

Minutes

of the 23rd General Assembly of Members
 on September 19, 2011

Chairman of the Meeting:
Christian Seidl (Executive Board)

Minutes recorded by: Blanka Stricevic

Attendees:

BVZL Executive Board:

Christian Seidl Life Bond Management GmbH

BVZL Advisory Board:

/ /

Full Members:

Johann Kirchmair	AVD
Dr. Nikolaus Seitz	AVD
Michael Duben	AVD
Volker Bellmann	North Channel Bank GmbH & Co. KG / Back Bay Group, LLC
Andreas Graf von Rittberg	BVT Life Bond Management GmbH
Francisco Portillejo	Coventry
Dr. Moritz Dimde	König & Cie. GmbH & Co. KG
Sofie Türk	Life Bond Holding GmbH & Co. KG
Michael G. Hoesch	Life Bond Holding GmbH & Co. KG
Simon Nörtersheuser	Policen Direkt Versicherungsvermittlung GmbH

Sustaining Members:

Vince Granieri	21st Services, LLC
Jack Kettler	21st Services, LLC
Tom Moran	Asset Servicing Group, LLC
Sheri Townsend	Asset Servicing Group, LLC
Mike Fasano	Fasano Associates
Roger Tafoya	ISC Services
Peter Jäderberg	Jäderberg & Cie. GmbH
Zohar Elhanani	Legacy Benefits, LLC
Darwin Bayston	LISA (Life Insurance Settlement Association)
Anna M. Bailey	MLF LexServ, LP
Johannes Glasl	MPC Capital Fund Management GmbH
Dirk Strontschak	SL Investment Management Limited
Wilfried van der Post	UniCredit Bank AG
Yvonne Kurkowski	UniCredit Bank AG

PR Agency:

Bernd Nobis
Blanka Stricevic
Lothar Trummer

NBB Kommunikation GmbH
NBB Kommunikation GmbH
Consultancy GmbH

Place: ADAC Südbayern e. V.
Conference Room E05
Ridlerstrasse 35 (EG)
80339 Munich / Germany

Time: 12:30 hrs. – 17:00 hrs.

Agenda:

- TOP 1: Welcome and Agenda (Executive Board)
- TOP 2: Activities since last Meeting and Termination of Membership (Executive Board)
- TOP 3: Budget 2011 – Latest Development (Executive Board)
- TOP 4: German Market (Simon Nörtersheuser representing Ingo Wichelhaus)
- TOP 5: UK Market (Johann Kirchmair, Dirk Strontschak)
- TOP 6: U.S. Market (Christian Seidl / Zohar Elhanani)
- TOP 7: International Market (Peter Jäderberg)
- TOP 8: Legal and Tax
- TOP 9: Communication and Politics (Lothar Trummer)
- TOP 10: Miscellaneous and Next General Assembly

TOP 1: Welcome and Agenda (Executive Board)

- Welcome of present representatives from 18 BVZL member companies by the Chairman
- Christian Seidl informed the attendees of the General Assembly that Ingo Wichelhaus was unfortunately unable to attend the General Assembly due to a short-term business meeting.
- Mr. Seidl stated that 50% of the voting members are present. Thus, the General Assembly has a quorum.

Christian Seidl informed the attendees that another topic had to be added to the agenda sent with the invitation: The new TOP 2 d) is in reference to the proposal for re-election of Ingo Wichelhaus as member of the Executive Board (next to Christian Seidl). The members did not raise any objections or additions to the Agenda. The Minutes of the 22nd General Assembly (abbr. GA) dated March 28, 2011 was approved by the attendees without objections or comments.

TOP 2: Activities since the last Meeting and Termination of Membership (Executive Board)

2a) New members:

- Asset Servicing Group, LLC: Brief presentation of the company by Tom Moran (CEO)
- MPC Capital Fund Management GmbH: Brief presentation of the company by Johannes Glasl (Managing Director)
Die MPC Capital Fund Management GmbH is responsible for management and controlling of all closed-end investment products. Its work field also comprises information processing for internal purposes, for the trust company and for sales partners.

2b) Termination of Membership:

- The Association did not record any termination of membership.

2c) Report on the Advisory Board and Strategy Meeting 2011 (July 14, 2011):

- The Advisory Board and Strategy Meeting took place on July 14, 2011.
- Christian Seidl reported that the Association is looking for a new Advisory Board member/ successor for Frank Schaeffler who resigned his Advisory Board mandate due to lack of time.
- The Association is currently in dialog with representatives from politics.

- The topic 'Decline in membership' was also subject of discussion during the meeting.
- Goal: Retain BVZL members and recruit new members to increase member number
→ Membership Drive (see TOP 9: Communication & Politics, ideas/explanations by Lothar Trummer)
- Topic 'Summit 2012': Summit 2011 was a huge success!
- The Association plans to organize another summit in spring 2012. Instead of the US Special Day, an Investor's Day shall be organized.
- Christian Seidl expressed his gratitude to the sponsors of the Summit 2011.
- Christian Seidl pointed out that the Association is in need for sponsors for 2012. The 'Summit 2012 Campaign' shall be launched at the end of October/beginning of November. It is planned to deepen the cooperation with Lisa and Elsa → value addition for all 3 associations
- Darwin Bayston reported that LISA is very interested in cooperation with BVZL
- Subject to the support/authorization by the members

The members noted with approval the strategy for 2012 presented by the Executive Board.

2d) Re-election of Ingo Wichelhaus:

- The mandate of Ingo Wichelhaus (member of the Executive Board) ends on December 31, 2011.
- Christian Seidl reported about the good and close cooperation with Ingo Wichelhaus and, therefore, suggests the members to re-elect Mr. Wichelhaus for 2 more years.
- The re-election was unanimously adopted by the General Assembly.

Ingo Wichelhaus (DOB 17 NOV 1962, residing in Solingen / Germany) was elected member of the Executive Board (next to Christian Seidl) without a dissenting vote for 2 more years as of January 1, 2012.

TOP 3: Budget 2011 / Budget Planning 2012 – Latest Developments (Executive Board)

- Topic of discussion was the budget plan (latest forecast) for the current year 2011 (all attendees received a printout / overview as of 19 SEP 2011).
- Left side = Income
- Right side = Expenses
- All 36 members paid their membership fee on time.
- One payment of EUR 1,000 from Abacus Settlements is still missing for the 4th quarter of 2011.
- At present BVZL expects a positive budget reserve of approximately EUR 35,000.
Intended use: Reserve for Summit 2012

Budget Planning 2012 (Plan)

- Another topic of discussion was the budget plan for 2012 (all attendees received a printout/overview of the Forecast 2012).
- Left side = Income (analog to 2011)
- Right side = Expenses (analog to 2011)
- Goal: Membership drive & sponsorship drive for Summit 2012
- Reserves provide more options for further activities of the Association
- The present members did not raise any objections against the Budget 2012.

The members noted with approval the presented current budget plan 2011 (Forecast) and the budget plan 2012.

TOP 4: German Market (Simon Nörtersheuser representing Ingo Wichelhaus)

- No big news from the German market over the past months, but there is still a positive development. The trend points into the right direction.
- The German market is still a stable market.
 - High surrender values
 - 2-3 active market participants
- The 'pseudo secondary market' in Germany continues to show a disturbing development.
- Companies offer policy purchase prices to insured exceeding their surrender value by 200-300%. The return is supposed to be achieved by investing the freed money from the repurchase in products promising a 200-300% return within a few years, which, in general, can hardly be achieved.
- The Association closely cooperates with GDV and BaFin. The goal is to gain consumer awareness about doubtful offers.
- Due to the low trade activities it is difficult to purchase policies.
- There are opposing opinions regarding taxing. Regulation issues are subject to clarification.
- The Association is in dialog with political opinion leaders.
- The next German Market meeting is scheduled for November 4, 2011 at Policen Direkt in Frankfurt.

TOP 5: UK Market (Johann Kirchmair, Dirk Strontschak)

Dirk Strontschak: Brief Overview

- So far the UK market showed a positive development in 2011 with good results.
- 4% growth rate
- 6-7% growth rate UK TEPs

- There are not many 'Market Makers'
- Limited activities
- Bonus Statement (agreements) to start next year.
- Increasing demand for new products and investment options
- Forecast for the UK TEPs for the upcoming months: Insurance companies will be rather cautious, in particular, since the stock markets had a negative development this year. Besides, during the next 2 years, many policies from the overall asset pool will mature. This is why we are cautious with upcoming bonus declarations.

Johann Kirchmair:

- AVD is now also active on the German Life Insurance market.
- The development of surrender values and terminal bonuses is interesting to watch in view of the turbulent markets; until July there was an upward trend;
- Traded volume 2010 <50 Mio GBP (estimate)
- Refinancing options are very difficult as a result of longer residual terms
- Increasing surrender values in 2011: 10%
- Activities of issuing houses: Joint letter to AVIVA regarding the terminal bonus reductions in the beginning of 2011; quite vague response from AVIVA – but the terminal bonuses were significantly raised in July;
- There have been an increasing number of legal questions lately. BVZL would be the perfect platform to discuss uncertainties / legal topics and regulation with political representatives.
- Johannes Glasl (MPC) submitted for discussion an 'Article on British Life Insurance Funds by the Action Association for Active Investor Protection' (*Life Insurance Funds – Why funds with UK life insurances don't (cannot) earn money*). Mr. Glasl expected BVZL to react to this article.
- Lothar Trummer (Head of Communication & Politics) emphasized that BVZL is familiar with this topic and that this topic had been subject of internal discussions. Mr. Trummer was asked to forward the respective information / the article. The Association will deal with this matter and process this topic (also in cooperation with journalists). → it may be a topic for a BVZL press release.
- Besides, Mr. Trummer indicated that the Association depends on the support of the members in such matters.
- The UK Market currently has no concrete plan for a meeting, although there is regular communication between the issuing houses in Hamburg (Hamburg panel) where current topics are discussed.

TOP 6: U.S. Market (Christian Seidl, Zohar Elhanani)

Zohar Elhanani:

- 2008 was quite an impressive year for this asset class with direct impacts
- → lasting 'clean-up work", insurance issues, different standards

- Challenge to implement a basic change. Assets/policies need to be kept on the books for longer time spans.
- At present LISA does a good job: 'Best Practices' – Initiative!
- Goal of Association: To maintain a close cooperation with LISA and ELSA, more focus on investors.

TOP 7: International Market (Peter Jäderberg)

- BVZL will attend the next ELSA and LISA conference.
- The cooperation with international organizations such as LISA and ELSA shall be continued in any case.
- As of now, the main focus is still placed on the German, UK and U.S. markets.
- New markets such as Japan, Italy, Spain, Switzerland and Australia must be developed. The Australian market, though, has a small volume.
- Question: Which value addition can be offered to international investors?
- BVZL can provide consultation for regulatory matters in this regard.
- Goal: Strengthen membership acquisition activities

TOP 8: Legal and Tax

- Since there are no specific topics or open questions, no area representatives were present.
- See brief statements of Simon Nörtersheuser under TOP 4 FB German Market

TOP 9: Communication and Politics (Lothar Trummer)

- In March 2011, BVZL successfully organized the Summit 2011 for the first time on its own.
- The Association plans on organizing also the next Summit 2012 in spring 2012. The Summit will take place at the same hotel (SOFITEL Munich Bayerpost).
- Planned date: March 05 – 07, 2012
 - Monday, March 5, 2012: General Assembly and Press Conference
 - Tuesday, March 6, 2012: Summit 2012
 - Wednesday, March 7, 2012: Investor Special Day
- Topic "pseudo secondary markets": Avoid negative press, create positive press. Close cooperation with GDV (German insurer association) and journalists.
- Topic 'Investor protection lawyers': Increase press work planned for the end of the year 2011.

- VGF campaign: Lothar Trummer reported that the VGF campaign has started in calendar week 37. BVZL also provided a statement.
- Topic 'Social Media': The Association plans to organize an online press conference to increase the press involvement, e.g. in the UK and U.S. markets. Besides, more activities are planned for the Social Media, e.g. activation of BVZL Facebook or Twitter accounts.
- The next newsletter will be published in the beginning of or mid-November 2011. The newsletter is currently published 4 times a year. If possible, increase to 8 issues per year (depending on the budget!!)
- Topic 'Membership Benefits and Acquisition': We need to provide value addition (benefits), for instance, 'discount membership fee'. New members must be found and existing memberships must be retained.

TOP 10: Miscellaneous and Next General Assembly

ELSA / 1st ELSA Investor Summit

- September 21- 22, 2011
- Reform Club, London

DealFlow / The Life Settlements Conference 2011

- September 22-23, 2011
- Mandalay Bay, Las Vegas

17th LISA Fall Conference & 21st Services CAB Meeting

- October 3 – 6, 2011
- Atlanta (USA)

Fasano Associates / 8th Annual Life Settlement Conference

- October 24, 2011
- NAHB Building, Washington DC (USA)

BVZL General Assembly:

- The next General Assembly is scheduled for March 5, 2012 during the Summit 2012 in Munich. The members will receive the invitation including agenda in time.



(Executive Board Christian Seidl)



(Recorder of the minutes: Blanka Stricevic)