
- Class AGAP 309 5: Equity Interests in the Debtor

Claims against AGAP LS 509, Case No. 16-40532-btr

- Class AGAP 509 1: Allowed Claim of AGAP LS 409, LLC[6]
- Class AGAP 509 2: Allowed Claim of 3:10 Capital Investments
- Class AGAP 509 3: Allowed AGAP Life Offerings Claim
- Class AGAP 509 4: Allowed General Unsecured Claims
- Class AGAP 509 5: Equity Interests in the Debtor

Claims against AGAP Life Offerings, Case No. 16-40520-btr

- Class AGAP Life 1: Allowed General Unsecured Claims
- Class AGAP Life 2: Equity Interests in the Debtor

Treatment of Claims and Interests

Debtors designate the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1122, which shall be treated in the manner set forth in this Article.

5.1 Claims against AGAP 108 Case No. 16-40529-btr

5.1.1 AGAP 108 1: Allowed Claim of AGAP LS 409, LLC

This claim shall be paid once Allowed as follows:

> This Claim is an Allowed Claim and shall be paid in full from funds it receives from the proceeds received on maturity of the policy or sale of the policy. This Allowed Claim is entitled to receive interest on this claim which will accrue at the rate of 6%

[5] Same as footnote 1.
[6] Same as footnote 1.

per annum. The total claim amount is approximately $96,518.85.[7] The Allowed Claim if determined by the Court to be validly secured shall accrue interest thereon at the rate of 6% per annum. To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest. Since the AGAP 108 Policy has matured it is expected this claim will be paid on the Effective Date or as soon as the policy proceeds are received.

a. To the extent that this claim is secured by a valid lien such lien shall remain in place until the Allowed Claim is paid in full. The Court shall determine any security for such claim.

b. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan.

5.1.2 Class AGAP 108 2: Allowed Claim of 3:10 Investments

This Claim will be paid once Allowed as follows:

This Claim is an Allowed Claim and is in the amount of $21,645.53. The Debtor has challenged whether this claim is actually a secured claim. This claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 108, LLC as soon as such funds are available. The Allowed Claim if determined by the Court to be validly secured shall accrue interest thereon at the rate of 6% per annum. To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest. There shall be no deferred fee paid as part of the Allowed Claim unless it is determined that such fee is a valid claim against the Debtor and the policy proceeds of the Debtor. To the extent that this claim is secured by a valid lien such lien shall remain in place until the Allowed Claim is paid in full. Since the AGAP 108 Policy has matured it is expected this claim will be paid on the Effective Date or as soon as the policy proceeds are received.

a. There shall be no prepayment penalty if this Claim is paid early.

b. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan.

5.1.3 Class AGAP 108 3: Allowed Claim of Life Offerings

This Claim will be paid once Allowed as follows:

The Allowed Claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 108, LLC as soon as such funds are available. This claim is in the amount of $168,515.90. This claim is unsecured and arises from the payment by Life Offerings of policy premiums for AGAP LS 108.

[7] AGAP LS 409, LLC may claim the entire amount that it is owed against each of the Debtors that owe it money until it is paid in full. The total claim is in excess of $850,000.00.

Since the AGAP 108 Policy has matured it is expected this claim will be paid on the Effective Date or as soon as the policy proceeds are received.

a. There shall be no prepayment penalty if this Claim is paid early.

b. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan. This claim is a related party claim.

5.1.4 Class AGAP 108 4: Allowed General Unsecured Claims

The Creditors in this Class with Allowed Claims will be treated as follows:

Creditors in this Class with Allowed Claims will pay back all past due premiums, service fees and interest by offsetting such obligations owed by such Claimants as part of the distribution of policy proceeds to this Class of Claimants. Once these adjustments are made and the payments are made to the Class 1, 2 and 3 Claimants with Allowed Claims then distributions of the policy proceeds shall be made to the Class 4 Claimants.

This Class is Impaired and the holders of the Claims are entitled to vote to accept or reject the Plan. The total claims in this Class are estimated at $1,570,296.04.

5.1.5 Class AGAP 108 5: Equity Interests in the Debtor

All equity in the Debtor will be cancelled. The equity interest holders are Impaired under the Plan. The new equity interests shall be issued to AGAP Life Offerings, LLC. AGAP Life Offerings will be owned as set forth in this Plan but will be advised by the Ad Hoc Committees formed during the Chapter 11 cases to advise the owners of each policy.

This Class is Impaired and the holders of the Interests are entitled to vote to accept or reject the Plan.

5.2 Claims against AGAP LS 109, Case No. 16-40530-btr

5.2.1 AGAP 109 1: Allowed Claim of AGAP LS 409, LLC

This claim shall be paid once Allowed as follows:

a. This Claim is an Allowed Claim and shall be paid in full from funds it receives from the sale of the AGAP LS 109, LLC policy or the proceeds received on maturity of the policy. This Allowed Claim is entitled to receive interest on this claim which will accrue at the rate of 6% per annum. To the extent that this claim is secured by a valid lien such shall remain in place until the Allowed Claim is paid in full. The total claim amount is approximately $265,000.00.[8] If the Allowed Claim is determined by the Court to be validly secured it shall accrue interest thereon at the rate of 6% per annum. To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest.

[8] AGAP LS 409, LLC may claim the entire amount that it is owed against each of the Debtors that owe it money until it is paid in full. The total claim is in excess of $850,000.00.

b. To the extent that this claim is secured by a valid lien such lien shall remain in place until the Allowed Claim is paid in full. The Court shall determine any security for such claim.

c. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan.

5.2.2 Class AGAP 109 2: Allowed Claim of 3:10 Investments

This Claim will be paid once Allowed as follows:

a. This Claim is an Allowed Claim and is in the amount of $47,811.70. The Debtor has challenged whether this claim is actually a secured claim. This claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 109, LLC as soon as such funds are available. The Allowed Claim if determined by the Court to be validly secured shall accrue interest thereon at the rate of 6% per annum. To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest. There shall be no deferred fee paid as part of the Allowed Claim unless it is determined that such fee is a valid claim against the Debtor and the policy proceeds of the Debtor. To the extent that this claim is secured by a valid lien such lien shall remain in place until the Allowed Claim is paid in full.

b. There shall be no prepayment penalty if this Claim is paid early.

c. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan.

5.2.3 Class AGAP 109 3: Allowed Claim of Life Offerings

This Claim will be paid once Allowed as follows:

a. The Allowed Claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 109, LLC as soon as such funds are available. This claim is in the amount of $367,801.91. This claim is unsecured and arises from the payment by Life Offerings of policy premiums for AGAP LS 109.

a. There shall be no prepayment penalty if this Claim is paid early.

b. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan. This claim is a related party claim.

5.2.4 Class AGAP 109 4: Allowed General Unsecured Claims

The Creditors in this Class with Allowed Claims will be treated as follows:

By voting in favor of the Plan each Creditor in this Class may then elect one of the following treatments:

1. Any Creditors in this Class with Allowed Claims may agree to pay back all past due premiums, service fees and interest and commit to pay their portion of the future premiums until the policy matures. They will be entitled to receive the full death maturity benefits of such policy when it matures. If the policy is sold prior to maturity they will receive their pro-rata share of the sales proceeds available after paying the Administrative Claims, Class 1, 2 and 3 Allowed Claims.

2. Any Creditors in this Class with Allowed Claims may agree to reduce their maturity value and receive full death benefits on the maturity value minus any past due premiums, service fees and interest charges from the Confirmation Date and commit to pay their portion of the future premiums until the policy matures. They will be entitled to receive the reduced maturity benefits of such policy when it matures. If the policy is sold prior to maturity they will receive their pro-rata share of the sales proceeds available after paying the Administrative Claims, Class 1, 2 and 3 Allowed Claims.

3. Any Creditors with Allowed Claims may agree to abandon their investment if they do not desire to pay any future premiums. By agreeing to abandon their investment they are electing to be paid under the AGAP Life Offerings treatment. All past due premiums, fees and charges will be forgiven.

Any Creditor that agrees to make future premium payments but fails to do so will be treated as having abandoned their interest and will be out of the Plan. The Reorganized Debtor will provide a ten notice to a defaulting creditor prior to any action being taken on their interest. A defaulting creditor may still be entitled to a distribution if the Debtor elects to sell the policy as a result of defaults and such defaulting creditor cures such defaults prior to the sale of the policy.

The Debtor believes that the Creditors will receive at least 10% of their current maturity value under these options.

By voting against the Plan each Creditor opposing the plan will receive nothing under the Plan and abandons their interest in the policy.

Enhanced Maturity Option

If any Creditor with an Allowed Claim decides to abandon his or her share of the maturity value of any policy he or she is invested in (by not paying his premiums by a fixed default date to be set at Confirmation) or by voting no to the Plan, then the other AGAP investors may have the opportunity to acquire this abandoned maturity value by agreeing to pay all future premiums, fees and charges until maturity. To decide who may acquire this maturity value the following selection process will be used:

A) The interest will be shared on a pro rata basis among those investors in that specific policy who have indicated a willingness to take over the maturity value and pay the future premiums, fees and interest charges until maturity.

B) An individual investor in that specific policy if no others have expressed any interest to take over the maturity value and pay the future premiums, fees and interest charges until maturity.

C) At the sole discretion of the manager or person responsible for the AGAP LLCs after Confirmation.

The Creditors with Allowed Claims that support the Plan and stay in the Plan and policy shall be governed by an ad hoc committee selected by those members and given authority to make management decisions for their Class. Such decisions shall be made by a majority vote of the members in such Class.

A face value reduction may be sought by the ad hoc committee subject to a majority vote of the members in such Class.

This Class is Impaired and the holders of the Claims are entitled to vote to accept or reject the Plan. The total claims in this Class are estimated at $3,459,389.23.

5.2.5 Class AGAP 109 5: Equity Interests in the Debtor

All equity in the Debtor will be cancelled. The equity interest holders are Impaired under the Plan. The new equity interests shall be issued to AGAP Life Offerings, LLC. AGAP Life Offerings will be owned as set forth in this Plan but will be advised by the Ad Hoc Committees formed during the Chapter 11 cases to advise the owners of each policy.

This Class is Impaired and the holders of the Interests are entitled to vote to accept or reject the Plan.

5.3 Claims Against AGAP LS 209, Case No. 16-40531-btr

5.3.1 AGAP 209 1: Allowed Claim of AGAP LS 409, LLC

This claim shall be paid once Allowed as follows:

a. This Claim is an Allowed Claim and shall be paid in full from funds it receives from the sale of the AGAP LS 209, LLC policy or the proceeds received on maturity of the policy. This Allowed Claim is entitled to receive interest on this claim which will accrue at the rate of 6% per annum. To the extent that this claim is secured by a valid lien such shall remain in place until the Allowed Claim is paid in full. The total claim amount is approximately $140,000.00.[9] To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest. The Court shall determine the security for such claim.

b. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan.

[9] AGAP LS 409, LLC may claim the entire amount that it is owed against each of the Debtors that owe it money until it is paid in full. The total claim is in excess of $850,000.00.

5.3.2 Class AGAP 209 2: Allowed Claim of 3:10 Investments

This Claim will be paid once Allowed as follows:

a. This Claim is an Allowed Claim and shall be for an amount of $871.90. The Debtor has challenged whether this claim is actually a secured claim. This claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 209, LLC as soon as such funds are available. The Allowed Claim if determined by the Court to be validly secured shall accrue interest thereon at the rate of 6% per annum. To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest. There shall be no deferred fee paid as part of the Allowed Claim unless it is determined that such fee is a valid claim against the Debtor and the policy proceeds of the Debtor. To the extent that this claim is secured by a valid lien such shall remain in place until the Allowed Claim is paid in full.

b. There shall be no prepayment penalty if this Claim is paid early.

c. This Class is Impaired and the holders of the Claim is entitled to vote to accept or reject the Plan.

5.3.3 Class AGAP 209 3: Allowed Claim of Life Offerings

This Claim will be paid once Allowed as follows:

a. The Allowed Claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 209, LLC as soon as such funds are available. This claim is in the amount of $5,682.59. This claim is unsecured and arises from the payment by Life Offerings of policy premiums for AGAP LS 209.

b. There shall be no prepayment penalty if this Claim is paid early.

c. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan. This claim is a related party claim.

5.3.4 Class AGAP 209 4: Allowed General Unsecured Claims

The Creditors in this Class with Allowed Claims will be treated as follows:

By voting in favor of the Plan each Creditor in this Class may then elect one of the following treatments:

1. Any Creditors in this Class with Allowed Claims may agree to pay back all past due premiums, service fees and interest and commit to pay their portion of the future premiums until the policy matures. They will be entitled to receive the full death maturity benefits of such policy when it matures. If the policy is sold prior to maturity they will receive their pro-rata

share of the sales proceeds available after paying the Administrative Claims, Class 1, 2 and 3 Allowed Claims.

2. Any Creditors in this Class with Allowed Claims may agree to reduce their maturity value and receive full death benefits on the maturity value minus any past due premiums, service fees and interest charges from the Confirmation Date and commit to pay their portion of the future premiums until the policy matures. They will be entitled to receive the reduced maturity benefits of such policy when it matures. If the policy is sold prior to maturity they will receive their pro-rata share of the sales proceeds available after paying the Administrative Claims, Class 1, 2 and 3 Allowed Claims.

3. Any Creditors with Allowed Claims may agree to abandon their investment if they do not desire to pay any future premiums. By agreeing to abandon their investment they are electing to be paid under the AGAP Life Offerings treatment. All past due premiums, fees and charges will be forgiven.

Any Creditor that agrees to make future premium payments but fails to do so will be treated as having abandoned their interest and will be out of the Plan. The Reorganized Debtor will provide a ten notice to a defaulting creditor prior to any action being taken on their interest. A defaulting creditor may still be entitled to a distribution if the Debtor elects to sell the policy as a result of defaults and such defaulting creditor cures such defaults prior to the sale of the policy.

The Debtor believes that the Creditors will receive at least 10% of their current maturity value under these options.

By voting against the Plan each Creditor opposing the plan will receive nothing under the Plan and abandons their interest in the policy.

Enhanced Maturity Option

If any Creditor with an Allowed Claim decides to abandon his or her share of the maturity value of any policy he or she is invested in (by not paying his premiums by a fixed default date to be set at Confirmation) or by voting no to the Plan, then the other AGAP investors may have the opportunity to acquire this abandoned maturity value by agreeing to pay all future premiums, fees and charges until maturity. To decide who may acquire this maturity value the following selection process will be used:

A) The interest will be shared on a pro rata basis among those investors in that specific policy who have indicated a willingness to take over the maturity value and pay the future premiums, fees and interest charges until maturity.

B) An individual investor in that specific policy if no others have expressed any interest to take over the maturity value and pay the future premiums, fees and interest charges until maturity.

C) At the sole discretion of the manager or person responsible for the AGAP LLCs after Confirmation.

The Creditors with Allowed Claims that support the Plan and stay in the Plan and policy shall be governed by an ad hoc committee selected by those members and given authority to make management decisions for their Class. Such decisions shall be made by a majority vote of the members in such Class.

A face value reduction may be sought by the ad hoc committee subject to a majority vote of the members in such Class.

This Class is Impaired and the holders of the Claims are entitled to vote to accept or reject the Plan. The total claims in this Class are estimated at $4,493,900.63.

5.3.5 Class AGAP 209 5: Equity Interests in the Debtor

All equity in the Debtor will be cancelled. The equity interest holders are Impaired under the Plan. The new equity interests shall be issued to AGAP Life Offerings, LLC. AGAP Life Offerings will be owned as set forth in this Plan but will be advised by the Ad Hoc Committees formed during the Chapter 11 cases to advise the owners of each policy.

This Class is Impaired and the holders of the Interests are entitled to vote to accept or reject the Plan.

5.4 Claims Against AGAP LS 309, Case No. 16-40521-btr

5.4.1 AGAP 309 1: Allowed Claim of AGAP LS 409, LLC

This claim shall be paid once Allowed as follows:

a. This Claim is an Allowed Claim and shall be paid in full from funds it receives from the sale of the AGAP LS 309, LLC policy or the proceeds received on maturity of the policy. This Allowed Claim is entitled to receive interest on this claim which will accrue at the rate of 6% per annum. If the Allowed Claim is determined by the Court to be validly secured it shall accrue interest thereon at the rate of 6% per annum. To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest. To the extent that this claim is secured by a valid lien such shall remain in place until the Allowed Claim is paid in full.

The total claim amount is approximately $171,524.97.[10] The Court shall determine the security for such claim.

b. This Class is Impaired and the holders of the Claim are entitled to vote to accept or reject the Plan.

5.4.2 Class AGAP 309 2: Allowed Claim of 3:10 Investments

This Claim will be paid once Allowed as follows:

[10] AGAP LS 409, LLC may claim the entire amount that it is owed against each of the Debtors that owe it money until it is paid in full. The total claim is in excess of $850,000.00.

a. This Claim is an Allowed Claim and shall be for an amount of $1,071.55. The Debtor has challenged whether this claim is actually a secured claim. This claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 309, LLC as soon as such funds are available. The Allowed Secured Claim is determined by the Court to be validly secured shall accrue interest thereon at the rate of 6% per annum. To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest. There shall be no deferred fee paid as part of the Allowed Claim unless it is determined that such fee is a valid claim against the Debtor and the policy proceeds of the Debtor. To the extent that this claim is secured by a valid lien such shall remain in place until the Allowed Claim is paid in full.

b. There shall be no prepayment penalty if this Claim is paid early.

c. This Class is Impaired and the holders of this Claim are entitled to vote to accept or reject the Plan.

5.4.3 Class AGAP 309 3: Allowed Claim of Life Offerings

This Claim will be paid once Allowed as follows:

a. The Allowed Claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 309, LLC as soon as such funds are available. This claim is in the amount of $7,511.62.

b. There shall be no prepayment penalty if this Claim is paid early.

c. This Class is Impaired and the holders of this Claim are entitled to vote to accept or reject the Plan. This claim is a related party claim.

5.4.4 Class AGAP 309 4: Allowed General Unsecured Claims

The Creditors in this Class with Allowed Claims will be treated as follows:

By voting in favor of the Plan each Creditor in this Class may then elect one of the following treatments:

1. Any Creditors in this Class with Allowed Claims may agree to pay back all past due premiums, service fees and interest and commit to pay their portion of the future premiums until the policy matures. They will be entitled to receive the full death maturity benefits of such policy when it matures. If the policy is sold prior to maturity they will receive their pro-rata share of the sales proceeds available after paying the Administrative Claims, Class 1, 2 and 3 Allowed Claims.

2. Any Creditors in this Class with Allowed Claims may agree to reduce their maturity value and receive full death benefits on the maturity value minus any past due premiums, service fees and interest charges from the Confirmation Date and commit to pay their portion of the future premiums until the policy matures. They will be entitled to receive the reduced maturity

benefits of such policy when it matures. If the policy is sold prior to maturity they will receive their pro-rata share of the sales proceeds available after paying the Administrative Claims, Class 1, 2 and 3 Allowed Claims.

3. Any Creditors with Allowed Claims may agree to abandon their investment if they do not desire to pay any future premiums. By agreeing to abandon their investment they are electing to be paid under the AGAP Life Offerings treatment. All past due premiums, fees and charges will be forgiven.

Any Creditor that agrees to make future premium payments but fails to do so will be treated as having abandoned their interest and will be out of the Plan. The Reorganized Debtor will provide a ten notice to a defaulting creditor prior to any action being taken on their interest. A defaulting creditor may still be entitled to a distribution if the Debtor elects to sell the policy as a result of defaults and such defaulting creditor cures such defaults prior to the sale of the policy.

The Debtor believes that the Creditors will receive at least 10% of their current maturity value under these options.

By voting against the Plan each Creditor opposing the plan will receive nothing under the Plan and abandons their interest in the policy.

Enhanced Maturity Option

If any Creditor with an Allowed Claim decides to abandon his or her share of the maturity value of any policy he or she is invested in (by not paying his premiums by a fixed default date to be set at Confirmation) or by voting no to the Plan, then the other AGAP investors may have the opportunity to acquire this abandoned maturity value by agreeing to pay all future premiums, fees and charges until maturity. To decide who may acquire this maturity value the following selection process will be used:

A) The interest will be shared on a pro rata basis among those investors in that specific policy who have indicated a willingness to take over the maturity value and pay the future premiums, fees and interest charges until maturity.

B) An individual investor in that specific policy if no others have expressed any interest to take over the maturity value and pay the future premiums, fees and interest charges until maturity.

C) At the sole discretion of the manager or person responsible for the AGAP LLCs after Confirmation.

The Creditors with Allowed Claims that support the Plan and stay in the Plan and policy shall be governed by an ad hoc committee selected by those members and given authority to make management decisions for their Class. Such decisions shall be made by a majority vote of the members in such Class.

A face value reduction may be sought by the ad hoc committee subject to a majority vote of the members in such Class.

This Class is Impaired and the holders of the Claims are entitled to vote to accept or reject the Plan. The total claims in this Class are estimated at $4,511,982.91.

5.4.5 Class AGAP 309 5: Equity Interests in the Debtor

All equity in the Debtor will be cancelled. The equity interest holders are Impaired under the Plan. The new equity interests shall be issued to AGAP Life Offerings, LLC. AGAP Life Offerings will be owned as set forth in this Plan but will be advised by the Ad Hoc Committees formed during the Chapter 11 cases to advise the owners of each policy.

This Class is Impaired and the holders of the Interests are entitled to vote to accept or reject the Plan.

5.5 Claims against AGAP LS 509, Case No. 16-40532-btr

5.5.1 AGAP 509 1: Allowed Claim of AGAP LS 409, LLC

This claim shall be paid once Allowed as follows:

a. This Claim is an Allowed Claim and shall be paid in full from funds it receives from the sale of the AGAP LS 509, LLC policy or the proceeds received on maturity of the policy. This Allowed Claim is entitled to receive interest on this claim which will accrue at the rate of 6% per annum. To the extent that this claim is secured by a valid lien such lien shall remain in place until the Allowed Claim is paid in full. To the extent that the claim is unsecured it shall not be paid interest on such claim. The total claim amount is approximately $159,726.37.[11]

b. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan.

5.5.2 Class AGAP 509 2: Allowed Claim of 3:10 Investments

This Claim will be paid once Allowed as follows:

a. This Claim is an Allowed Claim and shall be for an amount of $845.87. The Debtor has challenged whether this claim is actually a secured claim. This claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 509, LLC as soon as such funds are available. The Allowed Claim if determined by the Court to be validly secured shall accrue interest thereon at the rate of 6% per annum. To the extent that the Allowed Claim is determined to be fully unsecured the claim shall not accrue interest. There shall be no deferred fee paid as part of the Allowed Claim unless it is determined that such fee is a valid claim against the Debtor and the policy proceeds of the Debtor. To the extent that this claim is secured by a valid lien such shall remain in place until the Allowed Claim is paid in full.

[11] AGAP LS 409, LLC may claim the entire amount that it is owed against each of the Debtors that owe it money until it is paid in full. The total claim is in excess of $850,000.00.

b. There shall be no prepayment penalty if this Claim is paid early.

c. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan.

5.5.3 Class AGAP 509 3: Allowed Claim of Life Offerings

This Claim will be paid once Allowed as follows:

a. The Allowed Claim shall be paid in full from the proceeds received on a sale or the maturity of the insurance policy held by AGAP LS 509, LLC as soon as such funds are available. This claim is in the amount of $6,047.45.

b. There shall be no prepayment penalty if this Claim is paid early.

c. This Class is Impaired and the holder of the Claim is entitled to vote to accept or reject the Plan. This claim is a related party claim.

5.5.4 Class AGAP 509 4: Allowed General Unsecured Claims

The Creditors in this Class with Allowed Claims will be treated as follows:

By voting in favor of the Plan each Creditor in this Class may then elect one of the following treatments:

1. Any Creditors in this Class with Allowed Claims may agree to pay back all past due premiums, service fees and interest and commit to pay their portion of the future premiums until the policy matures. They will be entitled to receive the full death maturity benefits of such policy when it matures. If the policy is sold prior to maturity they will receive their pro-rata share of the sales proceeds available after paying the Administrative Claims, Class 1, 2 and 3 Allowed Claims.

2. Any Creditors in this Class with Allowed Claims may agree to reduce their maturity value and receive full death benefits on the maturity value minus any past due premiums, service fees and interest charges from the Confirmation Date and commit to pay their portion of the future premiums until the policy matures. They will be entitled to receive the reduced maturity benefits of such policy when it matures. If the policy is sold prior to maturity they will receive their pro-rata share of the sales proceeds available after paying the Administrative Claims, Class 1, 2 and 3 Allowed Claims.

3. Any Creditors with Allowed Claims may agree to abandon their investment if they do not desire to pay any future premiums. By agreeing to abandon their investment they are electing to be paid under the AGAP Life Offerings treatment. All past due premiums, fees and charges will be forgiven.

Any Creditor that agrees to make future premium payments but fails to do so will be treated as having abandoned their interest and will be out of the Plan. The Reorganized Debtor will provide a ten notice to a defaulting creditor prior to any action being taken on their interest.

A defaulting creditor may still be entitled to a distribution if the Debtor elects to sell the policy as a result of defaults and such defaulting creditor cures such defaults prior to the sale of the policy.

The Debtor believes that the Creditors will receive at least 10% of their current maturity value under these options.

By voting against the Plan each Creditor opposing the plan will receive nothing under the Plan and abandons their interest in the policy.

Enhanced Maturity Option

If any Creditor with an Allowed Claim decides to abandon his or her share of the maturity value of any policy he or she is invested in (by not paying his premiums by a fixed default date to be set at Confirmation) or by voting no to the Plan, then the other AGAP investors may have the opportunity to acquire this abandoned maturity value by agreeing to pay all future premiums, fees and charges until maturity. To decide who may acquire this maturity value the following selection process will be used:

A) The interest will be shared on a pro rata basis among those investors in that specific policy who have indicated a willingness to take over the maturity value and pay the future premiums, fees and interest charges until maturity.

B) An individual investor in that specific policy if no others have expressed any interest to take over the maturity value and pay the future premiums, fees and interest charges until maturity.

C) At the sole discretion of the manager or person responsible for the AGAP LLCs after Confirmation.

The Creditors with Allowed Claims that support the Plan and stay in the Plan and policy shall be governed by an ad hoc committee selected by those members and given authority to make management decisions for their Class. Such decisions shall be made by a majority vote of the members in such Class.

A face value reduction may be sought by the ad hoc committee subject to a majority vote of the members in such Class.

This Class is Impaired and the holders of the Claims are entitled to vote to accept or reject the Plan. The total claims in this Class are estimated at $3,285,925.95.

5.5.5 Class AGAP 509 5: Equity Interests in the Debtor

All equity in the Debtor will be cancelled. The equity interest holders are Impaired under the Plan. The new equity interests shall be issued to AGAP Life Offerings, LLC. AGAP Life Offerings will be owned as set forth in this Plan but will be advised by the Ad Hoc Committees formed during the Chapter 11 cases to advise the owners for each policy.

AGAP Life Offerings will be owned as set forth in this Plan but will be advised by the Ad Hoc Committees formed during the Chapter 11 cases to advise the owners of each policy.

This Class is Impaired and the holders of the Interests are entitled to vote to accept or reject the Plan.

5.6 Claims against AGAP Life Offerings, Case No. 16-40520-btr

5.6.1 Class AGAP 1: Allowed General Unsecured Claims

The Claims will be paid once Allowed as follows:

a. These claims shall be paid in full from the funds received by the Debtor from the amounts paid to it by the related Debtor entities that each owe this Debtor funds for covering its policy premiums. These claims shall bear interest at the rate of 5% per annum until the Allowed Claims are paid in full. The total claims in this Class are approximately $516,268.18.

b. There shall be no prepayment penalty if this Claim is paid early.

c. This Class is Impaired and the holders of the Claims are entitled to vote to accept or reject the Plan.

5.6.2 Class AGAP Life Offerings 2: Equity Interests in the Debtor

All equity in the Debtor will be cancelled. The equity interest holders are Impaired under the Plan and may vote to accept or reject the Plan.

The equity interests in this Debtor shall be issued 25% to Jeff Madden and Charles Madden and 75% to all the Class 4 Claimants in AGAP 109, AGAP 209, AGAP 309 and AGAP 509 pro-rata that abandon their interests in their respective Debtors.

All AGAP Deferred Compensation shall be contributed to AGAP Life Offerings to be used to fund the distributions under this Plan.

Provisions for Payment of Administrative Expenses and Priority Tax Claims

Administrative Expenses and Priority Tax Claims of the kinds specified in §§ 507(a)(1), 502(i) and 507(a)(8) of the Bankruptcy Code are excluded from the Debtor's respective classes below in accordance with § 1123(a)(1) and are not separately classified. Such expenses and claims shall be treated as specified in this Article.

Treatment of Allowed Administrative Expenses

Allowed Administrative Expenses will be paid in full once Allowed, on or before the Effective Date, or at a later date as set by the Court if the allowance process extends beyond the Effective Date. Provided, however, that the holder of an Allowed Administrative Expense may agree to a different treatment. This Section shall include DIP loans approved by the Court having an administrative expense priority.

Treatment of Allowed Priority Claims

Allowed Priority Claims will be paid by the Reorganized Debtor once Allowed over five (5) years with interest on such amounts at the rate of 3.5% per annum until paid in full. The payments shall be made in equal monthly payments on the first day of the month following the Effective Date and shall continue on the first day of each month thereafter until paid in full.

Title 28 U.S.C. Section 1930 Fees

Debtors shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtors are otherwise released from such obligations by the Court.

Treatment of Claims and Interests

Debtors designate the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1122, which shall be treated in the manner set forth in this Article. The Plan provides for the continued maintenance of the insurance policies by the payment of premiums from the Creditors that elect to Opt into the Plan and make their pro-rata share of such payments. It is difficult to determine what the required payments will be until the actual Opt In participants are determined by balloting. Also other participants may have the option to pick up the interests of Opt Out creditors. The goal of the Plan is to maintain the policy values until maturity.

ARTICLE VI
ASSUMPTION AND REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

6.01 Debtors shall assume, pursuant to Bankruptcy Code Section 1123(b)(2), by separate Motions and order unexpired executory contracts prior to the Confirmation Date or as part of Confirmation of a Plan in these cases. Pursuant to the terms of this Plan the Debtors will assume the life policies that serve as the personal property of each Debtors.

ARTICLE VII
FEASIBILITY OF PLAN

7.01 Debtors assert that this plan is feasible based on ***Exhibit 3.***

Procedure for Filing Proofs of Claims and Proofs of Interests

7.02. All proofs of claims and proofs of interests must be filed by those Claimants and Equity Interest Holders who have not filed such instruments on or before the Bar Date fixed by the Court.

7.03 If Claimants have already filed a proof of claim with the Court or are listed in the Debtors' Schedules as holding non-contingent, liquidated and undisputed claims, a proof of claim need not be filed. The schedules and amendments thereto are on file with the Court and are open

for inspection during regular Court hours. If the equity security interest of an Equity Interest Holder is properly reflected in the Debtors, a proof of interest need not be filed.

ARTICLE VIII
ALTERNATIVES TO DEBTOR'S PLAN

8.01 If the Debtors' Plan is not confirmed, the Debtors' bankruptcy case may be converted to a case under Chapter 7 of the Code, in which case a trustee would be appointed to liquidate the assets of the Debtors for distribution to its Creditors in accordance with the priorities of the Code. In a liquidation it would difficult for the investor unsecured creditors to receive any value since the secured debts and administrative costs would eat up the majority of the value. The Chapter 7 Trustee would likely only have the option to sell the policies. The Trustee would not be able to solicit and obtain premiums from the underlying creditor/investors. A complete liquidation of the polices would return little to the creditor/investors. This scenario is discussed under the liquidation analysis.

ARTICLE IX
RISKS TO CREDITORS UNDER THE DEBTOR'S PLAN

9.01 Claimants should be aware that there are a number of substantial risks involved in consummation of the Plan. The Plan contemplates that the Debtors' business will generate revenue sufficient to pay the obligations accruing from its operations. The Debtors do not "guarantee" that the expenses will equal those in the projections; however, the Debtors believe that the projections are reasonable. The largest concern is making sure future policy premiums are paid so the policy values are maintained.

ARTICLE X
TAX CONSEQUENCES TO THE DEBTORS

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED OR RELIED UPON, AND CANNOT BE USED OR RELIED UPON, BY HOLDERS OF CLAIMS OR INTERESTS OR ANY OTHER PERSONS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF CLAIMS OR ANY OTHER PERSONS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF U.S. TREASURY DEPARTMENT CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

A. Introduction

The following discussion summarizes certain material U.S. federal income tax consequences of the Plan to the Debtor and holders of Claims and Interests. The summary is provided for general informational purposes only and is based on the United States Internal Revenue Code of 1986, as amended (the "Tax Code"), the treasury regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all as in effect as of the date hereof (except as otherwise noted below with regard to the American Recovery and Reinvestment Act of 2009), and all of which are subject to change, possibly with retroactive effect. Changes in any of these authorities or in their interpretation could cause the United States federal income tax consequences of the Plan to differ materially from the consequences described below. The United States federal income tax consequences of the Plan are complex and in important respects uncertain. No ruling has been requested from the Internal Revenue Service (the "Service"); no opinion has been requested from Debtor's counsel concerning any tax consequence of the Plan; and no tax opinion is given by this Disclosure Statement.

The following discussion does not address all aspects of federal income taxation that may be relevant to a particular holder of a Claim or Interest in light of its particular facts and circumstances or to particular types of holders of Claims subject to special treatment under the Tax Code. For example, the discussion does not address issues of concern to broker-dealers or other dealers in securities, or foreign (non-U.S.) persons, nor does it address any aspects of state, local, or foreign (non-U.S.) taxation, or the taxation of holders of Interests in a Debtor. In addition, a substantial amount of time may elapse between the Confirmation Date and the receipt of a final distribution under the Plan. Events subsequent to the date of this Disclosure Statement, such as the enactment of additional tax legislation, court decisions or administrative changes, could affect the federal income tax consequences of the Plan and the transactions contemplated hereunder.

On February 13, 2009, the House of Representatives and the Senate passed H.R.1, the American Recovery and Reinvestment Act of 2009 (the Recovery Act), a stimulus bill that includes tax breaks for businesses and individuals. The President signed the Recovery Act on February 17, 2009. The following discussion does not address any aspects of the Recovery Act, some of which may be relevant to a particular holder of a Claim or an Interest.

THE DISCUSSION THAT FOLLOWS IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND PROFESSIONAL TAX ADVICE BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS URGED TO CONSULT WITH ITS TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. Certain Definitions

Except as expressly otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined herein or in the Plan shall have the respective meanings assigned to them in this Article.

"***COD***" shall mean cancellation of indebtedness income.
"***NOL***" shall mean net operating loss.

C. Certain Material Federal Income Tax Consequences to the Debtor

Cancellation of a Debtor's debt is generally taxable income to the Debtor. COD is the amount by which the indebtedness of a Debtor discharged exceeds any consideration given in exchange therefore. Cancellation of a debt may not necessarily be COD, however. To the extent that the Debtor is insolvent, or if the Debtor is in bankruptcy, as is the case here, the Tax Code permits the Debtor to exclude the COD from its gross income. The statutory exclusion for COD in a title 11 case generally excludes COD from gross income if the discharge is granted by a court to a Debtor under its jurisdiction in a title 11 case, as is sought herein.

The price for the bankruptcy COD exclusion (as well as the insolvency exclusion) is reduction of the Debtor's tax attributes to the extent of the COD income, generally in the following order: NOLs for the year of the discharge and NOL carryovers from prior years; general business tax credit carryovers; minimum tax credit available as of the beginning of the year following the year of discharge; net capital loss for the year of discharge and capital loss carryovers from prior years; basis of the Debtor's assets; passive activity loss and credit carryovers from the year of discharge; and foreign tax credit carryovers to or from the year of discharge. The reduction of attributes does not occur until after the end of the Debtor's tax year in which the COD occurred, so they are available to the Debtor in determining the amount of its income, loss and tax liability for the year of discharge.

As a result of the implementation of the Plan, the Debtors will have COD and potential attribute reduction. Because any reduction in tax attributes does not effectively occur until the first day of the taxable year following the taxable year in which the COD is incurred, the resulting COD, on its own, should not impair the ability of the Debtor to use their tax attributes (to the extent otherwise available) to reduce their tax liability, if any, otherwise resulting from the implementation of the Plan.

Under section 382 of the Tax Code, if a corporation undergoes an "ownership shift," the amount of its Pre-Change Losses that may be utilized to offset future taxable income generally is subject to an annual limitation. Although the Plan allows for an ownership change it is doubtful that one will occur and as such any owner of the Debtor should consult his own tax adviser concerning the effect of the Plan.

The United States federal income tax consequences of payment of Allowed Claims pursuant to the Plan will depend on, among other things, the consideration received, or deemed to have been received, by the holder of the Allowed Claim, whether such holder reports income on the accrual

or cash method, whether such holder receives distributions under the Plan in more than one taxable year, whether such holder's Claim is allowed or disputed at the Effective Date, whether such holder has taken a bad debt deduction or worthless security deduction with respect to its Claim.

In general, a holder of a Claim should recognize gain or loss equal to the amount realized under the Plan in respect of its Claim less the amount of such holder's basis in its Claim. Any gain or loss recognized in the exchange may be long-term or short-term capital gain or loss or ordinary income or loss, depending upon the nature of the Claim and the holder, the length of time the holder held the Claim and whether the Claim was acquired at a market discount. If the holder realizes a capital loss, its deduction of the loss may be subject to limitations under the Tax Code. The holder's aggregate tax basis for any property received under the Plan generally will equal the amount realized. The amount realized by a holder generally will equal the sum of the cash and the fair market value of any other property received (or deemed received) by the holder under the Plan on the Effective Date and/or any subsequent distribution date, less the amount (if any) allocable to Claims for interest. All holders of Allowed Claims are urged to consult their tax advisors. A holder of a Claim constituting an installment obligation for tax purposes may be required to recognize currently any gain remaining with respect to the obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of Section 453B of the Tax Code.

D. Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of certain U.S. federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax professional. The above discussion is for general information purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a holder's individual circumstances.

HOLDERS OF CLAIMS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

ARTICLE XI
PENDING LITIGATION

11.01 As of the date of the filing of the following matters are pending: Motion to Appoint Trustee filed by the Office of the U.S. Trustee and joined into by 3:10 Capital and opposed by the investor creditors in each of the Debtor entities and the Debtors themselves.

ARTICLE XII
SUMMARY OF SIGNIFICANT ORDERS ENTERED DURING THE CASE

12.01 As of the date of the filing of this Disclosure the following significant orders have been entered in this case:

- Employment of Joyce W. Lindauer as attorney for AGAP Debtors
- Motion for Joint Administration Filed by AGAP Life Offerings
- Motion/Emergency Motion to Release Funds Held by Creditor Green Bank Filed by AGAP Life Offerings
- Interim Order Granting Debtors Emergency Motion to Release Funds
- Order Granting Debtors Motion to Jointly Administer Cases
- Order on Notice of Hearing
- Order Granting Debtor's Second Emergency Motion to Release Funds
- Order Granting Motion to Confirm Stay Does Not Apply, Or Alternatively, For Relief From Stay
- Orders Granting Borrowings for Life Premium Payments

Respectfully submitted,

/s/ Joyce W. Lindauer

Joyce W. Lindauer
State Bar No. 21555700
Joyce W. Lindauer Attorney, PLLC
12720 Hillcrest Road, Suite 625
Dallas, Texas 75230
Telephone: (972) 503-4033
Facsimile: (972) 503-4034
Attorneys for Debtors

/s/ Jeff Madden

Jeff Madden
President