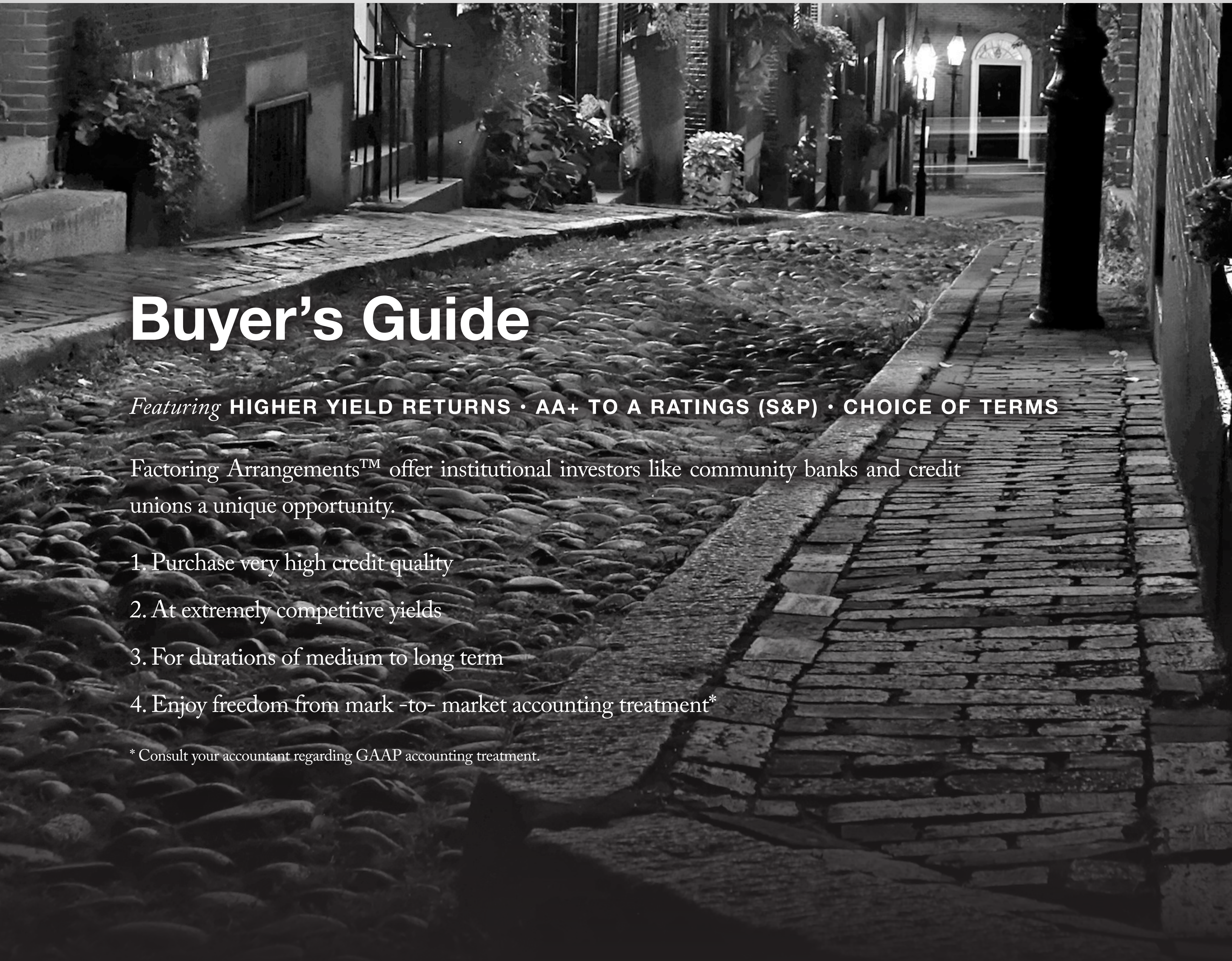
ISFP LLC
Income Stream Funding Partners

Factoring Arrangements™



Buyer's Guide

Featuring **HIGHER YIELD RETURNS · AA+ TO A RATINGS (S&P) · CHOICE OF TERMS**

Factoring Arrangements™ offer institutional investors like community banks and credit unions a unique opportunity.

1. Purchase very high credit quality
2. At extremely competitive yields
3. For durations of medium to long term
4. Enjoy freedom from mark -to- market accounting treatment*

* Consult your accountant regarding GAAP accounting treatment.

Glossary Of Terms

- **All amounts** are expressed in U.S. Dollars.

- **Credit Rating** refers to the credit rating of the insurance company paying the Factoring Arrangements™ as determined by Standard & Poor's (S&P).

- **Existing Annuitant** refers to a person who sells the payment rights to an annuity to us in return for a present value, lump sum cash payment. This person is usually a personal injury victim who was awarded annuity payment rights as part of a structured settlement of his or her injury claim. This person may also be a lottery prizewinner or the recipient of another kind of annuity.

- **Factoring Arrangements™** is our proprietary name for a payment or set of payments paid over a fixed term by an insurance company arising from a structured settlement, lottery prize-winning payment or other annuity.

- **Present Value** is the value on a given date of a future payment or series of future payments, discounted to reflect the time value of money and other factors such as investment risk.

- **Structured Settlement** is a financial or insurance arrangement in which an individual accepts payments over a period of years to resolve a legal claim that often involves a personal injury. This type of payment plan is often in the form of a structured settlement annuity.

- **Term** refers to the length of time before all principal and interest are paid.

- "**We**," "**us**," "**our**" and "**ISFP**" refer to Income Stream Funding Partners, LLC and its Organization and Partners.

- "**Institutions,**" "**Community Bank,**" "**Credit Unions**" refer to the Buyer of **Factoring Arrangements™.**

No securities regulatory authority has expressed an opinion about these annuities. It is an offense to claim otherwise. Factoring Arrangements ™ are only offered for sale in the United States and are exempt from registration with the U.S. Securities and Exchange Commission.

Featuring

Higher Yield Returns • AA+ to A Ratings (S&P) • Choice of Terms

What are Factoring Arrangements™?

When you purchase Factoring Arrangements™, your institution, the buyer, receives the right to fixed annuity payments in exchange for a lump sum payment to an individual who is the original Existing Annuitant. By purchasing an individual's right to receive payments, you receive high yield returns while the Existing Annuitant enjoys the benefits of having cash now.

What are the benefits of purchasing Factoring Arrangements™?

Factoring Arrangements™ can provide above average returns for the fixed income portion of a portfolio. Since they provide a payment stream over a fixed period of time at a fixed rate of return, this purchase is generally considered to be a good vehicle for conservative assets. Insurance companies invest the funds primarily in government securities and high-grade corporate bonds which provide fixed interest rates. ISFP only offers Factoring Arrangements™ from insurance companies with among the highest Standard & Poor's credit ratings, making Factoring Arrangements™ one of the safer forms of fixed term purchases available today.

Where do these payments originate?

Individuals involved in legal claims for personal injury often accept a structured settlement in which they receive regular, fixed payments over several years and/or lump sums at stipulated times from an insurance policy. Lottery prizewinners and other individuals may also have the right to receive regular, fixed payments over a period of time. As circumstances change, these individuals, called Existing Annuitants, sometimes need to convert a portion of their fixed income into cash now to meet personal needs or settle an estate. They decide to assign their rights to their future payments at a discount to ISFP.

ISFP, in turn, offers the payment rights to these payments, called Factoring Arrangements™, to Buyers like your institution. Typically, the Factoring Arrangement payments are made regardless of whether or not the Existing Annuitant or the Buyer is alive, meaning these payments are not contingent on any individual's life.

In circumstances where life contingent payments are being offered, and unless otherwise indicated, there shall be in place a prepaid collaterally-assigned life insurance policy covering the term of the deal and a prepaid gap insurance policy covering suicide that will pay the Buyer the future value of the annuity payments discounted at not more than the interest rate of the deal per year, upon the death of the original annuitant provided the original annuitant dies before the end of the payment term.

See page 7 for more detail on In-Force™ Insured Life Contingent payments.

Who makes the payments to our institution?

Factoring Arrangement™ payments may be paid directly to purchasers by a U.S.-based insurance company. If the payments are split between parties, if you purchase after the court transfer date has passed or otherwise where ISFP deems it appropriate, the apportioned payments may be paid to you through a substantial third party escrow agent servicing company. In all situations, the U.S.-based insurance company is backing the payments and they have a credit rating that is generally AA+ to A rated by Standard & Poor's.

How is the rate of return determined?

The rate of return for each Factoring Arrangement™ is determined by the current market at the time which includes what an institution is prepared to accept as a return on its purchase, and the Factoring Arrangement™ attributes such as the number of years for the payout and the insurance company's financial rating.

The rate of return for each Factoring Arrangement ™ is represented as an "effective rate," meaning it is compounded monthly to generate an annual effective rate based on a 365-day year. This is standard practice in the annuity industry. Interest rates are recorded to an accuracy of two decimal places (for example 7.00%).

Why are rates of return on Factoring Arrangements™ higher than those offered on payments purchased directly from insurance companies today?

The rate of return on Factoring Arrangements™ is typically higher than the rate available on payments newly purchased directly from insurance companies today because Factoring Arrangements™ have been "previously owned" with attributes such as payment term and payment amounts that cannot be changed. Additionally, Factoring Arrangements™ are transferred for the present value of future income payments. The present value is determined by what the Existing Annuitant, or the Seller, will accept and what an institution will pay.

Why do I need ISFP to arrange the purchase of Factoring Arrangements™?

The purchase and sale of structured settlement payments is governed by state law and must be approved by a court which issues an order redirecting payments to your institution or its escrow trustee. A judge will review the proposed transfer to determine if it is in the best interest of the Existing Annuitant and then issue the court order.

Does your institution have to appear in court for payments to be transferred to me by court order?

No, the Buyer does not have to appear in court. ISFP has expertise in legally transferring payment rights. We arrange a court order in your institution's name or its escrow trustee name at no additional cost to you. All of the court costs, transfer fees, lien search fees and legal costs are paid by us. Also, we acquire structured settlement payments through a number of channels, including an extensive broker network. Our experience and due diligence insure the quality of the Factoring Arrangements™ we offer for sale to your institution.

What is the typical Factoring Arrangement™ term and purchase amount?

The present value of Factoring Arrangements™ is generally between $50,000 and $150,000 but can be higher or lower. Terms can range from 1 to 35 years but typically are 5 to 20 years.

Exclusivity

Factoring Arrangements™ are not widely known to the general public nor are they widely available to individual Buyers. As such, they provide a unique opportunity for financial institutions to purchase safe, fixed returns at superior rates.

Compare These Rates of Return

FIXED TERM PAYMENTS PURCHASED DIRECT FROM AA CARRIER AT 2.6% GUARANTEED	$129,539
SAME CARRIER, PREVIOUSLY ISSUED FACTORING ARRANGEMENT™ TRANSFERRED TODAY AT 4.0% GUARANTEED	$148,509

Comparisons are based upon a $100,00 purchase for a fixed term of 10 years.

What is the legal structure of the purchase?

ISFP buys payment(s) from an Existing Annuitant and transfers the payment rights to your institution, through a court transfer process. This process is available in 49 U.S. states through a state-sanctioned transfer statute. Your institution's name or escrow trustee name will be stated in the transfer court order, which is generally obtained in the state where the Existing Annuitant resides.

The court will direct the insurance company that issued the Fixed Term Payments to pay to the designated payee all of the payments when they are due and as further assigned. The court order assures that the Existing Annuitant has relinquished title to his or her payment rights as well as securely effecting the payment reassignment.

Payments are made whether the Existing Annuitant lives or dies during the period that the payments are due. If there is a change of control of your institution, the payments continue to your institution's interest.

Payments are typically made by a check mailed to your institution's designated address or by direct deposit into your bank account. The insurance company usually determines the method of payment. As the institutional owner, you may change the address for payment or bank account designation at any time by informing the insurance company directly.

What documentation will the institution receive at closing?

- Receivable Purchase Agreement
- Sale and Assignment Agreement
- Change of Beneficiary Designation
- Disclosure Statement
- Authorization Letter
- Existing Annuitant's Identification
- Duplicate Policy or Benefits Letter or Issuer Acknowledgement Letter
- Certificate of Seller Marital status/Spousal Consent, Divorce Decree, or Property Settlement Agreement, as applicable
- Court Order permitting the assignment of the annuity payments and naming Buyer as new Payee
- Statement of Independent Professional Advice or Waiver, where applicable
- Satisfactory Results of Uniform Commercial Code (UCC) (within 30 days of closing), Judgments (within 90 days of closing), Lien (within 90 days of closing), Bankruptcy (within 30 days of closing), and Evidence of Lien Resolution, as applicable
- Closing Book (containing documents such as those listed above)
- Further assignments and trust documentation, if applicable
- If life contingent, life insurance, gap insurance, collateral assignment documentation

What are the risks?

As an institution, you must determine whether Factoring Arrangements™ meet your risk tolerance and purchase objectives. The following are risks associated with Factoring Arrangements™:

- The security of the Factoring Arrangement™ is directly related to the financial health of the insurance company that issued the annuity or state lotteries and its ability to make payment of the payments due under the Annuity.
- Factoring Arrangements™ are not deposits and are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other federal government agency. They may be partially guaranteed by State Guaranty Associations but ISFP makes no representations or warranties in this regard.
- Factoring Arrangements™ are subject to interest rate risk. Market interest rates may rise while the rate of return on the Factoring Arrangements™ is locked in. Fixed income purchases with longer terms to maturity are usually more sensitive to changes in interest rates. One method of hedging interest rate risk during a volatile rate period is to build an annuity ladder by buying a series of Factoring Arrangements™ over an extended period of time, thereby averaging the rates of return.
- Factoring Arrangements™ are monetized in U.S. Dollars.
- Payments will be made in accordance with the terms of a Court Order that accompanies each transaction, but there is a risk that the Court Order might be subject to challenge or collateral attack, resulting in the Court Order being modified or vacated and/or rendered unenforceable.
- Factoring Arrangements™ typically must be held to term and therefore are not liquid purchases.

Our responsibilities to your institution.

ISFP is responsible for the overall business and operation of the Factoring Arrangement™ transfer and sale process. This includes:

- Entering into a sale agreement with the Existing Annuitant to acquire the payment rights to each annuity in return for an agreed upon present value cash amount.
- Finding a Buyer to acquire the payment rights to the annuity at an agreed upon rate of return and corresponding price.
- Completing the annuity transfer process, including obtaining a transfer court order, in accordance with U.S. state and federal laws.
- Overseeing the transfer due diligence process as set out in the Sale and Assignment Agreement with the Existing Annuitant and the Receivable Purchase Agreement with your institution.
- Safeguarding your institution's deposit funds until the transaction closing.
- Closing the purchase of annuity payment rights with the purchasing institution and providing a Closing Book containing all documents set forth in the Receivable Purchase Agreement.

Insured Life Contingent In-Force™ Payments (Sections Below)

Additional provisions secure Life Contingent In-Force™ Payments: A Life Insurance Policy on the life of the Seller, Gap Insurance (Suicide) Policy Covering the first two years of the policy; Collateral Assignment Agreement, Mortality Tracking Verification, and a Servicing Arrangement.

Section A: Life Insurance Policy

A life contingent In-Force™ Term Payment has payments due to the Existing Annuitant Seller, and thereby due to the Buyer, that depend on the Seller's life. If the Seller dies after the Buyer buys the payments, the payments will cease to be made by the annuity insurance company. In order to provide solid and safe purchase for the Buyer, life insurance is acquired on the life of the Existing Annuitant Seller. If the Seller dies before the end of the term of the deal, the life insurance pays the Buyer a lump sum payment equal to the present value of the future annuity payments discounted generally at the interest rate of the particular deal. Typically, the life insurance is a term policy for the duration of the term of the Buyer's purchase, and the premium for the entire term duration is paid in full at closing by the Seller in advance. Certain life contingent In-Force™ payments have a death benefit included in the annuity policy in the form of a cash refund or commutation payment upon the death of the seller.

Section B: Gap Insurance

Each life contingent annuity transfer ISFP processes must be backed by a life insurance policy issued by a company that has no relation to the annuity issuer or owner. This life insurance policy is then collaterally assigned to the Buyer in order to protect the Buyer's interest in the assigned payments. Almost all life insurance policy contracts have a two-year contestability period, which is commonly referred to as a suicide clause which typically states that the insurance company can refuse to pay a death benefit if the insured Existing Annuitant dies by committing suicide in the first two years from the effective date of the policy being issued. Therefore if a Buyer were to consider buying payments based on a life-only life contingent annuity he or she would want to consider the small yet real risk of the original annuitant committing suicide during the first two years of the policy as well as dying at any other time during the term of the payments and how well these risks are insured.

Section C: Collateral Assignment

Most often the Existing Annuitant Seller is the owner and the measuring life covered by the life insurance policy. The Buyer is protected with a life insurance collateral assignment or designation of the Buyer or his Escrow Trustee in the primary beneficiary position to ensure the recovery of the present value of outstanding payments upon the death of the seller. This assignment is irrevocable by the Seller to the Buyer for the term of the deal and specifies that the present value payout goes to the Buyer or the Buyer's escrow servicing trustee agent in the event of the death of the measuring life.

Section D: Mortality Tracking Agreement

Because the Existing Annuitant Seller is often entitled to annuity payments for life, and has sold a defined portion to the Buyer, a mechanism periodically ensures that the Seller is in fact alive. The issuing life insurance company of the life contingent In-Force™ Term Payments has a responsibility to do so and make the payments, but in a life contingent transaction the company also generally makes it a condition of the assignment that another party is additionally responsible for proving that the Seller is alive to keep the payments coming with a proof of life certification. ISFP pays for a mortality tracking company to provide these services during the term of the Buyer's contractually purchased payments, so the Buyer does not have to track down the Seller at any time. These services generally include annual, semi-annual, or quarterly letters as verification signed by the Seller that he or she is alive.

Section E: Servicing Arrangement

Payment servicing simply means splitting a check and paying two different parties. In this case, we engage the services of a payment servicing company to receive the full check and make the payments payable to the Buyer(s) or the Buyer and the Seller.

The assigned life insurance, mortality tracking verification, gap insurance and possible payment servicing involve third parties in a transaction after closing. These entities are all paid their fees in full at the beginning of the case and in the case of servicing are paid automatically. It is important to note that the costs of additional agreements and services are borne by the Sellers through the higher discount rate they accept when selling life contingent In-Force™ Payments. The Buyer benefits with a higher rate, and the Buyer's funds are at all times fully insured.

What information will you need from us an institutional buyer?

Customer Identification Program for Institutional Accounts

To comply with all federal laws and regulations and to help fight the funding of terrorism and money laundering activities, ISFP must obtain, verify, and record information that identifies each institution that opens a Buyer Account through our Customer Identification Program including:

- Name of corporation or entity
- Address
- Name of principal officer or trustee
- Employer Identification Number (EIN)
- Principal place of business (State of incorporation or organization)
- Articles of Incorporation, Partnership or Trust Agreement
- Copy of government issued photo identification of signator

Nothing in this document shall be considered a solicitation to buy or an offer to sell Factoring Arrangements™, or any other product or service, to any person in any jurisdiction where such offer, solicitation, purchase or sale would be unlawful.

Prohibited Uses

No one shall use the services of ISFP for any unlawful purpose.

How does your institution become a buyer?

To become a buyer, your institution must:

1. Execute a Receivable Purchase Agreement (RPA). The RPA sets out the terms of the relationship between your institution and ISFP and the transaction process.
2. Provide the information in the Customer Identification Program outlined above.
3. Fund and close transactions in accordance with the terms of the RPA.

How does your institution pay for Factoring Arrangements™?

Institutions remit payment for Factoring Arrangements™ at closing by paying the Existing Annuitant directly in accordance with the indicated instructions.

Remit payment for Factoring Arrangements™:

- The balance of the purchase price upon receipt of the court transfer order naming your institution, as the new Payee.

All funds are held in a segregated account until closing. The closing of each Factoring Arrangement™ transaction will occur in accordance with the Receivable Purchase Agreement and only after all conditions precedent have been met, including but not limited to ISFP obtaining the court order that directs the insurance company to pay the annuity payments to your institution, as and when due.

Can institutions sell their Factoring Arrangements™?

Once you purchase a Factoring Arrangement™ with a direct court order, you must hold it to the completion of its term. Factoring Arrangements™ are generally not liquid or marketable. The transfer order states that there are no further assignment rights. Factoring Arrangements™ purchased with a third party escrow trustee servicing company can be reassigned by the purchasing institution. Many Factoring Arrangements™ bought by institutions are serviced.

How are fees, expenses and sales commissions paid?

Fees and Expenses

Your institution is not charged any additional fees or expenses when acquiring Factoring Arrangements™. ISFP earns a fee based on the net difference between the price at which it buys annuities from Existing Annuitants and the price at which it sells them to institutions.

Sales Commission

The broker of record generally receives a sales commission upon the closing of each Factoring Arrangement™. The amount of commission is negotiated between the broker and ISFP. The price you pay for each Factoring Arrangement™ and the agreed upon rate of return constitute the net price and actual rate of return you will earn. The sales commission is an extra expense paid by ISFP.

What are the income tax and accounting considerations for an institution?

The tax a Buyer pays on Factoring Arrangements™ depends on the Buyer's jurisdiction of citizenship and jurisdiction of residency, as well as U.S. tax laws. ISFP expresses no opinion on Buyers' tax or accounting obligations and recommends that you consult your tax advisor and accountants accordingly.

Qualified retirement plans

ISFP does not offer 401K, IRA, Pension, Profit Sharing or defined Benefit Plans. However, ISFPwill work with retirement plans and advisors to facilitate purchases by those plans. From the product viewpoint, a purchaser should keep some cash in the plan to pay Required Minimum Distributions that start at age 70 ½ if the deal purchased has payments that don't start until after age 70 ½, especially if the purchaser does not have other qualified plans he or she could take the distributions from to satisfy the yearly withdrawal requirement to avoid a penalty tax. ISFP does not offer tax advice and is not responsible for the tax planning and monitoring of these accounts.

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