

FOR IMMEDIATE RELEASE

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Life Partners Reorganization Plan Confirmed

DALLAS, Texas (November 1, 2016) – H. Thomas Moran II, Chapter 11 trustee for Life Partners Holdings, Inc. (LPHI), today announced the United States Bankruptcy Court for the Northern District of Texas has entered an order confirming the joint plan of reorganization for LPHI and its subsidiaries. The plan was sponsored by Mr. Moran and the Official Committee of Unsecured Creditors in the Life Partners bankruptcy case.

The confirmation by United States Bankruptcy Judge Russell F. Nelms follows a contested confirmation hearing that spanned five weeks and clears the way for implementation of the plan and the creation of two new entities, Life Partners Position Holder Trust and Life Partners Creditors' Trust. The plan offers relief for more than 22,000 investors and preserves a \$2.4 billion portfolio of life insurance policies. More than \$1.4 billion of investor money remains at risk.

“Today’s order is a tremendous victory for the investors we have been working so hard to protect,” said Mr. Moran. “We are delighted to have joined with the Committee in obtaining confirmation of a plan which projects a substantial recovery for our investors – 90 percent of invested capital on average over time.”

“Under the plan, investors have selected among various options for the recovery of their investments, including options that enable investors to avoid the financial burden of paying any further insurance premiums,” Mr. Moran continued. “Those investors who choose to tie their returns to individual policies are permitted to do so.”

The plan will be implemented in collaboration with the Committee and Vida Capital, Inc., which has agreed to act as the policy servicer and investor account administrator. Vida has also agreed to provide exit financing so that the Position Holder Trust can emerge from bankruptcy and maturity funds can be distributed to fractional holders as soon as possible.

The Position Holder Trust will oversee the liquidation of the policy portfolio and distribution of the net proceeds to investors. The Creditors' Trust will pursue litigation, including claims previously brought against insiders at Life Partners, certain individuals and entities who received monies from the fraudulent enterprise, and others against whom the investors or the company may have a right to recover. The plan provides recoveries from such litigation will be distributed to investors and other creditors.

In early 2015, in the wake of a more than \$46.8 million Securities and Exchange Commission judgment against LPHI and its senior executives for engaging in securities laws violations, LPHI's former management put the company in bankruptcy. After a lengthy and detailed investigation, Mr. Moran concluded in his official report to the Bankruptcy Court that, prior to the filing of the bankruptcy case, Life Partners engaged in "one of the largest and longest standing fraud schemes ever perpetrated in this State."

The LPHI reorganization plan is filed in the United States Bankruptcy Court for the Northern District of Texas – Fort Worth Division. For more information, including copies of the confirmed plan, please visit <http://dm.epiq11.com/LFP>.

The Chapter 11 trustee is represented by David M. Bennett, Richard B. Roper, and Katharine Battaia Clark of Thompson & Knight LLP.

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