

03-439-CD
IN RE: ERNEST L. LOWE

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
PENNSYLVANIA
CIVIL DIVISION

TX
FILED

MAR 27 2003

IN RE: PETITION OF ERNEST L. LOWE
TO TRANSFER STRUCTURED
SETTLEMENT PAYMENT
RIGHTS

William A. Shaw
Prothonotary

No. 03-439-cd

**PETITION TO TRANSFER STRUCTURED
SETTLEMENT PAYMENT RIGHTS**

Petitioner, ERNEST L. LOWE, brings forth the following Petition to Transfer Structured Settlement Payment Rights pursuant to, and in compliance with, the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009, and in support states as follows:

1. The Petitioner is ERNEST L. LOWE, an adult individual whose date of birth is August 25, 1945, and who resides at 66 Friendship Mine Road, Houtzdale, Clearfield County, Pennsylvania, 16651.

2. This Court has venue pursuant to the Structured Settlement Protection Act, because the Petitioner is domiciled in Clearfield County, Pennsylvania.

3. On or about July 24, 1998, the Petitioner sustained personal injuries as a result of a motorcycle accident. Thereafter, on or about May 1, 2001, Petitioner entered into a Settlement Agreement and Release (the "Agreement") with Pennsylvania Department of Transportation ("PennDOT"). The Agreement provided for monthly payments to the Petitioner each in the amount of \$1,762.00 for life, commencing August 1, 2001, and guaranteed for a minimum

period of 30 years. A true and correct copy of the Settlement Agreement and Release dated May 8, 2001 is attached and incorporated herein as Exhibit "A."

4. By virtue of the Qualified Assignment provided for in the Agreement, the obligation to make the monthly periodic payments is held by New York Life Insurance & Annuity Corporation, the Structured "Settlement Obligor" as defined by 40 P.S. § 4002. New York Life Insurance & Annuity Corporation is located at 55 Madison Avenue, New York, NY 10010.

5. New York Life Insurance & Annuity Corporation funded the obligation by purchasing an annuity (Annuity Contract Number FP209122) from New York Life Insurance Company, the "Annuity Issuer." Id. A true and correct copy of the Annuity Application and the Annuity Contract including confirmation of the benefit schedule are attached hereto collectively as Exhibit "B." New York Life Insurance Company is located at 55 Madison Avenue, New York, NY 10010.

6. On February 6, 2003, Petitioner executed an Absolute Assignment and UCC Article 9 Security Agreement (the "Transfer Agreement"), a true and correct copy is attached and incorporated herein as Exhibit "C." The Transfer Agreement provides for the assignment of Petitioner's right and interest in receiving 120 monthly payments each in the amount of \$300.00 commencing on April 1, 2003 through and including March 1, 2013 (the "Assigned Payments"), to Settlement Funding, LLC (the "Transferee"). Settlement Funding, LLC d/b/a Peachtree Settlement Funding ("Settlement Funding") is a Georgia Limited Liability Company with its principal place of business at 6501 Park of Commerce Blvd., Suite 140B, Boca Raton, Florida, 33487.

7. The Petitioner shall retain all right and interest in receiving the remaining balance not assigned of: the entire monthly payment of \$1,762.00 until March 1, 2003; the balance of the

monthly payments consisting of \$1,462.00 commencing April 1, 2003 through and including March 1, 2013, and the entire monthly payment of \$1,762.00 commencing April 1, 2013 through and including July 1, 2031, and for life thereafter (the “non-assigned payments”).

8. The Transfer Agreement was executed by the Transferee on February 10, 2003.

9. Additionally, as set forth in further detail in his Affidavit dated February 6, 2003, attached and incorporated herein as Exhibit “D,” Petitioner avers that:

- a. He desires to sell the Assigned Payments to Settlement Funding, LLC.
- b. The transaction contemplated by the Transfer Agreement is in his best interest and the best interest of his wife, it will improve their standard of living, and he has thoroughly considered all of the ramifications of the transaction.
- c. He is in need of the money to pay state and local taxes; to pay off a bank loan, credit cards, and outstanding hospital bills. The remaining proceeds from this transaction will be used to purchase a new front door and to paint his house.
- d. He will not be using any of the proceeds for day-to-day expenses.
- e. He has acknowledged that he has been advised to obtain independent professional advice, and has obtained such professional advice, as further set forth in Petitioner’s Independent Professional Advice (“IPA”) Affidavit attached and incorporated herein as Exhibit “E.”

10. Petitioner has been provided, and has acknowledged receipt at least 10 days prior to receipt of the Transfer Agreement, of the “Transfer Disclosure” required by 40 P.S. § 4003 (a)(2) attached and incorporated as Exhibit “F.” As set forth in greater detail in the Transfer Disclosure, the following terms have been disclosed to the Petitioner:

- a. The amounts and due dates of the structured settlement payments to be transferred are: 120 monthly payments each in the amount of \$300.00 commencing on April 1, 2003 through and including March 1, 2013.
- b. The aggregate amount of the structured settlement payments to be transferred is \$36,000.00.

- c. The discounted present value of the payments transferred using the most recently published applicable federal rate for determining the value of an annuity is \$29,329.10.
- d. The federal discount rate used to determine the discounted present value is the effective annual rate of 4.20% as of 1/22/03.
- e. The gross amount payable to Petitioner in exchange of the transferred payments is \$16,007.16.
- f. The good faith itemized listing of all broker's commissions, service charges, legal fees, notary fees, costs etc. deductible from the gross amount otherwise payable to the Petitioner is: Legal Fees of \$2,000.00 and processing fee of \$200.00.
- g. The net amount payable to Petitioner after deduction of the above commissions, legal fees, etc., is \$13,807.16 minus any advances made to Petitioner or on Petitioner's behalf for notary and fax fees and advances related to attorney fees, or any other advances made to Petitioner against the amount payable to Petitioner.
- h. The quotient is 47.08%.
- i. The amount of penalty and aggregate amount of any liquidated damages inclusive of penalties payable by the Petitioner in the event of any breach of the transfer agreement by the Petitioner is: NONE.

11. Petitioner has been provided, and has acknowledged receipt, at least 10 days prior to receipt of the Transfer Agreement, of the written "Important Notice" in bold print 12-point type required by 40 P.S. § 4003 (b). A true and correct copy of Petitioner's acknowledgement of the receipt of the § 4003 (b) notice is attached as Exhibit "G."

12. Petitioner has acknowledged that he received independent professional advice regarding the implications of the transfer, including tax ramifications of the transfer, as set forth in the acknowledgement attached as Exhibit "H."

13. On January 24, 2002, "The Victims of Terrorism Tax Relief Act," PL 107-134, 115 Stat. 2427, was enacted, which in part, amends the Internal Revenue Code of 1986. The Act amends 26 U.S.C.A. § 5891 and now provides for favorable tax treatment of "structured

settlement payment factoring transactions" that are approved in advance by a qualified court order approving the transaction. 26 U.S.C.A. § 5891 (b)(1). A "structured settlement payment factoring transaction" is defined as "a transfer of structured settlement payment rights (including portions of structured settlement payments) made for consideration by means of sale, assignment, pledge, or other form of encumbrance or alienation for consideration." 26 U.S.C.A. § 5891 (c)(3)(A) (parentheses in original). A "structured settlement" is defined as an arrangement established by "agreement for the periodic payment of damages excludable from the gross income of the recipient under [Internal Revenue Code] section 104 (a)(2)..." and under which the periodic payments are "of the character described in subparagraphs (A) and (B) of section 130(c)(2)." A true and correct copy of 26 U.S.C.A. § 5891 is attached hereto as Exhibit "I."

14. 26 U.S.C.A. § 5891 (d)(1) was also added by the Act and provides:

[I]f the applicable requirements of sections 72, 104(a)(1), 104(a)(2), 130, and 461(h) were satisfied at the time the structured settlement involving structured settlement payment rights was entered into, *the subsequent occurrence of a structured settlement factoring transaction shall not affect the application of the provisions of such sections to the parties to the structured settlement* (including an assignee under a qualified assignment under section 130) *in any taxable year*.

(Emphasis added).

Accordingly, a favorable tax result is in effect at the time the Payee and the Transferee propose to enter into the Transfer Agreement.

15. Since a favorable tax result is in effect, approvals of the Settlement Obligor and the Annuity Issuer to the proposed transfer are not required. 40 P.S. § 4003 (a)(5)(i)(A).

16. The structured settlement did not arise out of a workers' compensation claim.

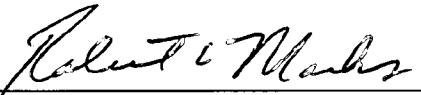
16. The structured settlement did not arise out of a workers' compensation claim.
17. Petitioner has seriously contemplated this transaction, and due to his personal circumstances and needs, believes that this assignment is in his best interests, taking into account the welfare and support of Petitioner's dependents.
18. Petitioner acknowledges that counsel, Jones, Gregg, Creehan & Gerace, LLP has not been engaged to render professional advice with respect to the advisability, or the implications of the transfer, including the tax ramifications of the transfer. Counsel has been engaged solely to prepare and present the within Petition, based upon Petitioner's independent determination and/or professional advice obtained from others, with respect to the advisability and ramifications of the transfer.

WHEREFORE, Petitioner prays that this Honorable Court grant this Petition to Transfer Structured Settlement Payment Rights.

Respectfully submitted,

Jones, Gregg, Creehan & Gerace, LLP

By:



Robert L. Monks
PA I.D.# 52760
411 Seventh Avenue
Suite 1200
Pittsburgh, PA 15219
412-261-6400

Counsel for Petitioner, Ernest L. Lowe

VERIFICATION

I, Ernest L. Lowe, have read the foregoing Petition to Transfer Structured Settlement Payment Rights and hereby aver that the statements contained therein are true and correct to the best of my knowledge, information and belief.

This Verification is made subject to the penalties of 18 Pa.C.S.A. Section 4904 relating to the unsworn falsification to authorities.

Ernest L. Lowe
Ernest L. Lowe

Dated: 3/24/03

Settlement Agreement and Release

This Settlement Agreement and Release (the "Settlement Agreement") is made and entered into this _____ day of _____, 2001, by and between:

"Plaintiff(s)" Ernest Lowe and Carol Lowe

"Defendant(s)" Commonwealth of Pennsylvania, Department of Transportation (PennDOT); Woodward Township; and Nathaniel Andrew Sedlak

"Insurer(s)" Selective Insurance
Nationwide Insurance

Recitals

A. The Plaintiff(s) have commenced an action against the Defendant(s) in the Court of Common Pleas of Clearfield County, Pennsylvania bearing Case Number 99-1122-CD arising out of an accident which occurred on July 24, 1998.

B. The Insurer, Selective Insurance is the liability insurer of Woodward Township and the Insurer, Nationwide Insurance is the liability insurer of Nathaniel Andrew Sedlak, and as such, would be obligated to pay any claim made or judgement obtained against the Defendant who is covered by its policy.

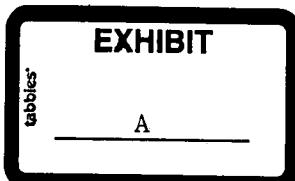
C. The parties desire to enter into this Settlement Agreement in order to provide for certain payments in full settlement and discharge of all claims which are the subject of the complaint, upon the terms and conditions set forth herein.

Agreement

A. The parties hereby agree as follows:

1. Release and Discharge

In consideration of the payments called for herein, the Plaintiff(s) hereby completely releases and forever discharges the said Defendant(s), the Insurer(s), and all of its agencies, agents, servants, representatives, employees and assigns, and also releases any and all other persons, firms, corporations, or governmental entities of and from any and all past, present or future claims, demands, obligations, actions, causes of action at equity or at law, rights, damages, costs,



settlement to cause to be made the Periodic Payments made according to the schedule as follows (the "Periodic Payments"):

To Ernest Lowe, ("Payee"):

One Thousand Seven Hundred Sixty-Two Dollars and No Cents (\$1,762.00) monthly beginning 08-01-2001 and continuing for the life of this Payee with payments guaranteed to be made to this Payee or to this Payee's beneficiary through 07-01-2031 for a total of 30 years (360 payments) guaranteed.

All sums set forth herein constitute damages on account of physical injuries and sickness, within the meaning of Section 104(a)(2) of the Internal Revenue Code of 1986, as amended.

Qualified Assignment

Plaintiff(s) acknowledge and agree that PennDOT may make a "qualified assignment", within the meaning of Section 130(c) of the Internal Revenue Code of 1986, as amended, PennDOT's liability to make the Periodic Payments set forth in Section 2B to New York Life Insurance & Annuity Corporation ("the Assignee").

This assignment will be accepted by the Plaintiff(s) and Payee without right of rejection and shall completely release and discharge PennDOT from the Periodic Payments obligation assigned to the Assignee. The Plaintiff(s) and the Payee recognize that the Assignee shall be the sole obligor with respect to the Periodic Payments obligation, and that all other releases with respect to the Periodic Payments obligation that pertain to the liability of PennDOT shall thereupon become final, irrevocable and absolute.

Right to Purchase an Annuity

For its own convenience, PennDOT and/or PennDOT's Assignee may fund its obligation under Section 2B by the purchase of any annuity from New York Life Insurance Company. Said company shall mail payments directly to the Payee. The Payee shall be responsible for maintaining proper mailing address with PennDOT or PennDOT's Assignee.

Attorney's Fees

Each party hereto shall bear all attorneys fees and costs arising from the actions of its own council in connection with the complaint, this Settlement Agreement and Stipulation of Dismissal of the Plaintiff(s), and all related matters except as specifically provided in Paragraph 2A and as to the latter said payment is being made by the Defendant(s) and Insurer(s) as part of this settlement on behalf of the Plaintiff(s).

3

expenses and compensation of any nature whatever, whether based on a theory of recovery, including but not limited to, all theories of liability, and whether for compensatory or punitive damages, which the Plaintiff(s) now have, or which may hereafter accrue or otherwise be acquired, on account of, or in any way growing out of, or which are the subject of, the complaint (and all related pleadings) including, wrongful death and, without limitation, any and all known or unknown claims for bodily and personal injuries, damages and conditions, alleged to have resulted therefrom by Plaintiff(s), and the consequences thereof, which have resulted or may result from the alleged negligent acts or omissions of the Defendant(s) growing out of or on account of the previously described accident. This release, on the part of the Plaintiff(s), shall be fully binding and complete settlement between the Plaintiff(s), the Defendant(s), the Insurer(s) and all parties represented by or claiming through the Plaintiff(s), save only the executory provisions of this Settlement Agreement.

2. Payments

In consideration of the release set forth above, Defendant(s) and/or their Insurer hereby agree to cause to be made payable to the Plaintiff(s) the following sums in the following manner:

A. Attorney Fees and Cash to Plaintiff

Concurrently with the execution of this Agreement, PennDOT agrees as part of this settlement to pay the sum of One Hundred Ten Thousand Two Hundred Sixty-Four Dollars and No Cents (\$110,264.00) to Ernest Lowe and Carol Lowe and Edgar Snyder & Associates, LLC, their attorney, inclusive of disbursements as and for attorney's fees rendered on behalf of the Plaintiff(s).

Concurrently with the execution of this Agreement, Woodward Township and/or Selective Insurance agree as part of this settlement to pay the sum of One Hundred Thousand Dollars and No Cents (\$100,000.00) to Ernest Lowe and Carol Lowe and Edgar Snyder & Associates, LLC, their attorney, inclusive of disbursements and for attorney's fees rendered on behalf of the Plaintiff(s).

The said payments shall include all of the Plaintiff(s') costs and expenses resulting to the Plaintiff(s) in connection with the complaint and the settlement set forth herein.

B. Periodic Payments

Concurrently with the execution of this Agreement, PennDOT agrees as part of this

Payee's Beneficiary

Any payments to be made after the death of the Payee pursuant to the terms of this Settlement Agreement shall be made to Carol Lowe. In the event that Carol Lowe should die prior to Ernest Lowe, any remaining guaranteed payments would go to The Estate of Ernest Lowe. No future designation or any revocation thereof shall be effective unless it is in writing and delivered to PennDOT or PennDOT's Assignee.

General Release

Plaintiff(s) hereby acknowledges and agrees that the release set forth in Section 1 hereof is a general release and he/she further expressly waives and assumes the risk of any and all claims for damages which exist as of this date but which the Plaintiff(s) does not know of or suspect to exist, whether thorough ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect their decision to enter into this Settlement Agreement. The Plaintiff(s) further agrees that he/she has accepted payment of the sums specified herein as a complete compromise of matters involving disputed issues of law and fact they fully assume the risk that the facts or the law may be otherwise than they believe.

It is further expressly understood and agreed to that Plaintiff(s) releases the Commonwealth of Pennsylvania, Department of Transportation, from any claims by Plaintiff(s) under the terms of the Pennsylvania Comparative Negligence Statute, 42 Pa. C.S.A. §7102 (1978, April 28, P.L. 202, No. 53, §10(89)). Specifically, payment made pursuant to this Release constitutes full satisfaction of any percentage of liability as may be determined by any court, jury or factfinder pursuant to the Comparative Negligence Statute, supra, and the Commonwealth of Pennsylvania, Department of Transportation, shall have no further liability to us or any other party as a result of this action.

Delivery of Stipulation of Dismissal with Prejudice

Counsel for the Plaintiff(s) will deliver to counsel for the Defendant(s) an executed Stipulation of Dismissal with Prejudice of the civil action described in Recital A above.

Warranty of Capacity to Execute Agreement

Plaintiff(s) represents and warrants that no other person or entity has, or has had, any interest in the claims, demands, obligations, or causes of action referred to in this Settlement Agreement; that Plaintiff(s) has the sole and exclusive right to receive sums specified in it; and that they have not sold, assigned, transferred, conveyed, or otherwise disposed of any of the claims, demands, obligations, or cause of action referred to in this Settlement Agreement.

Disclaimer of Liability

Plaintiff(s) agrees and acknowledges that he/she accepts payment of the sums specified in this Settlement Agreement as a full and complete compromise of matters involving disputed issues; that neither payment of the sums by the Defendant(s) and Insurer(s) nor the negotiations of this settlement (including all statements, admissions or communications) by the Defendant(s) and Insurer(s), or their attorney or representative shall be considered admissions by any of said parties; and that no past or present wrong doing on the part of the Defendant(s) and Insurer(s) shall be implied by such payment or negotiations.

Plaintiff(s) agrees to indemnify and save harmless the Defendant(s) and Insurer(s) from any and all claims or liens presently existing against the settlement herein by any person, entity or corporation.

Entire Agreement and Successors in Interest

This Settlement Agreement contains the entire agreement between the Plaintiff(s), the Defendant(s), and the Insurer(s) with regard to the matters set forth in it and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors and assigns of each.

Construction by Pennsylvania State Law

This Settlement Agreement is entered into the State of Pennsylvania and shall be construed and interpreted in accordance with its laws.

Representation of Comprehension of Document

In entering into this Settlement Agreement the Plaintiff(s) represents that he/she has relied upon the advice of his/her attorneys, who are the attorneys of his/her own choice and that the terms of this Settlement Agreement have been completely read and explained to him/her by his/her attorneys, and that those terms are fully understood and voluntarily accepted by them.

It is expressly warranted by me that no promise or inducement has been offered except as herein set forth; that this Settlement Agreement and Release is executed without reliance upon any statement or representation of the person or parties released, or other representatives, concerning the nature and the extent of our injuries, damages or legal liability therefore, and that the acceptance of the consideration set forth is in full accord and satisfaction of the disputed claim against the said Commonwealth of Pennsylvania, Department of Transportation, Woodland Township and Nathaniel Andrew Sedlak for which liability is expressly denied.

Additional Documents

All parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Settlement Agreement.

Payee's Rights to Payments

The Defendant(s) shall not segregate or set aside any of its assets to fund the payments to Payee required herein. Said payments cannot be accelerated, deferred, increased or decreased by the Payee and no part of the payments called for herein or any assets of the Defendant(s) is to be subject to execution or any legal process for any obligation in any manner, nor shall the Payee have the power to sell or mortgage or encumber same, or any part thereof, nor anticipate the same, or any part thereof, by assignment or otherwise.

Nonassignment

The periodic payments to be received by the Payee pursuant to Paragraph 2B are not subject in any manner to anticipation, alienation, sale or transfer, assignment, pledge or encumbrance by Payee.

Tax Consequences

It is further understood among the parties that those parties receiving monies hereunder have not relied upon any representations, expressed or implied, made by the Defendant(s), Insurer(s) or their attorneys or representatives, as to the possible tax consequences of this agreement and that said parties receiving monies hereunder release the Defendant(s), Insurer(s) and their attorneys and representatives from any and all liabilities in connection with any such tax consequences.

Entire Agreement

This Settlement Agreement contains the entire agreement between Plaintiff(s), Defendant(s), and the Insurer(s) with regard to the matters set forth herein. There are no other understandings or agreements, verbal or otherwise, in relation thereto, between the parties except as herein expressly set forth.

Effectiveness

This Settlement Agreement shall become effective immediately following execution by all of the parties.

Executed at _____ this _____ day of _____, 2001.

Plaintiff(s): Ernest Lowe and Carol Lowe

Ernest L. Lowe
Ernest Lowe

Date: 5/1/2001

Carol Lowe
Carol Lowe

Date: 5-1-01

The above release has been and the terms therefore explained to Ernest Lowe and Carol Lowe the form and content are hereby approved.

Plaintiff's Attorney: Edgar Snyder & Associates, LLC

By: Richard Rosenthal
Richard Rosenthal, Esquire

Date: 5-1-01

Defendant(s): Pennsylvania Department of Transportation (PennDOT)

By: B. H. Baxter
Brian H. Baxter, Esquire

Title: SENIOR DEPUTY ATTORNEY GENERAL

Date: 5/8/01

APPLICATION FOR STRUCTURED SETTLEMENT TO:



NEW YORK LIFE INSURANCE COMPANY
 NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A Delaware Corporation)

51 Madison Avenue, New York, NY 10010

1.

MEASURING
LIFE
(Proposed
Annuitant)

Name ERNEST L. LOWE
Date of Birth (M/D/Y) 08/25/45
Sex M F Age 56
Soc. Sec. #205-34-7082

Mail Address (include Zip Code)

Street R.R. 1, BOX 398

City HOUTZDALE

State PA Zip 16651

(Use Part 8 for additional name in Joint & Survivor cases)

2.

OWNER

Name NEW YORK LIFE INSURANCE
AND ANNUITY CORPORATION

Mail Address (include Zip Code)

Street 51 MADISON AVE

City NY

State NY Zip 10010

3.

ANNUITY
PAYMENTS

Terms, frequency, and commencement
date of Annuity Payments:

(Use Part 8 for more details)

SEE ATTACHED ADDENDUM

4.

PAYEE(S)

Annuity payments will be made to:

(Use Part 8 for additional names)

Name: ERNEST LOWE

Name: _____

Soc. Sec. #205-34-7082

Soc. Sec. # _____

Address: R.R. 1, BOX 398

Address: _____

HOUTZDALE, PA 16651

5.

BENEFICIARY

Names and Addresses:

(Please furnish details)

SEE ATTACHED ADDENDUM

EXHIBIT

B

988-575 3-88

OVER

6.

REMITTANCE

Amount \$ VALUABLE CONSIDERATION

7

SETTLEMENT AGREEMENT

Has a copy of the Settlement Agreement or Court Order been submitted with this application? Yes No

8

ADDITIONAL INFORMATION

(Please attach additional page if necessary)

THOSE WHO SIGN THIS APPLICATION AGREE THAT: (1) All of the statements in this application are complete and true to the best of the knowledge and belief of those who made them. (2) No agent is authorized to accept risks, make or change contracts, or give up any of the Insurer's rights or requirements. (3) Under the penalties of perjury, the Social Security numbers provided on this application are certified to be true, correct, and complete.

Signed at _____

I certify I have truly and accurately recorded all answers given to me.

Agent/Broker

Judson N. Caddy, Jr.

Date: 6/12/81 19

Applicant/Owner

Countersigned by Licensed Resident Agent
(if required)

ADDENDUM TO APPLICATION

Annuitant: Ernest L. Lowe

Schedule of Benefits: One Thousand Seven Hundred Sixty-Two Dollars and No Cents (\$1,762.00) monthly beginning 08-01-2001 and continuing for the life of this Payee with payments guaranteed to be made to this Payee or to this Payee's beneficiary through 07-01-2031 for a total of 30 years (360 payments) guaranteed.

Beneficiary: Any payments to be made after the death of the Payee pursuant to the terms of this Qualified Assignment and Release shall be made to Carol Lowe. In the event that Carol Lowe should die prior to Ernest Lowe, any remaining guaranteed payments would go to The Estate of Ernest Lowe.

ANNUITANT
ERNEST L LOWE

AGE 56 MALE

POLICY NUMBER: FP209122
POLICY DATE: JUNE 12, 2001

OWNER: NEW YORK LIFE INSURANCE AND ANNUITY CORP

PLAN: STRUCTURED SETTLEMENT - SEE DATA PAGE 2A

PAYEE(S): COUNTY NATIONAL BANK

THE BENEFIT STREAM(S) FOR EACH PAYEE IS ENCLOSED.
THE PAGE(S) WHICH FOLLOW ARE ALSO PART OF THIS POLICY.

PREMIUM: \$1 PLUS VALUABLE CONSIDERATION

DATE OF ISSUE 06/21/2001

PAGE 2

POLICY DATA NEW YORK LIFE INSURANCE COMPANY

POLICY NUMBER: FP209122

PAYEE: COUNTY NATIONAL BANK

BENEFICIARY: AS STATED IN THE APPLICATION AND SUBJECT TO THE PROVISIONS
OF THIS POLICY

PLAN: LIFE ANNUITY - 30 YEARS GUARANTEED

AMOUNT: ANNUITY PAYMENTS OF \$1,762.00 MONTHLY,
BEGINNING AUGUST 1, 2001.
PAYABLE WHILE THE ANNUITANT IS LIVING, OR UNTIL AT LEAST
360 SUCH PAYMENTS (THE GUARANTEED PAYMENTS) HAVE BEEN MADE.

WE & YOU

In this policy, the words "we", "our" or "us" refer to New York Life Insurance Company, and the words "you" or "your" refer to the owner of this policy.

When you write to us, please include the policy number, the Annuitant's full name, and your current address.

CONTENTS

POLICY DATA	Policy Identification and Specifications/2
ANNUITY BENEFIT	Annuity Benefit/4
POLICY OWNERSHIP	Owner; Successor Owner; Change of Ownership/4
BENEFICIARY	Naming of Beneficiary; Change of Beneficiary; Change in Payment; Death of Beneficiary/4
GENERAL PROVISIONS	Entire Contract; Survival; Age and Sex; Assignment; Payment in One Sum; No Values or Dividends; Protection Against Creditors; Conformity with Law; Voting Rights/5
APPLICATION	Attached to the Policy.
RIDERS OR ENDORSEMENTS (IF ANY)	Attached to the Policy.

**ANNUITY
BENEFIT**

Annuity Benefit. We will make annuity payments to you or to the payee(s) designated by you, if the premium for this policy has been paid. Payments will be made in the amount(s) and for the period(s) of time shown on the data page.

Payments based on the life of the Annuitant will go on for as long as the Annuitant lives. If the Annuitant dies before the guaranteed number of payments have been made, we will make the remaining guaranteed payments to the beneficiary. If the Annuitant dies and the payments that have been made are less than the guaranteed total amount, we will continue making payments until the total amount of annuity payments equals the guaranteed total amount. Any

payments made after the death of the Annuitant will be made to the beneficiary.

Payments that are not based on the life of the Annuitant are guaranteed as shown on the data page. If the Annuitant dies before all those payments have been made, we will make the remaining payments to the beneficiary.

If this annuity is based on the life of 2 Annuitants, payments will continue as long as either Annuitant is living. If both Annuitants die before the guaranteed number or total amount of payments have been made, we will make the remaining payments to the beneficiary.

Please read this policy for full details.

**POLICY
OWNERSHIP**

Owner. In this policy, the words "you" and "your" refer to the owner of the policy. As the owner, you have all rights of ownership in this policy while the Annuitant is living. These rights include the right to receive the payments or to name one or more payees to receive these payments. To exercise these rights, you do not need the consent of any successor owner or beneficiary.

Successor Owner. A successor owner can be named in the application, or in a notice you sign which gives us the facts that we need. The successor owner will become the new owner if you die while the Annuitant is living. If no successor owner survives you and you die while the Annuitant is living, your estate becomes the new owner.

Change of Ownership. You can change the owner of this policy, from yourself to a new owner, in a notice you sign which gives us the facts that we need. When this change takes effect, all rights of ownership in this policy will pass to the new owner.

When we record the facts about a change of owner or successor owner, these changes will take effect as of the date you signed the notice, subject to any payment we made or action we took before recording these changes. We may require that these changes be endorsed in the policy. Changing the owner or naming a new successor owner cancels any prior choice of successor owner, but does not change the beneficiary.

BENEFICIARY

Naming of Beneficiary. One or more beneficiaries can be named in the application, or in a notice you sign which gives us the facts that we need. If more than one beneficiary is named, they can be classed as first, second, and so on. If 2 or more are named in a class, their shares in any amount payable can be stated. No amount will be payable to a beneficiary unless the Annuitant dies before all payments shown on the first page have been paid.

The stated shares of any amount payable will be paid to any first beneficiaries who survive the Annuitant. If no first beneficiaries survive, payment will be made to any surviving in the

second class, and so on. Those who survive in the same class have an equal share in any amount payable, unless the shares are stated otherwise.

Change of Beneficiary. While the Annuitant is living, you can change a beneficiary in a notice you sign which gives us the facts that we need. When we record a change, it will take effect as of the date you signed the notice, subject to any payment we made or action we took before recording the change.

Change in Payment. A beneficiary does not have the right to advance, assign, or change any payment, or to elect to receive the payments in one sum. However, you may give him or her the right to receive payment in one sum, if you tell us in writing.

A++

Kathy Ferrante

These Pages are the
Settlement Agreement and Release

Ernest Lowe

BENEFICIARY

(continued)

Death of Beneficiary If a beneficiary who is receiving payments dies, each remaining payment will be paid to those in the same class who are alive when that payment becomes due. If the last beneficiary in a class receiving payments dies, each remaining payment will be paid to those in the next class who are alive when that payment becomes due, and so on. When the last beneficiary receiving these payments dies, we will pay in one sum the present value at that time of any remaining payments to his or her estate.

If no beneficiary for any amount payable, or for a stated share, survives the Annuitant, the right to this amount or this share will pass to you. If you are the Annuitant, this right will pass to your estate. If any beneficiary dies at the same time as the Annuitant, or within 15 days after the death of the Annuitant, but before we receive proof of the Annuitant's death, we will pay any amount payable as though that beneficiary died first.

GENERAL PROVISIONS

Entire Contract The entire contract consists of this policy and the attached copy of the application. Only our Chairman, President, Secretary, or one of our Vice Presidents can change the contract, and then only in writing. No change will be made in the contract unless you agree.

Survival We may require proof that the owner, the Annuitant, or a payee is living on the payment date.

Age and Sex If any Annuity payments are based on the Annuitant's life, the age of the Annuitant, as shown on the data page, is the age as of the policy date. We count 1/12 of a year for each full month from the Annuitant's last birthday to the policy date.

If the age or sex of the Annuitant is not correct as stated, any amount payable under this policy based on the life of the Annuitant will be what the single premium paid would have purchased at the correct age and sex.

If we pay too little or too much because the age or sex was not correct as stated, we will increase or reduce a later payment or payments to adjust for the error. Any adjustment will include interest, at 6% per year, from the date of the wrong payment to the date the adjustment is made.

Assignment While the Annuitant is living, you can assign this policy or any interest in it.

If you do this, your interest, and anyone else's is subject to that of the assignee. As owner, you still have the rights of ownership that have not been assigned. An assignee may not change the owner, a payee, or beneficiary.

We must have a copy of any assignment. We will not be responsible for the validity of an assignment. It will be subject to any payment we make or other action we take before we record it.

Payment in One Sum It may happen that payments remaining after the death of the Annuitant are to be paid to an assignee, or to someone other than an individual who is receiving payment in his or her own behalf. If so, we will make the payment in one sum.

The present value of any remaining payments we pay in one sum is based on the interest rate shown in the Premium Schedule on the data page, and is always less than the sum of those payments.

No Values or Dividends This policy does not have cash or loan values. It is not eligible for dividends.

Protection Against Creditors Except as stated in the Assignment provision, payments we make under this policy are, to the extent the law permits, exempt from the claims, attachments, or levies of any creditors.

Conformity with Law This policy is subject to all laws which apply.

Voting Rights Each year there is an election of members of our Board of Directors. You have the right to vote in person or by mail if your policy is in force, and has been in force for at least one year after the date of issue. For more information, write to the Secretary at our Home Office, 51 Madison Avenue, New York, New York 10010.

ABSOLUTE ASSIGNMENT AND UCC ARTICLE 9 SECURITY AGREEMENT

(THE "AGREEMENT")

February 3, 2003

I, **Ernest L. Lowe**, ("I", "Me" or "Assignor") residing at 66 Friendshipmine Rd. Houtzdale, PA 16651 am entitled to 360 monthly payments each in the amount of \$1,762.00 commencing on August 1, 2001 through and including July 1, 2031 and life thereafter. (the "Periodic Payments") on account of the settlement of a certain personal injury claim, the settlement of which is memorialized in that certain settlement agreement dated **05/08/2001** (the "Settlement Agreement"). The Periodic Payments are due to me from **New York Life Insurance & Annuity Corporation** (the "Settlement Obligor") under the terms of the Settlement Agreement and are being funded by an annuity issued by **New York Life Insurance Company** (the "Annuity Issuer") bearing annuity contract number **FP209122**.

A. I hereby sell, assign and convey to Settlement Funding, L.L.C. (the "Assignee") or its assigns all of my rights to and interest in and to the following payments due or to become due under the Settlement Agreement:

120 monthly payments each in the amount of \$300.00 commencing on April 1, 2003 through and including March 1, 2013 (the "Assigned Payments").

In consideration for this assignment, Assignee shall pay to me the sum of: **\$16,007.16** (the "Assignment Price").

B. I hereby make the following unconditional representations, warranties and promises:

1. No one other than me has any interest or claim of any kind or nature in, to or under the Assigned Payments I am assigning hereunder.
2. I am not indebted to anyone that would affect in any way either the assignment of the Assigned Payments referenced above or Assignee's absolute rights to receive same.
3. I agree to conduct my affairs so as to ensure that Assignee obtains all of the benefits of the assignment contemplated hereby.

C. I agree that the following shall be considered an event of default by me under this Absolute Assignment Agreement:

1. The representations set forth in Paragraphs B 1 and B 2 above are at any time not true.
2. Failure by me to perform the promise set forth in Paragraph B 3 above.
3. Failure by the Settlement Obligor or the Annuity Issuer to make any one or more of the Assigned Payments as a result of any act by me, my estate or any of my heirs.
4. Failure by the Settlement Obligor or Annuity Issuer to forward one or more Assigned Payments to Assignee as a result of any act by me, my estate or any of my heirs.
5. Failure by me to forward promptly to Assignee any Assigned Payment received by me from the Settlement Obligor or the Annuity Issuer.
6. Failure by me to fulfill any other obligation of mine under this Agreement.

D. The following are conditions precedent to Assignee's obligation to pay me the Assignment Price:

1. Assignee shall be satisfied, in its sole discretion, that there are no claims or interests of any kind or nature whatsoever that do or may affect Assignee's rights to or interest in the Assigned Payments and Assignee's ability actually to receive same on the dates and in the amounts set forth herein.
2. Assignee shall have received a final non-appealable court order, or a signed acknowledgment from Settlement Obligor and the Annuity Issuer satisfactory to Assignee in its sole discretion (such court order or acknowledgement together are hereinafter referred to as the "Order"), authorizing the transfer by assignment of the Assigned Payments (which may continue to be made out to my name) to Assignee, and directing that the Periodic Payments due on or after the day of the Order be forwarded, or authorizing the forwarding of the Periodic Payments, directly to Assignee.

E. Under this Agreement and only to the extent permitted by law Assignee and I intend to create a security interest under Article 9 of the Uniform Commercial Code of the state designated in Paragraph F

below, in my rights to and interest in payments due to me under the Settlement Agreement, which rights have been assigned to Assignee as General Intangibles under Article 9 of the Uniform Commercial Code of the state designated in Paragraph F below. This Agreement shall also function as a security agreement. This security interest secures payment of the rights assigned and performance of my obligations under Paragraph B above. Assignee may direct any account debtor, obligor on an instrument, including, without limitation, the Settlement Obligor or Annuity Issuer, to make periodic payments directly to Assignee as contemplated by the Uniform Commercial Code. Assignee may file a UCC-1 financing statement to perfect its rights hereunder.

F. Except as otherwise required by applicable statutory law, this Agreement shall be governed by and interpreted in accordance with the law of the state of residence of the Assignor on the date of this Agreement.

ARBITRATION

Any and all controversies, claims, disputes, rights, interests, suits or causes of action arising out of or relating to this Agreement and the negotiations related thereto, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association. The demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association offices in your state of residence. The arbitration shall be held in the largest city in your state of residence. The arbitration shall be held before a single arbitrator selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time that the demand for arbitration is filed. Discovery, specifically including interrogatories, production of documents and depositions shall be at the discretion of the arbitrator and to the extent permitted shall be conducted in accordance with, and governed by the Federal Rules of Civil Procedure.

A demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event, shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question, would be barred by the applicable statute of limitations.

No arbitration arising out of or relating to this Agreement shall include, by consolidation or joinder or in any other manner, an additional person or entity not a party to this Agreement, except by written consent of the parties hereto, containing a specific reference to this Agreement and signed by the entity sought to be joined. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement, shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Such arbitrator shall identify the substantially prevailing party and shall include legal fees and expenses for the substantially prevailing party.

This provision does not apply to the extent inconsistent with applicable state law regarding the transfer of structured settlement payments. In such case any disputes between the parties will be governed in accordance with the laws of the domicile state of the payee and the domicile state of the payee is the proper venue to bring any cause of action arising out of a breach of the agreement.

G. I hereby grant to Assignee an Irrevocable Power of Attorney with full powers of substitution to do all acts and things that I might do regarding the Assigned Payments and any and all rights I have under the Settlement Agreement, including, without limitation, the power to endorse checks, drafts or other instruments, the power to alter, edit and change payment instructions and/or beneficiary designations and any other act which, in the sole discretion of Assignee as my Attorney-in-Fact is necessary or expedient for it to obtain all of the benefits of the bargain contemplated by this transaction. This power of attorney is coupled with an interest and shall survive my death or disability.

H. In the event that prior to the consummation of the transaction contemplated hereby I receive any of the Assigned Payments, or any portion thereof, the Assignment Price shall be reduced in like amount and

the terms of this Agreement regarding the payments to be assigned shall be deemed to be adjusted accordingly. In the event Assignee receives or otherwise comes into possession of any of the Periodic Payment(s) or portion(s) thereof which are not included in the payments being absolutely assigned to Assignee hereunder, Assignee shall forward such amount(s) to me at the address set forth above within seven (7) days of receipt of such amount(s).

I. Assignee shall be entitled to discharge any adverse claims against Assignor or any of the Assigned Payments whether or not such adverse claims are disclosed. Assignee may, provided Assignee furnishes prior written notice to Assignor, pay any and all amounts necessary or, if the Assignment Price has been deposited into an escrow account, instruct the escrow agent to pay any and all amounts necessary to discharge such liens or other adverse claims, and the Assignment Price shall be reduced by the amount of any such payment. Adverse claims may include disclosed amounts to be deducted by Assignee from the Assignment Price to pay Assignee, as servicer for Peachtree Finance Company, LLC, to enable Assignor to obtain Peachtree Finance Company, LLC's release of its encumbrance on a portion of the Assigned Payments, which portion of Assigned Payments relate to prior transfer transaction(s) consummated prior to the effective date of the applicable transfer act(s) which encumbrance must be released for the transaction contemplated herein to be consummated.

J. Since I know that it will take some time for the Settlement Obligor and the Annuity Issuer to receive and process my court order once it is granted, I hereby authorize you to hold an amount equal to the sum of the first six payments assigned by me or 20% of the first lump sum payment assigned by me to you under this Agreement until such time as the Settlement Obligor and the Annuity Issuer acknowledge the terms of my court order. At such time, I understand that you will send the escrow to me minus any payments that the Annuity Issuer inadvertently sent to me while the Settlement Obligor and the Annuity Issuer were processing my court order.

K. This Agreement shall take effect on the date it is signed by me (the Assignor) or on such later date prescribed by applicable statutory law.

L. All disclosure statements are a material part of this Agreement and shall be read in pari materia herewith.

In witness whereof I hereunto set my hand.

STATE OF Pa.
COUNTY OR CITY OF Clearfield.

On this 6th day of Feb, 2003, the above person, known to me to be the person whose name is subscribed to this instrument, personally appeared before me and acknowledged to me that he/she has read this instrument and that the instrument has been executed by him/her.

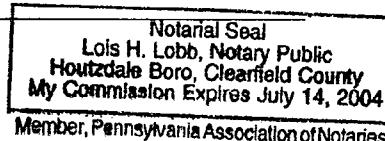
Ernest L. Lowe
Ernest L. Lowe
Lois H. Lobb
Notary

My Commission expires on July 14, 2004

Accepted:

Settlement Funding L.L.C.

Lois H. Lobb
Title: Senior Vice President
Date: 2-10-03



Member, Pennsylvania Association of Notaries

Authorization For Deductions

Pursuant to the terms of the Agreement, Assignee may deduct from the Purchase Price the full amount due to any and all third party creditors, judgment holders, holders of child support obligations, the holder of any other outstanding lien or claim (collectively the "Judgments/Claims") including life insurance policy payment(s) or any attorney fees in connection with the consummation of this transaction.

If Assignee is able to satisfy in full the Judgments/Claims for less than the full amount due, Assignee shall be entitled to keep the difference between the amount deducted and the amount actually paid.

Authorization to Conduct Credit and Criminal Background Checks

I, Ernest L. Lowe residing at 66 Friendshipmine Rd., Houtzdale, PA 16651, hereby authorize Settlement Funding or any of its agents or designees, to conduct any and all criminal background reports, searches or checks and any and all credit history reports, searches or checks which it in its sole discretion and judgment deems necessary or advisable.

Authorization to Release Information

I, Ernest L. Lowe, hereby request and authorize New York Life Insurance & Annuity Corporation, New York Life Insurance Company, or any of their successors, assigns, designees, agents or administrators, or my attorney to disclose, or any other parties that may possess any information deemed necessary by Settlement Funding, or any of its agents or designees to be disclosed, make available and furnish to Settlement Funding, or any of its agents or designees any and all information pertaining to my personal injury settlement as set forth in a certain release dated 05/08/2001, or any other documents deemed necessary by Settlement Funding, or any of its agents or designees. I specifically direct that New York Life Insurance & Annuity Corporation, New York Life Insurance Company, or any of their successors, assigns, designees, agents or administrators or any other person or entity that this authorization is given to, cooperate with Settlement Funding or any of their agents or designees regarding disclosure of information pertaining or related to my settlement or other required documentation. Please provide copies via fax or otherwise of any and all documents requested by Settlement Funding or their agents or designees regarding my settlement.

Dated: 2/6/03

Ernest L. Lowe

Ernest L. Lowe

AFFIDAVIT

I, Ernest L. Lowe, of full age, being duly sworn according to law, upon my oath depose and say:

1. I currently reside at 66 Friendshipmine Rd., Houtzdale, PA 16651.

2. I am the recipient of certain guaranteed payments under a structured settlement dated June 12, 2001. The entity presently obligated to make the payments due under the structured settlement is New York Life Insurance & Annuity Corporation. In order to fund its payment obligations under the structured settlement New York Life Insurance & Annuity Corporation purchased an annuity contract FP209122 from New York Life Insurance Company.

3. I voluntarily entered into an Absolute Assignment and UCC Article 9 Security Agreement (the "Agreement") dated February 3, 2003 with Settlement Funding, LLC d/b/a Peachtree Settlement Funding ("Peachtree"). Under that Agreement, I agreed to sell and assign to Peachtree the following payments due to me under the structured settlement:

120 monthly payments each in the amount of \$300.00 commencing on April 1, 2003 through and including March 1, 2013 (the "Assigned Payments").

4. I understand I will forego receipt of the Assigned Payments under the Agreement. I understand that my beneficiaries/heirs and I will no longer receive any of the Assigned Payments or any portion of the Assigned Payments. I understand that all of the Assigned Payments will go to Peachtree or the assigns of Peachtree.

5. I also understand that this Affidavit is submitted for use in the court approval process initiated by Peachtree and myself to seek court approval of the transfer of payments to Peachtree.

6. I also received from Peachtree a Disclosure Statement detailing the terms of the Agreement, which I signed and returned to Peachtree. I carefully reviewed the Disclosure Statement and fully and completely understand all terms of the Disclosure Statement.

7. In the Disclosure Statement, Peachtree advised me to seek professional advice regarding the Agreement from an attorney, accountant or other professional of my choice. Accordingly, as per the attached IPA Affidavit, I have received independent professional advice regarding this transaction.

8. I am 57-year-old, married and I have supported myself for the last 39 years. I have no mental disabilities that would prevent me from working, but due to a motorcycle accident, which left me with many broken bones, I am not able to work. I currently receive \$1,285.00 per month from Social Security. In addition, I will continue receiving tax-free monthly payments of \$1,400.00 from the structured settlement payments that I

am not transferring to Settlement Funding. Therefore, my wife and I have other sources of income other than the structured settlement payments that I wish to transfer and assign to Settlement Funding.

9. I have thoroughly considered this transaction, my alternatives and the use to which I will put the proceeds of this sale. I have considered the impact of this transaction on my wife and myself. My wife and I will be able to improve our present standard of living if I am permitted to transfer and assign my right to receive the Assigned Payments to Settlement Funding as described in this Affidavit. After considering these factors I believe that this transaction is in my best interest and the best interests of my wife.

10. I intend to use the proceeds I receive from Peachtree under the Agreement to pay my taxes, payoff credit cards and loan, pay off hospital bills and purchase a new front door. I need \$1,300.00 to pay my local and state taxes, which have to be paid by June 2003 in order to avoid having any action for income garnishment initiated. I also need approximately \$11,000.00 from the proceeds to pay off my creditors. I have a \$4,000.00 with Visa, \$1,600.00 to J.C. Penney, \$1,400.00 for a bank loan and \$4,000.00 in outstanding hospital bills. Paying these accounts in full will eliminate these recurring monthly payment obligations and free up more of my household income that is available to provide for the comfort and well being of my wife and myself. The remainder of the proceeds will be used to purchase a new front door and paint the outside of my house. I do not have the financial wherewithal to pay for the aforementioned from my current finances. Therefore, I have decided to pursue this transaction to obtain the monies I need to pay for the aforementioned.

11. I will not be using any portion of the proceeds from the Agreement for day-to-day expenses. I have never assigned, sold or pledged any of the structured settlement payments that I am receiving from the aforementioned structured settlement, to any party or entity. In addition, I have no dependents. I do not believe that approval of this transfer will negatively affect our standard of living nor make it difficult to pay for living expenses or otherwise harm us in any way. The portion of the periodic payments that I am not selling, currently \$1,400.00 per month, along with my social security payments of \$1,285.00 per month is sufficient to support my wife and myself.

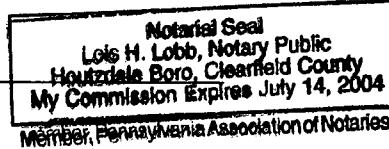
Ernest L. Lowe

Ernest L. Lowe

Sworn and Subscribed before me this 6th day of Feb, 2002.
2003

Yan D. Loe
Notary Public

My Commission Expires:



IPA AFFIDAVIT

Ernest L. Lowe, (hereinafter "I" or "Me") being duly sworn upon my oath depose and say:

1. I am over the age of 18 and am of sound and disposing mind.
2. I reside at 66 Friendshipmine Rd., Houtzdale, PA 16651
3. I am aware that, pursuant to the DE ST TI 10 6601 (4) Structured Settlement Transfer Act, I must obtain independent professional advice regarding the legal, tax and financial implications of the proposed transfer that we would like to have occur with Settlement Funding, LLC, its successors and assigns.
4. I state that on 2-6-03 I received the required independent professional advice from Samuel J. Maney (Attorney, Licensed Financial Planner or CPA) of Walter Hopkins & Company, L.L.P. located at 1101 Linden St. Clearfield PA. 16830 phone (814) 765-4876 regarding the Absolute Assignment and UCC Article 9 Security Agreement dated February 3, 2003.
5. I am aware of the legal, tax and financial implications of the proposed transfer and I desire to have the court approve said transfer of structured settlement payment rights as proposed in the Absolute Assignment and UCC Article 9 Security Agreement dated February 3, 2003 before the court.

Ernest L. Lowe

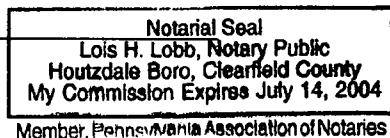
Ernest L. Lowe

Sworn and Subscribed to before me this

6th day of Feb, 2003.

Lois H. Lobb
Notary Public

My Commission Expires:



EXHIBIT

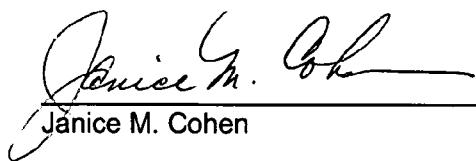
STATEMENT

I, Janice M. Cohen, being duly sworn, declare, to whom it may concern, that according to my telephone conversation with Assistant Pam Davis to Certified Public Accountant Samuel J. Maney, on February 10, 2003. Ms. Davis advised me that Mr. Maney provided independent professional advice to Ernest L. Lowe, on or about February 06, 2003, who advised him on the enclosed agreement (Absolute Assignment and UCC Article 9 Security Agreement).

Further, the affiant sayeth not.

2-11-03

Date:


Janice M. Cohen



Renata Dias Nunes
Commission #DD146232
Expires: Aug 29, 2006
Bonded Thru
Atlantic Bonding Co., Inc.

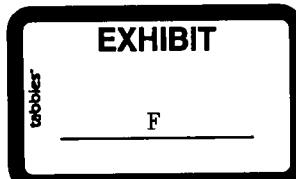
Subscribe and Sworn to before me this
11 day of February 2003.


NOTARY PUBLIC for the State of Florida
My Commission Expires:

PENNSYLVANIA TRANSFER DISCLOSURE

Payee: Ernest Lowe; resident of: PA

- A. Amounts and due dates of the structured settlement payments to be transferred: 120 monthly payments each in the amount of \$300.00 commencing on April 1, 2003 through and including March 1, 2013.**
- B. Aggregate amount of such payments: \$36,000.00**
- C. (1) Discounted present value of such payments: \$29,329.10
(2)The discount rate used in determining such discounted present value: 4.20 percent as of January 22, 2003.**
- D. Gross amount payable to the Payee in exchange for such payments: \$16,007.16**
- E. Itemized listing of all brokers' commissions, service charges, application or processing fees, closing costs, filing or administrative charges, legal fees, notary fees and other commissions, fees, costs, expenses and charges payable by the Payee or deductible from the gross amount otherwise payable to the Payee: Legal fees: \$2,000.00; Processing fee: \$200.00.**
- F. Net amount payable to Payee after deduction of all commissions, fees, costs, expenses and charges described above: \$13,807.16 minus any advances made to the Payee or on Payee's behalf for notary and fax fees or any other advances made to Payee against the amount payable to Payee.**
- G. The quotient, expressed as a percentage, obtained by dividing the net payment amount by the discounted present value of the payments: 47.08%**
- H. Amount of any penalty and the aggregate amount of any liquidated damages, inclusive of penalties, payable by the Payee in the event of any breach of the transfer agreement by the Payee: NONE**



I. Payee acknowledges receipt of, and acknowledges to have read and understood, the above disclosure statement and information required to be disclosed by Payee's applicable state statute(s).

Initials: E.L.L.

By signing below you are confirming receipt of this disclosure at least 10 days prior to receipt of this contract.

Ernest L. Lowe
Ernest Lowe

2/6/03
Date

NOTICE (PA)

Payee: Ernest Lowe

IMPORTANT NOTICE: You are strongly urged to consult with an attorney who can advise you of the potential tax consequences of this transaction.

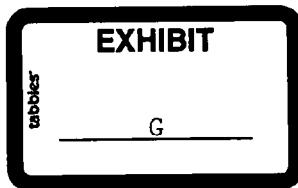
I acknowledge receipt of the above notice.

Ernest L. Lowe

Ernest Lowe

2/6/03

Date



ACKNOWLEDGEMENT (PA)

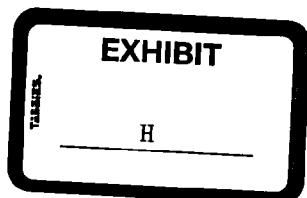
Payee: Ernest Lowe

I have received independent legal advice regarding the implications of the transfer, including considerations of the tax ramifications of the transfer.

E.L.L
(Initials)

Ernest L. Lowe
Ernest Lowe

2/6/03
Date



I.R.C. § 5891

UNITED STATES CODE ANNOTATED
TITLE 26. INTERNAL REVENUE CODE
SUBTITLE E--ALCOHOL, TOBACCO, AND CERTAIN OTHER EXCISE TAXES
CHAPTER 55--STRUCTURED SETTLEMENT FACTORING TRANSACTIONS

Copr. © West Group 2002. No claim to Orig. U.S. Govt. Works.

Current through P.L. 107-136, approved 1-24-02

§ 5891. Structured settlement factoring transactions

(a) Imposition of tax.--There is hereby imposed on any person who acquires directly or indirectly structured settlement payment rights in a **structured settlement factoring transaction** a tax equal to 40 percent of the factoring discount as determined under subsection (c)(4) with respect to such factoring transaction.

(b) Exception for certain approved transactions.--

(1) In general.--The tax under subsection (a) shall not apply in the case of a **structured settlement factoring transaction** in which the transfer of structured settlement payment rights is approved in advance in a qualified order.

(2) Qualified order.--For purposes of this section, the term "qualified order" means a final order, judgment, or decree which--

(A) finds that the transfer described in paragraph (1)--

(i) does not contravene any Federal or State statute or the order of any court or responsible administrative authority, and

(ii) is in the best interest of the payee, taking into account the welfare and support of the payee's dependents, and

(B) is issued--

(i) under the authority of an applicable State statute by an applicable State court, or

(ii) by the responsible administrative authority (if any) which has exclusive jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

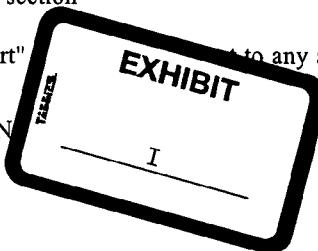
(3) Applicable State statute.--For purposes of this section, the term "applicable State statute" means a statute providing for the entry of an order, judgment, or decree described in paragraph (2)(A) which is enacted by--

(A) the State in which the payee of the structured settlement is domiciled, or

(B) if there is no statute described in subparagraph (A), the State in which either the party to the structured settlement (including an assignee under a qualified assignment under section 130) or the person issuing the funding asset for the structured settlement is domiciled or has its principal place of business.

(4) Applicable State court.--For purposes of this section--

(A) **In general.**--The term "applicable State court" means a court of record to any applicable State statute, a court of



the State which enacted such statute.

(B) Special rule.--In the case of an applicable State statute described in paragraph (3)(B), such term also includes a court of the State in which the payee of the structured settlement is domiciled.

(5) Qualified order dispositive.--A qualified order shall be treated as dispositive for purposes of the exception under this subsection.

(c) Definitions.--For purposes of this section--

(1) Structured settlement.--The term "structured settlement" means an arrangement--

(A) which is established by--

(i) suit or agreement for the periodic payment of damages excludable from the gross income of the recipient under section 104(a)(2), or

(ii) agreement for the periodic payment of compensation under any workers' compensation law excludable from the gross income of the recipient under section 104(a)(1), and

(B) under which the periodic payments are--

(i) of the character described in subparagraphs (A) and (B) of section 130(c)(2), and

(ii) payable by a person who is a party to the suit or agreement or to the workers' compensation claim or by a person who has assumed the liability for such periodic payments under a qualified assignment in accordance with section 130.

(2) Structured settlement payment rights.--The term "structured settlement payment rights" means rights to receive payments under a structured settlement.

(3) Structured settlement factoring transaction.--

(A) **In general.**--The term "structured settlement factoring transaction" means a transfer of structured settlement payment rights (including portions of structured settlement payments) made for consideration by means of sale, assignment, pledge, or other form of encumbrance or alienation for consideration.

(B) **Exception.**--Such term shall not include--

(i) the creation or perfection of a security interest in structured settlement payment rights under a blanket security agreement entered into with an insured depository institution in the absence of any action to redirect the structured settlement payments to such institution (or agent or successor thereof) or otherwise to enforce such blanket security interest as against the structured settlement payment rights, or

(ii) a subsequent transfer of structured settlement payment rights acquired in a **structured settlement factoring transaction**.

(4) Factoring discount.--The term "factoring discount" means an amount equal to the excess of--

(A) the aggregate undiscounted amount of structured settlement payments being acquired in the **structured settlement factoring transaction**, over

(B) the total amount actually paid by the acquirer to the person from whom such structured settlement payments are acquired.

(5) Responsible administrative authority.--The term "responsible administrative authority" means the

administrative authority which had jurisdiction over the underlying action or proceeding which was resolved by means of the structured settlement.

(6) State.--The term "State" includes the Commonwealth of Puerto Rico and any possession of the United States.

(d) Coordination with other provisions.--

(1) In general.--If the applicable requirements of sections 72, 104(a)(1), 104(a)(2), 130, and 461(h) were satisfied at the time the structured settlement involving structured settlement payment rights was entered into, the subsequent occurrence of a **structured settlement factoring transaction** shall not affect the application of the provisions of such sections to the parties to the structured settlement (including an assignee under a qualified assignment under section 130) in any taxable year.

(2) No withholding of tax.--The provisions of section 3405 regarding withholding of tax shall not apply to the person making the payments in the event of a **structured settlement factoring transaction**.

CREDIT(S)
2002 Pocket Part

(Added Pub.L. 107-134, Title I, § 115(a), Jan. 23, 2002, 115 Stat. 2436.)

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

2002 Acts. Statement of President, see 2001 U.S. Code Cong. and Adm. News, p. 1812.

Effective and Applicability Provisions

2002 Acts. Pub.L. 107-134, Title I, § 115(c), Jan. 23, 2002, 115 Stat. 2438, provided that:

"(1) In general.--The amendments made by this section [enacting this chapter] (other than the provisions of section 5891(d) of the Internal Revenue Code of 1986, as added by this section [26 U.S.C.A. § 5891(d)]) shall apply to **structured settlement factoring transactions** (as defined in section 5891(c) of such Code (as so added) [26 U.S.C.A. § 5891(c)]) entered into on or after the 30th day following the date of the enactment of this Act [Jan. 23, 2002].

"(2) Clarification of existing law.--Section 5891(d) of such Code (as so added) [26 U.S.C.A. § 5891(d)] shall apply to **structured settlement factoring transactions** (as defined in section 5891(c) of such Code (as so added) [26 U.S.C.A. § 5891(c)]) entered into before, on, or after such 30th day.

"(3) Transition rule.--In the case of a **structured settlement factoring transaction** entered into during the period beginning on the 30th day following the date of the enactment of this Act [Jan. 23, 2002] and ending on July 1,

2002, no tax shall be imposed under section 5891(a) of such Code [26 U.S.C.A. § 5891(a)] if--

"**(A)** The structured settlement payee is domiciled in a State (or possession of the United States) which has not enacted a statute providing that the **structured settlement factoring transaction** is ineffective unless the transaction has been approved by an order, judgment, or decree of a court (or where applicable, a responsible administrative authority) which finds that such transaction--

"**(i)** does not contravene any Federal or State statute or the order of any court (or responsible administrative authority); and

"**(ii)** is in the best interest of the structured settlement payee or is appropriate in light of a hardship faced by the payee; and

"**(B)** the person acquiring the structured settlement payment rights discloses to the structured settlement payee in advance of the **structured settlement factoring transaction** the amounts and due dates of the payments to be transferred, the aggregate amount to be transferred, the consideration to be received by the structured settlement payee for the transferred payments, the discounted present value of the transferred payments (including the present value as determined in the manner described in section 7520 of such Code [26 U.S.C.A. § 7520]), and the expenses required under the terms of the **structured settlement factoring transaction** to be paid by the structured settlement payee or deducted from the proceeds of such transaction."

26 U.S.C.A. § 5891

26 USCA § 5891

END OF DOCUMENT

FILED

Atty Monk
pd. \$5.00

3/12/2003
MAR 27 2003
2cc Atty

William A. Shaw
Prather & Shaw

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
PENNSYLVANIA
CIVIL DIVISION

FILED

IN RE: PETITION OF ERNEST L. LOWE
TO TRANSFER STRUCTURED
SETTLEMENT PAYMENT
RIGHTS

COPY

MAR 27 2003

William A. Shaw
Prothonotary

No. 03-439-CD

PETITION TO TRANSFER STRUCTURED
SETTLEMENT PAYMENT RIGHTS

Petitioner, ERNEST L. LOWE, brings forth the following Petition to Transfer Structured Settlement Payment Rights pursuant to, and in compliance with, the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009, and in support states as follows:

1. The Petitioner is ERNEST L. LOWE, an adult individual whose date of birth is August 25, 1945, and who resides at 66 Friendship Mine Road, Houtzdale, Clearfield County, Pennsylvania, 16651.

2. This Court has venue pursuant to the Structured Settlement Protection Act, because the Petitioner is domiciled in Clearfield County, Pennsylvania.

3. On or about July 24, 1998, the Petitioner sustained personal injuries as a result of a motorcycle accident. Thereafter, on or about May 1, 2001, Petitioner entered into a Settlement Agreement and Release (the "Agreement") with Pennsylvania Department of Transportation ("PennDOT"). The Agreement provided for monthly payments to the Petitioner each in the amount of \$1,762.00 for life, commencing August 1, 2001, and guaranteed for a minimum

FILED

Atty Monk
m 1/12:30pm
pd. 85.00

MAR 27 2003
2003-444-144

cc
DUW

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
PENNSYLVANIA
CIVIL DIVISION

IN RE: PETITION OF ERNEST L. LOWE
TO TRANSFER STRUCTURED
SETTLEMENT PAYMENT
RIGHTS

No. 03-439-CD

ORDER OF COURT
SCHEDULING HEARING DATE

AND NOW, this 31st day of March, 2003, upon the filing and presentation of the Petition to Transfer Structured Settlement Payment Rights pursuant to the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009, it is hereby ORDERED that a hearing thereon is set for the 20 day of May, 2003 at 10:00 in Courtroom 1 before this Court.

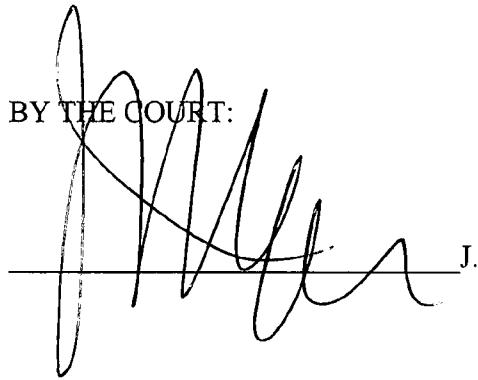
Petitioner shall provide notice of the time and date set for hearing, a copy of the Petition filed, and the Transfer Disclosure, to the Settlement Obligor, and the Annuity Issuer, as set forth in the Petition, and shall in all other respects comply with the terms of the aforementioned statute.

FILED

MAR 31 2003

William A. Shaw
Prothonotary

BY THE COURT:



J.

FILED

UCG AMY MONKS

012:39851
MAR 3 1 2003

600

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
PENNSYLVANIA
CIVIL DIVISION

NTV
FILED

APR 04 2003

IN RE: PETITION OF ERNEST L. LOWE
TO TRANSFER STRUCTURED
SETTLEMENT PAYMENT
RIGHTS

William A. Shaw
Prothonotary

No. 03-439-CD

**NOTICE OF PROPOSED TRANSFER OF
STRUCTURED SETTLEMENT PAYMENT RIGHTS**

To: New York Life Insurance & Annuity Corporation
51 Madison Avenue
New York, NY 10010
(Settlement Obligor)

New York Life Insurance Company
51 Madison Avenue
New York, NY 10010
(Annuity Issuer)

Settlement Funding, LLC
6501 Park of Commerce Boulevard
Suite 140B
Boca Raton, FL 33487
Attn: Jason Sutherland
(Transferee)

Ernest L. Lowe
66 Friendship Mine Road
Houtzdale, PA 16651
(Payee)

Please take notice that a Petition to Transfer Structured Settlement Payment Rights has been filed in the Court of Common Pleas of Clearfield County, Pennsylvania. An Order has been issued by the court requiring that responses or objections of the transferee, structured settlement obligor or the annuity issuer, be brought before the court either in writing or in person at a hearing set for May 20, 2003 at 10:00 a.m. in Courtroom 1, before the Honorable John K. Reilly, Jr. (A copy of the Scheduling Order dated March 31, 2003, is included with this notice).

Provided with this notice is a copy of the Petition to Transfer Structured Settlement Payment Rights, including as attachments thereto a copy of the Transfer Agreement, and a copy of the Transfer Disclosure Statement required by 40 P.S. § 4003 (2).

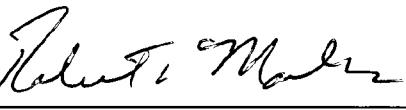
Pursuant to 40 P.S. § 4003 (6) notice of the transferee's name, address and taxpayer identification number are as follows:

Settlement Funding, LLC
6501 Park of Commerce Boulevard
Suite 140B
Boca Raton, FL 33487
(TIN: 58-2292928)

Respectfully submitted,

Jones, Gregg, Creehan & Gerace, LLP

By:



Robert L. Monks
PA I.D.# 52760
411 Seventh Avenue
Suite 1200
Pittsburgh, PA 15219
412-261-6400
Attorney for Petitioner, Ernest L. Lowe

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Notice of Proposed Transfer of Structured Settlement Payment Rights, the Petition to Transfer Structured Settlement Payment Rights and the Transfer Disclosure Statement, and the Order of Court Scheduling a Hearing Date have been served via certified mail, return-receipt requested upon the persons and entities, and at the addresses listed above, this 2nd day of April, 2003.

Respectfully submitted,

Jones, Gregg, Creehan & Gerace, LLP

By: 

Robert L. Monks
PA I.D.# 52760
411 Seventh Avenue
Suite 1200
Pittsburgh, PA 15219
412-261-6400
Attorney for Petitioner, Ernest L. Lowe

FILED

APR 12 2003
APR 04 2003
FEB
KTB

William A. Shaw
Notary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
PENNSYLVANIA
CIVIL DIVISION

IN RE: PETITION OF ERNEST L. LOWE :
TO TRANSFER STRUCTURED :
SETTLEMENT PAYMENT :
RIGHTS :
: :
: : No. 03 - 439 - CD
: :
: :
: :
: :

**AFFIDAVIT OF SERVICE OF NOTICE OF
FILING OF PETITION AND NOTICE OF HEARING**

Before me, the undersigned authority, personally appeared, Robert L. Monks, who, after being first duly sworn according to law, deposes and says that on April 2, 2003, he served true and correct copies of the Petition of Ernest L. Lowe to Transfer Structured Settlement Payment Rights including a copy of the Transfer Disclosure, a copy of the Notice of Proposed Transfer of Structured Settlement Payment Rights, and a copy of the Order of Court scheduling the hearing date for May 20, 2003 at 10:00 a.m., via certified mail, return-receipt requested, upon the following:

New York Life Insurance & Annuity Corporation
51 Madison Avenue
New York, NY 10010
(Settlement Obligor)

New York Life Insurance Company
of New York
51 Madison Avenue
New York, NY 10010
(Annuity Issuer)

FILED

APR 16 2003
m 112-201 wns
William A. Shaw
Prothonotary
I CERT TO ATTY

Settlement Funding, LLC
6501 Park of Commerce Boulevard
Suite 140B
Boca Raton, FL 33487
Attn: Jason Sutherland
(Transferee)

Copies of the certified mail return-receipts are attached hereto as Exhibit "A."

Respectfully submitted,

Jones, Gregg, Creehan & Gerace, LLP

By: 

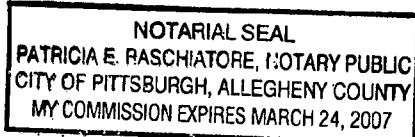
Robert L. Monks
PA I.D. No. 52760
411 Seventh Avenue
Suite 1200
Pittsburgh, PA 15219
412-261-6400

Counsel for Petitioner, Ernest L. Lowe

Sworn to and subscribed before me
this 14 day of April, 2003.


NOTARY PUBLIC

My Commission Expires:



SENDER: COMPLETE THIS SECTION:

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

New York Life Ins. & Annuity Corporation
51 Madison Avenue
New York, NY 10010

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Jason
 Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

APR - 4 2001

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes2. Article Number
(Trans: 7002 0460 0001 3364 7726)

PS Form 3811, August 2001

Domestic Return Receipt

400005-01-M-0381

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

New York Life Insurance Company
51 Madison Avenue
New York, NY 10010

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Jason
 Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

APR - 4 2001

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes2. Article Number
(Transfer from s 7002 0460 0001 3364 7733)

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-0381

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Settlement Funding LLC
6501 Park of Commerce Blvd.
Suite 140 B
Boca Raton, FL 33487

Attn: Jason Sutherland, Esquire**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X W. Vanbreuse
 Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

4-7-03

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes2. Article Number
(Transfer from s 7002 0460 0001 3364 7740)

PS Form 3811, August 2001

Domestic Return Receipt

EXHIBIT

5-01-M-0381

tabbed

A

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
PENNSYLVANIA
CIVIL DIVISION

FILED

IN RE: PETITION OF ERNEST L. LOWE : MAY 23 2003
TO TRANSFER STRUCTURED : 05/15/03
SETTLEMENT PAYMENT : William A. Shaw
RIGHTS : Prothonotary
: 2 CUST ATT
: No. 03 - 439 - CD EBS
:
:
:
:

FINAL ORDER OF COURT

AND NOW, this 20 day of May, 2003, upon presentation of the Petition of Ernest L. Lowe to Transfer Structured Settlement Payment Rights pursuant to the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009, it appearing to this Court that proper notice of the filing and presentation of this Petition was given to the Settlement Obligor, New York Life Insurance & Annuity Corporation, and to the Annuity Issuer, New York Life Insurance Company; and it further appearing that New York Life Insurance & Annuity Corporation and New York Life Insurance Company have not answered or otherwise appeared; after due consideration, this Court finds as follows:

1. This Court has subject matter and personal jurisdiction.
2. The transfer complies with the requirements of the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009, and will not contravene other applicable Federal or State statutes or regulations or any applicable law limiting the transfer of workers' compensation claims.

3. Not less than ten (10) days prior to the date upon which the Petitioner first incurred any obligation with respect to the transfer, the Transferee, Settlement Funding, LLC provided the Petitioner a disclosure statement setting forth in boldface, minimum 12-point size type all of the following:

- a. The amounts and due dates of the structured settlement payments to be transferred.
- b. The aggregate amount of such payments.
- c. The discounted present value of such payments, together with the discount rate or rates used in determining such discounted present value.
- d. The gross amount payable to the Petitioner in exchange for such payments.
- e. An itemized listing of all brokers' commissions, service charges, application or processing fees, closing costs, filing or administrative charges, legal fees, notary fees and other commissions, fees, costs, expenses and charges payable by the Petitioner or deductible from the gross amount otherwise payable to the Petitioner.
- f. The net amount payable to the Petitioner after deduction of all commissions, fees, costs, expenses, and charges described above.
- g. The quotient, expressed as a percentage, obtained by dividing the net payment amount by the discounted present value of the payments.
- h. The amount of any penalty and the aggregate of any liquidated damages, inclusive of penalties, payable by the Petitioner in the event of any breach of the transfer agreement by the Petitioner.

4. The Petitioner has established that the transfer is in his best interests, taking into account the welfare and support of the Petitioner's dependents, if any, at time of entry of this Order of Court.

5. The Petitioner has obtained independent professional advice regarding the implications of the transfer, including consideration of the tax ramifications of the transfer.

6. The transfer has been expressly approved in writing by the Petitioner, and at the time the Petitioner and the Transferee proposed to enter into the Transfer Agreement, a favorable tax result was in effect. The approvals of the Annuity Issuer and Settlement Obligor are not required.

7. The Petitioner has given written notice pursuant to 40 P.S. § 4003 (a)(6) of the Transferee's name, address, and taxpayer identification number to the Annuity Issuer, and the Structured Settlement Obligor, and a copy of the written notice has been filed with the Court.

8. Prior to entering into the Transfer Agreement the Petitioner was provided with a written notice on a separate sheet that contains the following, in boldface, minimum 12-point size type required by 40 P.S. § 4003 (b):

“IMPORTANT NOTICE: You are strongly urged to consult with an attorney who can advise you of the potential tax consequences of this transaction.”

9. Not less than 20 days prior to the scheduled hearing on the petition for authorization of a transfer of structured settlement payment rights under 40 P.S. § 4003, the Petitioner filed with the court and served on the Transferee a notice of the proposed transfer and the application for its authorization, including in the notice a copy of the Petitioner's Petition to the Court, a copy of the transfer agreement, a copy of the disclosure statement required under 40 P.S. § 4003, notification that the Transferee, the structured settlement obligor or the annuity issuer is entitled to support, oppose or otherwise respond to the Petition, either in person or by counsel, by submitting written comments to the court or by participating in the hearing and notification of the time and place of the hearing and notification of the manner in which and the time by which written responses to the petition must be filed.

10. The Transfer Agreement does not authorize Transferee or any other party to confess judgment or consent to entry of judgment against Petitioner.

11. Pursuant to the terms of the Transfer Agreement, Petitioner Ernest L. Lowe shall retain all right and interest in receiving the remaining balance not assigned of: the entire monthly payment of \$1,762.00 until March 1, 2003; the balance of the monthly payments consisting of \$1,462.00 commencing June 1, 2003, through and including March 1, 2013, and the entire monthly payment of \$1,762.00 commencing April 1, 2013, through and including July 1, 2031, and for life thereafter (the "non-assigned payments").

NOW THEREFORE, in consideration of the foregoing findings, it is hereby ORDERED, ADJUDGED and DECREED that the Petition to Transfer Structured Settlement Payment Rights pursuant to the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009 be and is hereby GRANTED as follows:

A. The transfer by Petitioner, Ernest L. Lowe to Transferee, Settlement Funding, LLC of the Transferred Payments (118 monthly payments each in the amount of \$300.00 commencing on June 1, 2003, through and including March 1, 2013) is hereby APPROVED.

B. The Settlement Obligor, New York Life Insurance & Annuity Corporation shall direct the Annuity Issuer, New York Life Insurance Company to send the Transferred Payments to Settlement Funding and its successors and/or assigns care of the following address:

P.O. Box 116476
Atlanta, GA 30368-6476

or such other address as Settlement Funding and its successors and/or assigns may designate upon written notice to Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company. Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company shall not be required to change the address for the Transferred Payment absent payment of a reasonable administrative fee, which shall not be charged to or paid by the Payee.

C. The full amount of the payment stream consisting of monthly payments each in the amount of \$1,762.00 commencing June 1, 2003, through and including March 1, 2013, shall be paid to the Transferee, and its successors and/or assigns. The Transferee is hereby Ordered to remit the non-assigned portion of the payments to the Petitioner. Commencing on April 1, 2013, through and including July 1, 2031, and for the lifetime of Ernest L. Lowe thereafter, the entire monthly payment of \$1,762.00 shall be paid directly to Ernest L. Lowe.

D. Settlement Funding, LLC and its successors and/or assigns shall defend, indemnify and hold harmless (collectively, the "Indemnity") the Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company from any claims, liability or damages, including, but not limited to, reasonable costs and attorneys' fees, arising from or in connection with (a) any disclosures made in or related to this Order of Court; (b) compliance by the Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company with this Order of Court; and/or (c) the Transferee's failure to comply with the Act. As security for any amounts owed under the Indemnity, Settlement Funding, LLC grants, and Petitioner Ernest L. Lowe grants, to Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company all rights of offset, setoff and recoupment with respect to the Transferred Payments.

E. Settlement Funding and Petitioner Ernest L. Lowe agree that the terms of this Order of Court are based exclusively upon the facts, representations and circumstances of this particular case. Nothing in this Order of Court shall preclude Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company from contesting any other proposed transfer of structured settlement payment rights, whether on

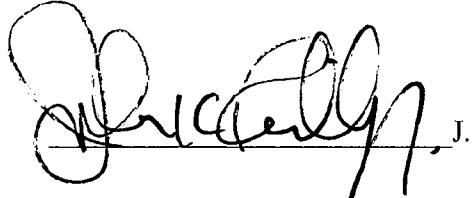
the basis of applicable law. This Order of Court is entered without prejudice to the rights of Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company and the Court makes no findings regarding the enforceability of any non-assignment provision(s) contained in the structured settlement agreement or related documents; provided, however, that the transfer of the Transferred Payments, as provided in this Order of Court shall be valid and enforceable against Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company in accordance with its terms. This Order of Court shall not serve as precedent in any way nor be cited in any matter. Nothing contained in this Order of Court shall be deemed to afford Petitioner Ernest L. Lowe and Settlement Funding, LLC any rights of ownership or control of the annuity or shall otherwise affect the exclusive ownership and control of the annuity by Settlement Obligor, New York Life Insurance & Annuity Corporation.

F. Pursuant to the Act, this Court orders that Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company are hereby discharged and immune from all liability to the Petitioner, anyone claiming through the Petitioner, or to any other person or entity (except Settlement Funding, LLC per the terms of this and Order) for the Transferred Payments or for disclosures made in or related to this Order.

G. Compliance with the requirements and fulfillment of the conditions set forth in the Act shall be solely the responsibility of the Transferee in the transfer of the Transferred Payments, and neither Settlement Obligor, New York Life Insurance & Annuity Corporation nor the Annuity Issuer, New York Life Insurance Company shall bear any responsibility for, or any liability arising from, noncompliance with those requirements or failure to fulfill those conditions.

H. All interested parties, including Petitioner, the Transferee, the Structured Settlement Obligor, and the Annuity Issuer shall abide by the terms of the Transfer Agreement in all respects. This Order shall be considered a “qualified order” for purposes of 26 U.S.C.A. § 5891. Notice of the entry of this Order shall be served by Petitioner on all parties and Proof of Service shall be filed with the Court. Jurisdiction shall remain with this Court.

BY THE COURT:

A handwritten signature in black ink, appearing to read "John C. Coughlin, J.", is written over a horizontal line.

FILED

MAY 21 2003

William A. Shaw
Attorney General

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
PENNSYLVANIA
CIVIL DIVISION

IN RE: PETITION OF ERNEST L. LOWE :
TO TRANSFER STRUCTURED :
SETTLEMENT PAYMENT :
RIGHTS :
: :
: : No. 03-439-CD
: :
: :
: :
: :

FINAL ORDER OF COURT

AND NOW, this ____ day of _____, 2003, upon presentation of the Petition of Ernest L. Lowe to Transfer Structured Settlement Payment Rights pursuant to the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009, it appearing to this Court that proper notice of the filing and presentation of this Petition was given to the Settlement Obligor, New York Life Insurance & Annuity Corporation, and to the Annuity Issuer, New York Life Insurance Company; and it further appearing that New York Life Insurance & Annuity Corporation and New York Life Insurance Company have not answered or otherwise appeared; after due consideration, this Court finds as follows:

1. This Court has subject matter and personal jurisdiction.
2. The transfer complies with the requirements of the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009, and will not contravene other applicable Federal or State statutes or regulations or any applicable law limiting the transfer of workers' compensation claims.

3. Not less than ten (10) days prior to the date upon which the Petitioner first incurred any obligation with respect to the transfer, the Transferee, Settlement Funding, LLC provided the Petitioner a disclosure statement setting forth in boldface, minimum 12-point size type all of the following:

- a. The amounts and due dates of the structured settlement payments to be transferred.
- b. The aggregate amount of such payments.
- c. The discounted present value of such payments, together with the discount rate or rates used in determining such discounted present value.
- d. The gross amount payable to the Petitioner in exchange for such payments.
- e. An itemized listing of all brokers' commissions, service charges, application or processing fees, closing costs, filing or administrative charges, legal fees, notary fees and other commissions, fees, costs, expenses and charges payable by the Petitioner or deductible from the gross amount otherwise payable to the Petitioner.
- f. The net amount payable to the Petitioner after deduction of all commissions, fees, costs, expenses, and charges described above.
- g. The quotient, expressed as a percentage, obtained by dividing the net payment amount by the discounted present value of the payments.
- h. The amount of any penalty and the aggregate of any liquidated damages, inclusive of penalties, payable by the Petitioner in the event of any breach of the transfer agreement by the Petitioner.

4. The Petitioner has established that the transfer is in his best interests, taking into account the welfare and support of the Petitioner's dependents, if any, at time of entry of this Order of Court.

5. The Petitioner has obtained independent professional advice regarding the implications of the transfer, including consideration of the tax ramifications of the transfer.

6. The transfer has been expressly approved in writing by the Petitioner, and at the time the Petitioner and the Transferee proposed to enter into the Transfer Agreement, a favorable tax result was in effect. The approvals of the Annuity Issuer and Settlement Obligor are not required.

7. The Petitioner has given written notice pursuant to 40 P.S. § 4003 (a)(6) of the Transferee's name, address, and taxpayer identification number to the Annuity Issuer, and the Structured Settlement Obligor, and a copy of the written notice has been filed with the Court.

8. Prior to entering into the Transfer Agreement the Petitioner was provided with a written notice on a separate sheet that contains the following, in boldface, minimum 12-point size type required by 40 P.S. § 4003 (b):

“IMPORTANT NOTICE: You are strongly urged to consult with an attorney who can advise you of the potential tax consequences of this transaction.”

9. Not less than 20 days prior to the scheduled hearing on the petition for authorization of a transfer of structured settlement payment rights under 40 P.S. § 4003, the Petitioner filed with the court and served on the Transferee a notice of the proposed transfer and the application for its authorization, including in the notice a copy of the Petitioner's Petition to the Court, a copy of the transfer agreement, a copy of the disclosure statement required under 40 P.S. § 4003, notification that the Transferee, the structured settlement obligor or the annuity issuer is entitled to support, oppose or otherwise respond to the Petition, either in person or by counsel, by submitting written comments to the court or by participating in the hearing and notification of the time and place of the hearing and notification of the manner in which and the time by which written responses to the petition must be filed.

10. The Transfer Agreement does not authorize Transferee or any other party to confess judgment or consent to entry of judgment against Petitioner.

11. Pursuant to the terms of the Transfer Agreement, Petitioner Ernest L. Lowe shall retain all right and interest in receiving the remaining balance not assigned of: the entire monthly payment of \$1,762.00 until March 1, 2003; the balance of the monthly payments consisting of \$1,462.00 commencing April 1, 2003 through and including March 1, 2013, and the entire monthly payment of \$1,762.00 commencing April 1, 2013 through and including July 1, 2031, and for life thereafter (the "non-assigned payments").

NOW THEREFORE, in consideration of the foregoing findings, it is hereby ORDERED, ADJUDGED and DECREED that the Petition to Transfer Structured Settlement Payment Rights pursuant to the Structured Settlement Protection Act, 40 P.S. §§ 4001-4009 be and is hereby GRANTED as follows:

A. The transfer by Petitioner, Ernest L. Lowe to Transferee, Settlement Funding, LLC of the Transferred Payments (120 monthly payments each in the amount of \$300.00 commencing on April 1, 2003 through and including March 1, 2013) is hereby APPROVED.

B. The Settlement Obligor, New York Life Insurance & Annuity Corporation shall direct the Annuity Issuer, New York Life Insurance Company to send the Transferred Payments to Settlement Funding and its successors and/or assigns care of the following address:

P.O. Box 116476
Atlanta, GA 30368-6476

or such other address as Settlement Funding and its successors and/or assigns may designate upon written notice to Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company. Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company shall not be required to change the address for the Transferred Payment absent payment of a reasonable administrative fee, which shall not be charged to or paid by the Payee.

C. The full amount of the payment stream consisting of monthly payments each in the amount of \$1,762.00 commencing April 1, 2003, through and including March 1, 2013 shall be paid to the Transferee, and its successors and/or assigns. The Transferee is hereby Ordered to remit the non-assigned portion of the payments to the Petitioner. Commencing on April 1, 2013 through and including July 1, 2031, and for the lifetime of Ernest L. Lowe thereafter, the entire monthly payment of \$1,762.00 shall be paid directly to Ernest L. Lowe.

D. Settlement Funding, LLC and its successors and/or assigns shall defend, indemnify and hold harmless (collectively, the "Indemnity") the Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company from any claims, liability or damages, including, but not limited to, reasonable costs and attorneys' fees, arising from or in connection with (a) any disclosures made in or related to this Order of Court; (b) compliance by the Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company with this Order of Court; and/or (c) the Transferee's failure to comply with the Act. As security for any amounts owed under the Indemnity, Settlement Funding, LLC grants, and Petitioner Ernest L. Lowe grants, to Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company all rights of offset, setoff and recoupment with respect to the Transferred Payments.

E. Settlement Funding and Petitioner Ernest L. Lowe agree that the terms of this Order of Court are based exclusively upon the facts, representations and circumstances of this particular case. Nothing in this Order of Court shall preclude Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company from contesting any other proposed transfer of structured settlement payment rights, whether on

the basis of applicable law. This Order of Court is entered without prejudice to the rights of Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company and the Court makes no findings regarding the enforceability of any non-assignment provision(s) contained in the structured settlement agreement or related documents; provided, however, that the transfer of the Transferred Payments, as provided in this Order of Court shall be valid and enforceable against Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company in accordance with its terms. This Order of Court shall not serve as precedent in any way nor be cited in any matter. Nothing contained in this Order of Court shall be deemed to afford Petitioner Ernest L. Lowe and Settlement Funding, LLC any rights of ownership or control of the annuity or shall otherwise affect the exclusive ownership and control of the annuity by Settlement Obligor, New York Life Insurance & Annuity Corporation.

F. Pursuant to the Act, this Court orders that Settlement Obligor, New York Life Insurance & Annuity Corporation and the Annuity Issuer, New York Life Insurance Company are hereby discharged and immune from all liability to the Petitioner, anyone claiming through the Petitioner, or to any other person or entity (except Settlement Funding, LLC per the terms of this and Order) for the Transferred Payments or for disclosures made in or related to this Order.

G. Compliance with the requirements and fulfillment of the conditions set forth in the Act shall be solely the responsibility of the Transferee in the transfer of the Transferred Payments, and neither Settlement Obligor, New York Life Insurance & Annuity Corporation nor the Annuity Issuer, New York Life Insurance Company shall bear any responsibility for, or any liability arising from, noncompliance with those requirements or failure to fulfill those conditions.

H. All interested parties, including Petitioner, the Transferee, the Structured Settlement Obligor, and the Annuity Issuer shall abide by the terms of the Transfer Agreement in all respects. This Order shall be considered a “qualified order” for purposes of 26 U.S.C.A. § 5891. Notice of the entry of this Order shall be served by Petitioner on all parties and Proof of Service shall be filed with the Court. Jurisdiction shall remain with this Court.

BY THE COURT:

J.

Date: 05/21/2003
Time: 08:44 AM
Page 1 of 1

Clearfield County Court of Common Pleas
ROA Report
Case: 2003-00439-CD
Current Judge: John K. Reilly Jr.
IN RE: Ernest L. Lowe
Civil In RE

User: DGREGG

Date	Judge
03/27/2003 ✓ Filing: Petition To Transfer Structured Settlement Payment Rights Paid by: Monks, Esq., Robert L. (attorney for Lowe, Ernest L.) Receipt number: 1857689 Dated: 03/27/2003 Amount: \$85.00 (Check) 2 CC to Atty.	No Judge
03/31/2003 ✓ ORDER OF COURT SCHEDULING HEARING DATE, AND NOW, this 31st day of March, 2003, re: Hearing set for 20th day of May, 2003, at 10:00 a.m. by the Court, s/JKR,JR.,P.J. 4 cc Atty Monks	John K. Reilly Jr.
04/04/2003 ✓ Notice Of Proposed Transfer Of Structured Settlement Payment Rights. filed by s/Robert L. Monks, Esq. Certificate of Service no cc	John K. Reilly Jr.
04/16/2003 ✓ Filing: Affidavit of Service of Notice of Filing of Petition and Notice of Hearing. 1 CC to Atty.	John K. Reilly Jr.
05/20/2003 ✓ FINAL ORDER OF COURT, AND NOW, this 20th day of May, 2003, re: Petition To Transfer Structured Settlement Payment Rights pursuant to the Structured Settlement Protection Act, 40 P.S. 4001-4009 be and is hereby GRANTED, etc, by the Court, s/JKR,JR., P.J. 2 cc to Atty	John K. Reilly Jr.

Date: 05/15/2003

Clearfield County Court of Common Pleas

User: BANDERSON

Time: 09:00 AM

ROA Report

Page 1 of 1

Case: 2003-00439-CD

Current Judge: John K. Reilly Jr.

IN RE: Ernest L. Lowe

Civil In RE

Date		Judge
03/27/2003	Filing: Petition To Transfer Structured Settlement Payment Rights Paid by: Monks, Esq., Robert L. (attorney for Lowe, Ernest L.) Receipt number: 1857689 Dated: 03/27/2003 Amount: \$85.00 (Check) 2 CC to Atty.	No Judge ✓
03/31/2003	ORDER OF COURT SCHEDULING HEARING DATE, AND NOW, this 31st day of March, 2003, re: Hearing set for 20th day of May, 2003, at 10:00 a.m. by the Court, s/JKR,JR.,P.J. 4 cc Atty Monks	John K. Reilly Jr. ✓
04/04/2003	Notice Of Proposed Transfer Of Structured Settlement Payment Rights. filed by s/Robert L. Monks, Esq. Certificate of Service no cc	John K. Reilly Jr. ✓
04/16/2003	Filing: Affidavit of Service of Notice of Filing of Petition and Notice of Hearing. 1 CC to Atty.	John K. Reilly Jr. ✓

THE HONORABLE JOHN K. REILLY, JR., PRESIDING

TUESDAY, OCTOBER 8, 2002:

9:00	DAVID C. DUBOIS vs. RONALD C. TORRELL, al No. 95-23-EQU	Matthew B. Taladay, Esquire Toni M. Cherry, Esquire
	Argument on Plaintiff's Petition for Attachment and Adjudication of Civil Contempt Against Defendants	
9:30	LINDA SCANISH, al vs. GALYDON LUCORE, al No. 02-1265-CD	Joseph Colavecchi, Esquire Toni M. Cherry, Esquire
	Argument on Attorney Colavecchi's Petition to Withdraw as Counsel	
10:00	IN RE: FRANCIS K. REED ESTATE OC No. 1999-721 Argument on Attorney Cherry's Objections to First and Partial Account of Co-Executors	Toni M. Cherry, Esquire Timothy E. Durant, Esquire
10:30	IN RE: IRENE H. GERM ESTATE OC No. 2002-408 Argument on Attorney Gearhart's Motion for Reconsideration	Paul E. Cherry, Esquire R. Denning Gearhart, Esquire

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
PENNSYLVANIA
CIVIL DIVISION

IN RE: PETITION OF ERNEST L. LOWE :
TO TRANSFER STRUCTURED :
SETTLEMENT PAYMENT :
RIGHTS :
: :
: : No. 03 - 439 - CD
: :
: :
: :

AFFIDAVIT OF SERVICE OF FINAL ORDER
APPROVING PETITION TO TRANSFER

Before me, the undersigned authority, personally appeared, Robert L. Monks, who, after being first duly sworn according to law, deposes and says that on May 21, 2003, he served a true and correct copy of the Final Order of Court dated May 20, 2003, approving the Petition of Ernest L. Lowe to Transfer Structured Settlement Payment via regular mail postage pre-paid, and facsimile, upon the following:

New York Life Insurance & Annuity Corporation
(Settlement Obligor)
and
New York Life Insurance Company
(Annuity Issuer)

c/o Richard P. Bowman
Assistant General Counsel
51 Madison Avenue
New York, NY 10010
Fax: (212) 447-4268

FILED

MAY 23 2003

William A. Shaw
Prothonotary

Settlement Funding, LLC
6501 Park of Commerce Boulevard
Suite 140B
Boca Raton, FL 33487
Attn: Jason Sutherland
(Transferee)
Fax: (561) 962-3940

and via hand delivery on May 20, 2003, upon:

Ernest Lowe
66 Friendship Mine Road
Houtzdale, PA 16651
(Payee)

Respectfully submitted,

Jones, Gregg, Creehan & Gerace, LLP

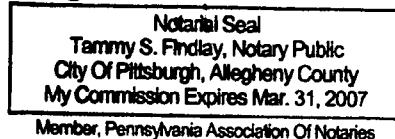
By: Robert L. Monks
Robert L. Monks
PA I.D. No. 52760
411 Seventh Avenue
Suite 1200
Pittsburgh, PA 15219
412-261-6400

Counsel for Petitioner, Ernest L. Lowe

Sworn to and subscribed before me
this 21st day of May, 2003.

Tammy S. Findlay
NOTARY PUBLIC

My Commission Expires:



FILED

NO. 12-4108
MAY 23 2003
SAC

William A. Shaw
Prothonotary