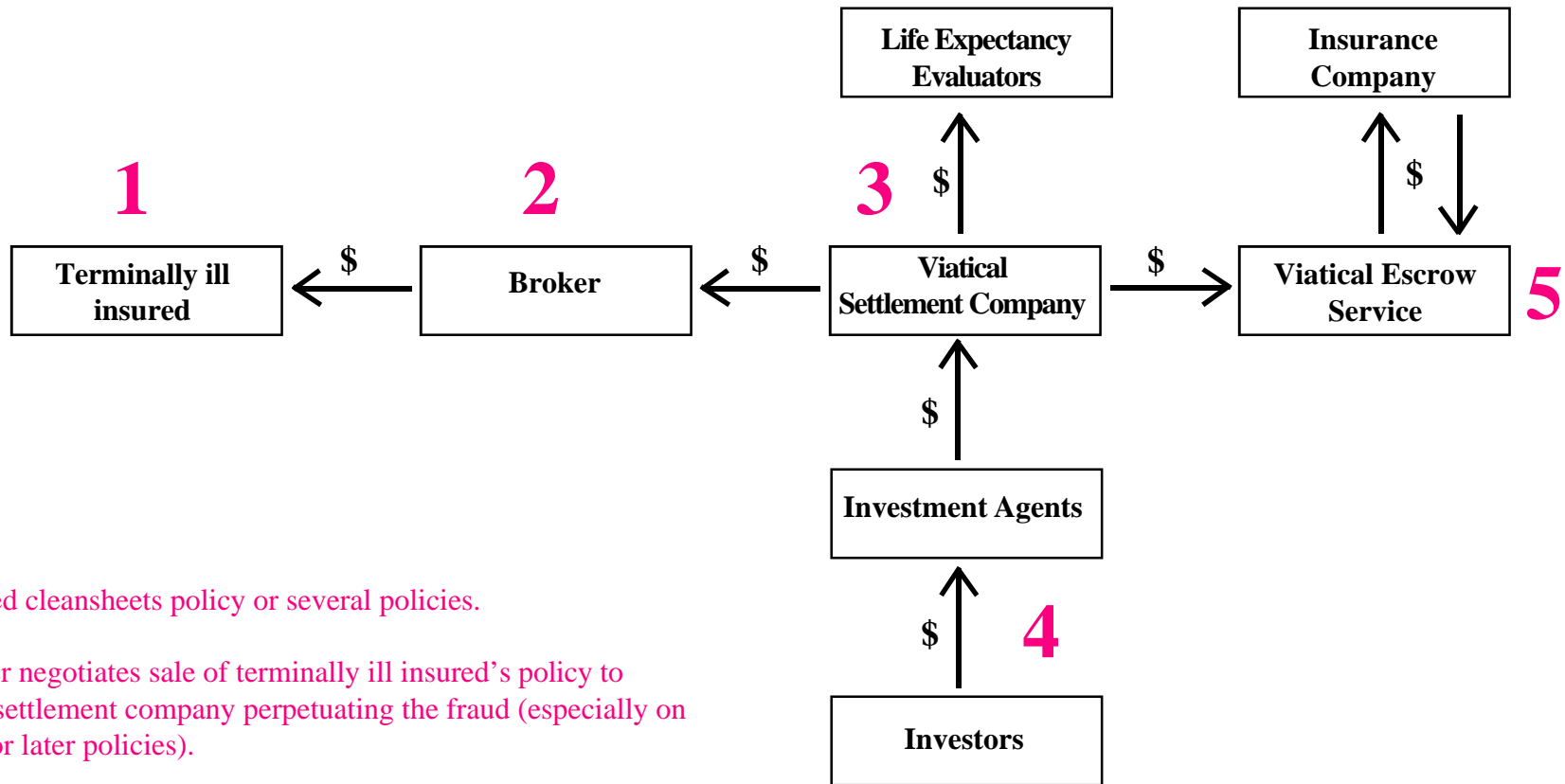


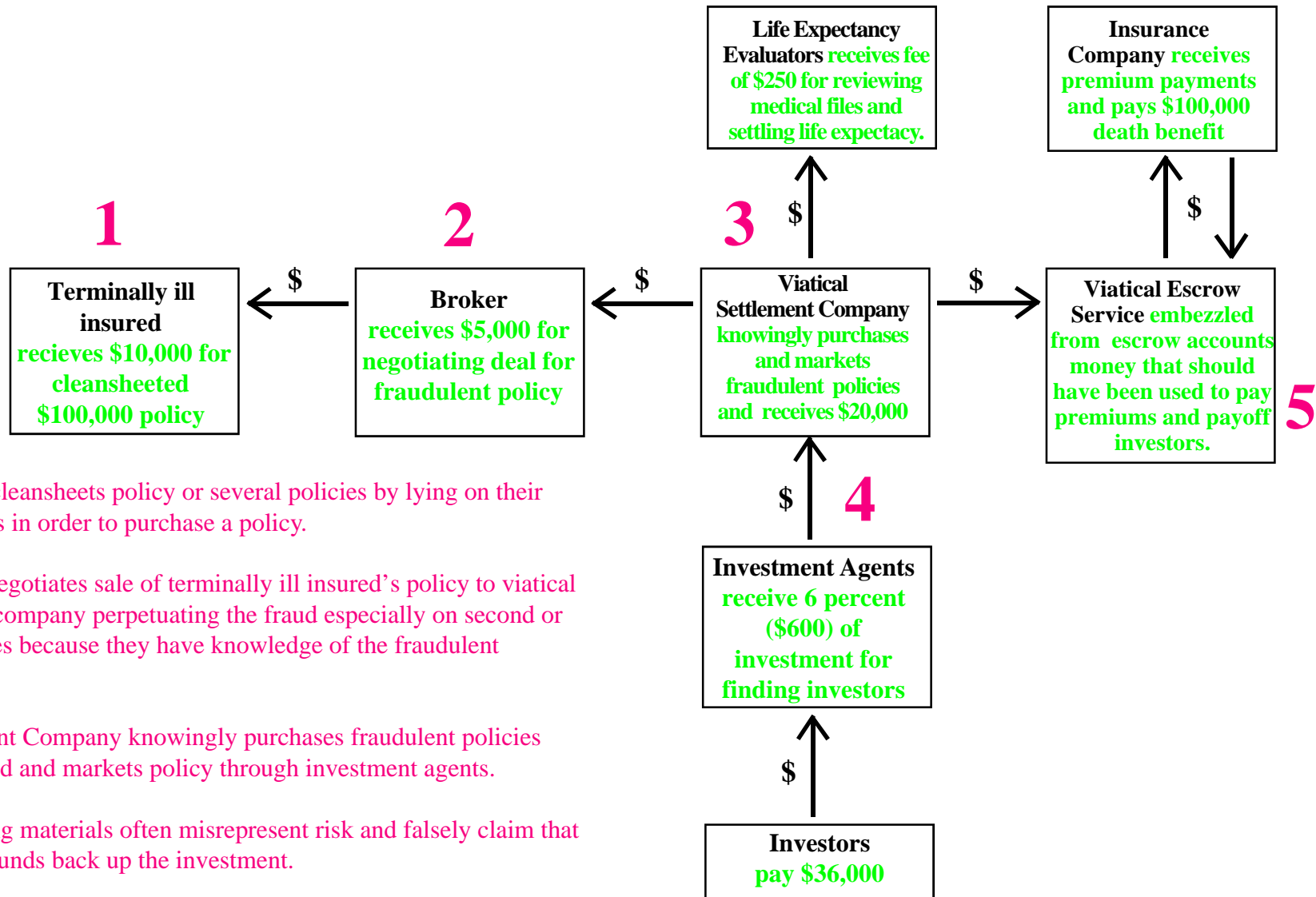
Where Viatical Fraud Occurs



1. Insured cleansheets policy or several policies.
2. Broker negotiates sale of terminally ill insured's policy to viatical settlement company perpetuating the fraud (especially on second or later policies).
3. Settlement Company knowingly purchases fraudulent policies from insured and markets policy through investment agents.
4. Marketing materials often misrepresent risk and falsely claim that Guaranty Funds back up the investment.
5. Viatical escrow service embezzles money from escrow accounts. When insured dies, viatical escrow service has no money to pay investors.

Where Viatical Fraud Occurs

Follow the Money (\$100,000 policy)



1. Insured cleansheets policy or several policies by lying on their applications in order to purchase a policy.

2. Broker negotiates sale of terminally ill insured's policy to viatical settlement company perpetuating the fraud especially on second or later policies because they have knowledge of the fraudulent policies.

3. Settlement Company knowingly purchases fraudulent policies from insured and markets policy through investment agents.

4. Marketing materials often misrepresent risk and falsely claim that Guaranty Funds back up the investment.

5. Viatical escrow service embezzles money from escrow accounts. When insured dies, viatical escrow service has no money to pay investors.