

MILESTONE

Managers & Providers

Pennsylvania Limited Liability Companies

For Immediate Release

January 5, 2008

Contact: Matt Boaman, Manager of Inside Sales
(888) 877-5686

mboaman@milestonesettlements.com

MILESTONE SUCCEEDS IN DIFFICULT TIMES

LANCASTER, PA— The decision by 21st Services and AVS Underwriting to lengthen mortality tables sent shockwaves through the life settlement industry. The effects of this industry shakeup, in combination with the economic crisis, left many in the industry clinging for survival. Providers across the country have been pulling offers and are scrambling for funds; many are even struggling to stay afloat. Milestone Providers, LLC is most definitely not one of these providers.

Milestone was not affected by these changes in life expectancy underwriting. The only change is an increase in the number of policies Milestone is purchasing. Milestone CFO, Nikanor Volkov explains, “Through statistical analysis and extensive research of mortality and impairment class data, we had long recognized that life expectancy determinations, on average, may have been too short, and have configured our pricing and bidding in accordance with our findings. Having adjusted to these inaccurate life expectancy determinations prior to the 21st and AVS shake-up, we were able to increase our funding and honor our offers. While we continue our everyday business, our competitors have pulled offers and made procedural changes in attempts to adapt to these underwriting changes.”

Milestone CEO, Kristian Armstrong, was incredibly pleased with the 21st and AVS changes. On the day of the announcement Armstrong was quoted saying, “This correction should result in the life expectancy determinations across the industry being more accurate, and consistent with what we have understood and used for a long time. We were being out-bid by less educated buyers who were using inaccurate LE’s. More than anything, we are pleased to see that our understanding of mortality risk has been correct from the beginning, and that our business model has been validated. Unfortunately for other portfolio owners, the boat anchor just got heavier.”

This statement is proving to be true. Mr. Volkov implies, in a September article, published by Deal Flow Media’s Life Settlements Report, that portfolio owners who purchased on incorrect LE’s will need to re-evaluate portfolios, and possibly write-down those values. In this article Mr. Volkov states, “I think there are going to be major losses in this industry. From a pricing perspective, we believe these changes will negatively impact investors by 7 to 10 percentage points.”

While others in the industry continue struggling, Milestone continues to thrive. “We’re currently seeing more policies than ever before, and have an increased hunger for small face policies and portfolios available for sale in this New Year. With our state-of-the-art life settlement acquisition and management software, we’ve been able to process and evaluate this increase of policies, while maintaining our signature quick turn-around time,” Armstrong stated. “As other providers have lost their funding, or have seen it restricted, our funders have increased their appetites, because the market is now where they have understood it should be from the beginning,” Armstrong continued.

Milestone saw the need for these underwriting changes long ago. While others continued to fill portfolios using inaccurate life expectancy reports, Milestone stood alone with their conviction that mortality tables would lengthen. They stood by their pricing model and remained committed to providing an honest investment for their world leading institutional investors. Milestone is once again demonstrating why they operate under the slogan, “We didn’t create the life settlement market...we fixed it.”

###