

## Minutes

of the 24<sup>th</sup> General Meeting of Members in Munich on March 5, 2012

**Chairmen of the Meeting:**

**Christian Seidl (Chairman)**  
**Ingo Wichelhaus (Chairman)**

**Minutes were recorded by:**

**Blanka Stricevic**

**Attendees:**

BVZL Executive Board:

Christian Seidl  
 Ingo Wichelhaus

Life Bond Management GmbH  
 WestLB Life Markets GmbH

BVZL Advisory Board:

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Full Members:

Johann Kirchmair  
 Michael Duben  
 Volker Bellmann

AVD  
 AVD  
 North Channel Bank GmbH & Co. KG /  
 Back Bay Group, LLC  
 BVT Life Bond Management GmbH  
 cash.life AG  
 Life Bond Holding GmbH & Co. KG  
 Life Bond Holding GmbH & Co. KG  
 Policen Direkt Versicherungsvermittlung GmbH  
 Policen Direkt Versicherungsvermittlung GmbH

Andreas Graf von Rittberg  
 Franz Schmidpeter  
 Michael G. Hoesch  
 Kathrin Erhard  
 Max Ahlers  
 Matthias Wühle

Sustaining Members:

Vincent Granieri  
 Sheri Townsend  
 Mike Fasano  
 Zohar Elhanani  
 Anna M. Bailey  
 Johannes Glasl  
 Wilfried van der Post  
 Sascha Jahns

21st Services, LLC  
 Asset Servicing Group, LLC  
 Fasano Associates  
 Legacy Benefits, LLC  
 MLF LexServ, LP  
 MPC Capital Fund Management GmbH  
 UniCredit Bank AG  
 UniCredit Bank AG

PR Agency:

Bernd Nobis  
 Blanka Stricevic  
 Lothar Trummer

NBB Kommunikation GmbH  
 NBB Kommunikation GmbH  
 ConsulTancy GmbH

**Place:** Sofitel Munich Bayerpost  
Room "Bogenhausen I"  
Bayerstrasse 12  
80335 Munich / Germany

**Time:** 15:00 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 2012– Latest Developments (Executive Board)
- TOP 4: German Secondary Market (Ingo Wichelhaus)
- TOP 5: UK Secondary Market (Johann Kirchmair)
- TOP 6: U.S. Market (Zohar Elhanani)
- TOP 7: Legal and Tax
- TOP 8: Communication and Politics (Lothar Trummer)
- TOP 9: Miscellaneous and Next Meeting

## **TOP 1: Welcome and Agenda (Executive Board)**

- Welcome of present representatives from 14 BVZL member companies by the Executive Board (Chairmen Ingo Wichelhaus, Christian Seidl)
- Ingo Wichelhaus informs the attendees that the agenda was mailed out to the members in due time together with the invitation. No objections or amendments to the agenda were made.
- Mr. Wichelhaus states that 50% of the voting members are present and, therefore, the Meeting of Members has a quorum.
- The attendees did not raise any objections of voice any comments regarding the Minutes of the 23<sup>rd</sup> General Meeting of Members (hereinafter: MV) dated 19 SEP 2011.

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

### 2a) New Members:

- No new members have signed up since the last meeting.
- In January 2012 the Association started a membership drive addressing potential member companies from Germany, Europe and the U.S. by mail including the BVZL flyer (depicting the membership benefits).
- Some companies showed interest in becoming BVZL members. The BVZL chairmen already contacted the potential members.

### 2b) Termination of Membership:

- Credit Suisse
- ISC Services
- Q Capital Strategies
- Wells Fargo

### 2c) Cash Audit 2011:

- Kathrin Erhard (Life Bond Holding GmbH & Co. KG) confirmed to have performed a cash audit for the past financial year 2011 stating that there was no reason for complaint. Christian Seidl (managing director of Life Bond Management GmbH), member of the BVZL Executive Board since 01.01.2011, notified the attending members that there may be a conflict of interest if Mrs. Erhard (also an employee of the Life Bond Group) continues to perform the annual cash audits. The members do not see any conflict and reelected Mrs. Erhard in the position of cash auditor also for the current financial year 2012.

### **TOP 3: Budget 2012 – Latest Developments (Executive Board)**

- The budget plan (actual forecast) for the current year 2012 was discussed (printout / overview dated 05 MAR 2012 was handed out to all attendees).
- Left side = Income
- Right side = Expenses
- On the left side, the members are listed. 4 members terminated their membership.
- Some membership fees have not been paid yet.
- In 2011, the Association achieved a budget reserve of approx. EUR 35,000.00. Planned use for the surplus coverage: Reserve for BVZL Summit 2012 or any unexpected costs. The Association clarified this utilization purpose with the tax advisor (BLLW) first. BLLW did not raise any objections in this regard.
- The Chairmen inform that the Association most likely will close the project “BVZL Summit 2012” with plus/minus zero.
- As of today, 05 MAR 2012, the BVZL expects a positive budget reserve totaling to approx. EUR 18,000.00 for the year 2012. The budget for 2012 will be presented again during the next Meeting of Members in September.

**The members agree with the presented current budget plan for 2012.**

### **TOP 4: German Secondary Market (Ingo Wichelhaus)**

- Summary of 2011: Once again the German market shows a positive development. The purchase volume of policies increased to a level of approx. EUR 200 million.
- The German market remains stable.
  - The “Pseudo Secondary Market” in Germany is still a serious issue. There are companies offering the policyholders purchase prices for their policies exceeding the surrender value by 200-300%.
  - The BVZL continues to fight this “Pseudo Secondary Market”. The BVZL membership has developed into a renowned “seal of quality” on the market.
  - The Association cooperates closely with the GDV and the BaFin. The goal is to inform the consumer about untrustworthy companies.
- The Association continues to cooperate with German insurers. The insurers continue to generate good returns. Current profit bonuses exceed 4%.
- Good press reporting.
- The Association continues its discussion with political opinion-makers.
- The next branch meeting is scheduled for May 8, 2012 at Policen Direkt in Frankfurt am Main.
- The attending members did not voice any more questions/comments regarding the German Secondary Market.

#### **TOP 5: UK Secondary Market (Johann Kirchmair)**

- The UK Secondary Market was characterized by a slightly positive development in 2011. Small volumes of policies could be traded successfully.
- Strongly deviating bonus declarations. Terminal bonuses were increasing for many companies, although there were some major disappointments, in particular, at the AVIVA Group with a decreasing tendency for annual bonuses.
- With-profit funds: For 2011, a minor one-digit figure performance was expected; first distributions from funds. Increased surrender values for UK TEP portfolios from 5-6% in 2011 (after the deduction of premium payments).
- Reanimation of the retail business.
- The traded volume in 2011 is estimated under 50 million GBP.
- Increasing demand for new products and investment options in the UK.
- Outlook for the UK TEPs for 2012: A moderate increase of the trade volume is expected (reinvestment of funds). Almost all policies perform positively in GBP on the policy level.
- Planned activities for the UK Market: Depending on the current issues and requirements (feedback from the UK market players), a meeting or phone conference will be scheduled in the next weeks to discuss any open topics and questions.
- The attending members did not voice any more questions/comments regarding the UK Market.

#### **TOP 6: U.S. Market (Zohar Elhanani)**

- The present time is excellent for investments in the U.S. Life Settlement Market.
- Last year showed stable purchase returns on a high level (ranging from 14% to 18% on the secondary market, even up to 25% and more on the tertiary market).
- Interest of new market players / in particular, increasing activities on the tertiary market: 4 billion US\$.
- Improving life expectancy expertises
- In Germany, the image of the market in public is rather negative, also due to the issue with the "DB Kompass Life Funds".
- Important: Keep investors, consumers and media well informed
- Outlook for 2012: Increasing activities in the U.S. Life Settlements sector
- The attending members did not voice any more questions/comments regarding the U.S. market.

### **TOP 7: Legal and Tax**

- Since there are no specific issues or open questions requiring clarification, no manager from this area was present.
- Ingo Wichelhaus informs the attendees of the Meeting that an interim injunction had been placed against the Association for a report. It was a report published about a company from the 'Pseudo secondary market'.
- Mr. Wichelhaus emphasized the importance of caution when dealing with media reports.

### **TOP 8: Communication and Politics (Ingo Wichelhaus on behalf of Lothar Trummer)**

- The Summit 2012 was organized once again by the Association's own staff in cooperation with NBB Kommunikation GmbH and Consultancy GmbH.
- Topic "Black sheep": Avoid negative press, generate positive press. Continue the close cooperation with partner associations such as GDV, VZBV and journalists.
- Topic "Social Media": Ingo Wichelhaus informs the attendees of the Meeting that BVZL is addressing this question. However, the Chairmen came to the conclusion that BVZL is not entering Social Media yet. Firstly, for cost reasons, secondly it is very time-consuming. Regardless, this topic is still relevant and will be re-addressed in due time.

### **TOP 9: Miscellaneous and next General Meeting of Members**

#### Conference Dates:

- ILMA – Forth Annual European Investor Summit  
Date: April 30, 2012  
Place: The London Marriott Hotel – Grosvenor Square, London
- Deal Flow - The International Life Settlements Conference 2012  
Date: May 1-2, 2012  
Place: Hilton London Metropole, London
- BAI Alternative Investor Conference (AIC) 2012  
Date: May 15-16, 2012  
Place: Chamber of Industry and Commerce (IHK) in Frankfurt am Main

- LISA – 18th Annual Spring Conference  
Date: May 21–23, 2012  
Place: Philadelphia, PA (USA)

BVZL Meeting of Members:

- The next General Meeting of Members is scheduled for September/October 2012 in Munich during the time of the Oktoberfest. Invitations will be mailed out to the members in time.

(signed by Chairman Christian Seidl)

(signed by Chairman Ingo Wichelhaus)

(signed by the recording secretary Blanka Stricevic)