



LEGAL FUNDING

**ASSIGNMENT, SALE, SPRINGING ASSIGNMENT
& EQUITABLE LIEN AGREEMENT**

THIS AGREEMENT (the "Agreement") is made and dated as of September 8, 2014, by and between [REDACTED], residing at [REDACTED] (the "Seller"), and [REDACTED] (the "Purchaser") with a principal place of business located at [REDACTED]

The Seller represents to Purchaser that Seller is represented by counsel and is the plaintiff in a certain matter/litigation encaptioned [REDACTED] (the "Litigation"). The Litigation has been filed in the US DISTRICT COURT of VERMONT, under the Index/Docket # [REDACTED]. Pursuant to the Litigation, Seller may be entitled to monetary sums as compensation for personal injuries, medical malpractice, civil rights violations, wrongful termination of employment, employer misconduct, products liability, qui tam claims, workers compensation, elder abuse, wrongful death and/or other damages sustained in a certain incident(s)/accident(s), which occurred on various dates. Any monetary sums recovered pursuant to the Litigation, and/or from any proceeding arising from the events that are the basis of the Litigation, through settlement, verdict, judgment, arbitration, statutory schedule or otherwise, if any, shall hereinafter be referred to as (the "Proceeds").

The Seller has requested, and the Purchaser has agreed to purchase from Seller a portion of the Proceeds (the "Purchased Property") for monetary consideration (the "Purchase Price"). In certain instances, the Purchase Price may include the cost to buyout a prior settlement financing related to the Litigation (a "Buyout Payment") and/or payments to designated third parties at the request of Seller. The Purchase Price for this Agreement shall be Five Thousand and 00/100 Dollars (\$5,000.00), which shall be credited to Seller upon the execution of this Agreement and, after subtracting all Applicable Fees and Buyout Payment(s) to third parties, shall be paid to the Seller. **This is a non-recourse purchase agreement. There is no obligation for seller to make payment except from the proceeds of the matter/litigation.**

DISCLOSURE STATEMENT

A. Property to be purchased from the Seller under the agreement: \$ 5,000.00

B. **Payment Schedule: 875**

Total Pay-Off Amount to be paid by the Seller to [REDACTED]

Minimum amount due on or before the <u>first six (6) month Anniversary:</u>	\$ 7,500.00
After <u>Six (6) month Anniversary</u> , but on or before <u>One Year Anniversary:</u>	\$ 8,750.00
After <u>One Year Anniversary</u> , but on or before <u>18 month Anniversary:</u>	\$ 10,000.00
After <u>18 month Anniversary</u> , but on or before <u>Two Year Anniversary:</u>	\$ 11,250.00
After <u>Two Year Anniversary</u> , but on or before <u>30 month Anniversary:</u>	\$ 12,500.00
After <u>30 month Anniversary</u> , but on or before <u>Three Year Anniversary:</u>	\$ 13,750.00
After the Three-Year Anniversary, the total pay-off amount shall continue to increase in a Similar fashion by \$1,250.00 for each additional six-month period.	

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

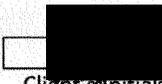
- I. **Representations and Warranties of Seller.** Seller represents and warrants the following:
 - a. **Seller intends this transaction to be and agrees that this transaction is a purchase and sale and is not a loan.**
 - b. The Seller's date of birth is [REDACTED] and the Seller's Social Security number is [REDACTED]
 - c. The Seller's telephone number is: [REDACTED]
 - d. The Seller's email address is: [REDACTED]
 - e. The Seller presently resides at the address stated above and has not resided at any other address in the past 3 years/months other than as follows [REDACTED]
 - f. The Seller has the full power and authority to enter into this Agreement and sell the Property to Purchaser and does not require the consent of any third party, including, but not limited to, any present or former spouse to do so.
 - g. The Seller has not previously assigned all or any portion of the Proceeds to any person, firm or corporation except to Purchaser as set forth herein.
 - h. The Seller is represented in the matter/litigation by an attorney/law firm on a fee-contingent basis. In no case does the attorney's fee exceed Forty Percent (40%) of the Proceeds.

[REDACTED]
Client's Initials

- i. Seller is not subject to any outstanding judgment, levy or claim.
- j. There are no lawsuits pending or threatened against Seller, and Seller knows of no basis for any such lawsuits or claim against Seller.
- k. Seller is not indebted to any present or former spouse for support, maintenance or similar obligations, nor is Seller indebted to any child, or the guardian of any child, for any child support or similar payments and Seller never received Aid to Families with Dependent Children, food stamp benefits or low income energy assistance benefits, and the Proceeds are not subject to any lien by any governmental agency to which payment for such benefits would be owed.
- l. Seller has paid all federal, state and local taxes due through and including the date hereof, or has made adequate provisions for such payments.
- m. There are no outstanding and unsatisfied judgments against Seller.
- n. There are no outstanding federal, state or local tax liens against Seller.
- o. Seller has not entered into this transaction for the purpose of evading creditors
- p. Seller is of sound mind and not acting under duress.
- q. Seller has not relied on any representations or statements made by Purchaser, its agents or attorneys, in connection with this transaction or the tax or financial consequences hereof, and Seller has sought and received independent tax, financial and legal advice with respect to this transaction from Seller's own attorneys, accountants, financial and tax advisors.
- r. All statements of Seller made herein or in certificates of other documents delivered by Seller to Purchaser hereunder or in connection herewith are true, accurate and complete and do not omit to disclose anything which make the statements made herein or therein incomplete or materially misleading and the information set forth in the Recitals first appearing above is true and correct in all material respects.
- s. Seller hereby authorizes Purchaser or its agents to conduct such credit and other searches as may be necessary in order to confirm the foregoing and shall cooperate fully with Purchaser in this regard, including the execution of such other and further documents as may, at the sole option and in the sole discretion of Purchaser, be determined to be needed or reasonable.
- t. Seller will in good faith fully participate in the Litigation and cooperate in all respects with the prosecution of the Litigation to a successful conclusion. Additionally, the Seller acknowledges that Purchaser has no influence, power or control over any matter relating to the Litigation.
- u. Seller has not entered into this Agreement for the sole or primary purpose of bringing litigation or the support thereof.
- v. To protect Purchaser against the possibility of disputes with third parties, Seller will not hereafter assign or grant to any party any interest in or to the Proceeds nor permit or suffer the attachment of any lien in, to or upon the Proceeds. Any assignment, sale, conveyance, hypothecation, security interest or lien, or attempt to do any of the foregoing by Seller in violation of this paragraph shall be wholly void and of no effect.

2. **Sale Agreement, Assignment or Springing Assignment, Equitable Lien & Purchase Price:**

- a. Seller hereby agrees that:
 - i. **Immediate Assignment.** To the extent permitted by law applicable to this transaction, Seller hereby sells and assigns to Purchaser and Purchaser hereby purchases from Seller, Seller's entire right, title and interest in a portion of the Proceeds to be determined as set forth in Section B "Payment Schedule" hereof.
 - ii. **Springing Assignment:** To the extent that a current assignment of the Proceeds or any portion thereof is impermissible under applicable law, then Paragraph 2(a)(i) shall be deemed null and void and in such event, seller does hereby agree and does sell and assign to Purchaser and Purchaser hereby purchases from Seller Seller's entire right, title and interest in a portion of the Proceeds at the instant such Proceeds come into being by virtue of a judgment, settlement, verdict or other disposition of the Litigation, with the amount of such Proceeds to be determined as set forth in Section B "Payment Schedule" hereof. Furthermore, in such event, to the fullest extent permitted by law, Seller hereby grants to Purchaser an equitable lien, in, to and upon Seller's right to the Proceeds resulting from the Litigation and the claims asserted therein to secure Purchaser's receipt of the benefits of the bargain in its making under the terms of this Agreement.
- b. **Purchase Price:** In full payment for the Property and in consideration of its sale and assignment to Purchaser, Purchaser shall pay to Seller the Purchase Price upon satisfaction of all Conditions Precedent as hereinafter defined and Purchaser's satisfaction that all representations are truthful and complete in all respects.


Client's initials
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3. **Closing.** The Purchase Price shall be paid to Seller within three (3) business days after satisfaction of the Conditions Precedent and delivery to Purchaser of all documents necessary to fully and sufficiently evidence the sale, made hereby in respect of the Property, including, without limitation, the execution of: (i) this Agreement; (ii) Irrevocable Instructions to Counsel (Exhibit "A"), (iii) Attorney Acknowledgment and Lien Section (Exhibit "B"). Exhibits "A" and "B" shall be referred to herein as the Exhibits.
4. **Conditions Precedent.** Notwithstanding anything to the contrary contained herein, the obligations of the respective parties are subject to and conditional upon the satisfaction of the following conditions (the "Conditions Precedent"):
 - a. If not waived in writing by Purchaser, receipt by Purchaser of acceptable UCC searches, Tax Lien searches and Bankruptcy searches;
 - b. Receipt by Purchaser of properly executed and notarized Agreement and Exhibits;
 - c. If not waived in writing by Purchaser, receipt by Purchaser of the Complaint and Answer with proper stamps from the court indicating that they were duly filed.
5. **Waiver of Defenses.** Seller hereby waives any and all defenses to the enforcement of this Agreement and the Exhibits and specifically and unconditionally waives any claims that the Proceeds are not assignable or that any other provision of this Agreement and the Exhibits is invalid or unenforceable in any respect.
6. **Attorneys Fees.** All costs, expenses and filing fees, including the legal fees of Purchaser shall be the sole responsibility of Purchaser. Seller shall be solely responsible for the payment of Seller's own legal fees. In the event of any dispute between the parties concerning this Agreement or the transactions contemplated hereby, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees, incurred in connection with such dispute.
7. **Discharging of Adverse Claims or Liens.** Purchaser shall have the right to discharge any adverse claims or liens against any of the Proceeds whether or not any adverse claims are disclosed by the Seller. Purchaser can elect to pay any and all amounts necessary upon 20 days prior written notice to Seller, or if the Purchase Price has been deposited into an Escrow, instruct the Escrow Agent to pay any and all amounts necessary to discharge such liens or other adverse claims.
8. **Governing Law.** This Agreement is made when accepted by Seller at Seller's offices. It shall be governed by New York law without regard to New York's choice of law rules except that the Arbitration Provision below (Paragraph 9) shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16.
9. **Arbitration Provision.** Unless Seller opts out of this Arbitration Provision in the manner set forth below in subpart (m), any claim that arises out of or in any way relates to the Agreement shall be resolved exclusively by binding bilateral arbitration in accord with the following:
 - a) Arbitration shall be administered by the American Arbitration Association ("AAA") and conducted by a single arbitrator using the applicable rules and procedures established by the AAA for expedited consumer arbitration. To the extent any of the AAA's rules and procedures contradict the express terms of the Arbitration Provision, the Arbitration Provision shall control and the contradictory portions of the AAA's rules and procedures shall not apply.
 - b) Any arbitration hearing or proceeding shall be held in New York, NY in a location determined by the arbitrator. Seller shall not be required to travel to any hearing or proceeding and may instead decide that both Seller and Purchaser will participate by telephone or videoconference.
 - c) The Arbitrator shall apply New York state law consistent with the Federal Arbitration Act and shall honor applicable statutes of limitations and claims of privilege.
 - d) The Arbitrator has no authority to conduct or order class, joint, or other consolidated arbitration proceedings. The arbitrator may only resolve claims on a bilateral basis.
 - e) If Seller demonstrates that the costs of arbitration will be prohibitive as compared to the costs of litigation, Purchaser will pay as much of Seller's filing and hearing fees in connection with arbitration as the arbitrator deems necessary to prevent the arbitration from being cost-prohibitive. This subpart (e) shall not affect attorney's fees and costs, including expert witness fees. Seller and Purchaser shall each be responsible for their own attorney's fees and costs.
 - f) In the event the AAA or its rules and procedures are unavailable for any reason, Seller or Purchaser may ask a court to appoint a substitute arbitrator to arbitrate under comparable rules and procedures.
 - g) The Arbitration Provision covers any claim arising out of or in any way relating to the Provision itself. All gateway issues of arbitrability must be arbitrated, including but not limited to whether the Provision is enforceable or applicable.
 - h) The Arbitration Provision remains in full force and effect unless Seller opts out of the Provision in accord with subpart (m) or Seller and Purchaser otherwise agree in writing to set the Provision aside. The Provision survives, for example but without limitation, the cancellation or termination of the Agreement, the satisfaction of any obligations under the Agreement, the bankruptcy of Seller or Purchaser, and the transfer, sale, or assignment of the Agreement or any rights under the Agreement.
 - i) Each of the following persons or entities is an intended beneficiary of the Arbitration Provision and may enforce the Provision in full with respect to any claims between such persons or entities on the one hand and Seller on the other hand that arise out of or

in any way relate to the Agreement or the Provision: Purchaser's past, present, and future employees, agents, principals, representatives, directors, officers, shareholders, governors, managers, members, parent companies, subsidiaries, affiliated entities, partners, licensees, attorneys, predecessors, successors, joint venturers, contractors, assigns, designees, and "service providers" (defined as any third party providing to Purchaser or any of the foregoing entities or persons any goods or services that arise out of or in any way relate to the Agreement or the Provision).

- j) The Arbitration Provision may be enforced by or against any person or entity purporting to bring claims on behalf of Seller or Purchaser, including but not limited to any agent, representative, guardian, or trustee of Seller or Purchaser. The Provision may also be enforced by or against any person or entity who acquires any right or interest that, but for the transfer of the right or interest, would have belonged to Seller or Purchaser.
- k) Any action to enforce the Arbitration Provision, including any action to compel arbitration or appoint a substitute arbitrator, must be filed in a state or federal court in New York County, NY having subject matter jurisdiction. Seller and Purchaser and all persons or entities taking or accepting rights or interests under the Agreement consent to the jurisdiction and venue of the courts of New York for purposes of enforcing the Arbitration Provision.
- l) With the exception of subpart (d), if any part of the Arbitration Provision is found unenforceable, subject to any rights to judicial and/or appellate review the offending part shall be severed and the balance of the Provision shall remain in effect and shall be construed in light of the express intent of Seller and Purchaser to resolve all claims on a bilateral basis in binding arbitration. If a final, non-appealable court judgment finds that subpart (d) is unenforceable or cannot be given effect, the entirety of the Arbitration Provision shall be null and void and neither Seller nor Purchaser shall be obligated to arbitrate claims.
- m) Seller may opt out of this Arbitration Provision by sending written notice to Purchaser of Seller's decision to opt-out. Notice must be sent to Purchaser by United States Postal Certified Mail, Return Receipt Requested, at the following address: [REDACTED]. The notice must be postmarked no later than 15 days after the date of this Agreement and Seller must retain proof of receipt.

10. **Non-Assignment.** Seller agrees that the obligations and rights of Seller under this Agreement may not be assigned or otherwise transferred. The obligations and rights of Purchaser may be further assigned or transferred by Purchaser, provided that any transferee specifically agrees to be bound by the terms and conditions hereof. Seller hereby acknowledges that Seller has been informed, prior to entering into this Agreement, that the assignment of the Property and the payment of the Purchase Price may be simultaneous with a resale thereof to a third party investor who will rely upon the truth and accuracy of Seller's representations and warranties given herein and as otherwise given in connection with this transaction.

11. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same Agreement. A signature transmitted by fax shall be as effective with the same force and effect as if it were an original signature.

12. **Section Headings.** The section headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretations of this Agreement.

13. **Entire Agreement.** This Agreement constitutes the entire Agreement and understanding of the parties with respect to the matters and transactions contemplated hereby. This agreement supersedes any and all prior agreements and understandings between the parties herein. No representations have been made, or relied upon, by either party except those set forth in this Agreement.

14. **Severability.** If any provision of this Agreement is found to be invalid or unenforceable, the validity or enforceability of any other provisions of this Agreement shall not be affected thereby.

15. **Amendment and Waiver.** Except as otherwise provided in this Section, this Agreement may be amended or modified, and performance of any covenant or agreement herein contained may be waived or modified, only by an instrument signed by the parties hereto. The waiver or modification by a party of performance or of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other performance or breach thereof.

16. **CONSUMER'S RIGHT TO CANCELLATION. YOU MAY CANCEL THIS AGREEMENT WITHOUT PENALTY OR FURTHER OBLIGATION WITHIN FIVE (5) BUSINESS DAYS FROM THE DATE YOU RECEIVE FUNDING FROM [REDACTED].** If you exercise your right to cancel under this agreement, you must return to the Company within five (5)

business days of such cancellation an amount equal to the Purchase Price received less any express shipping or wiring charges. This amount must be provided in certified funds and be received by the Company no later than the 3rd business day after submission of the notice of cancellation by insured, certified United States mail, return receipt requested, to the address stated herein below. CANCELLATION OF THIS AGREEMENT DOES NOT SERVE TO CANCEL THE ARBITRATION PROVISION. See the Arbitration Provision for information regarding opting out of the Arbitration Provision:



If you have any questions about this Agreement or how to cancel this Agreement, you should consult with your attorney.

DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT COMPLETELY OR IF IT CONTAINS ANY BLANK SPACE. BEFORE YOU SIGN THIS CONTRACT YOU SHOULD OBTAIN THE ADVICE OF YOUR ATTORNEY.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“SELLER”

“PURCHASER”



Signature Required



By: _____

Print Name _____

Title: Investment Manager

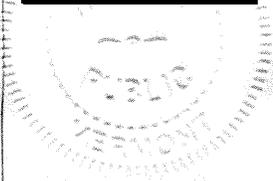
ACKNOWLEDGMENT

State of Vermont ;
County of Rutland ; ss.:

On this 8 day of September, 2014, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity and that by his/her signature on the instrument the individual executed the instrument.



NOTARY PUBLIC



Client's Initials

EXHIBIT "A"
IRREVOCABLE INSTRUCTIONS TO COUNSEL

I, [REDACTED], hereby irrevocably instruct my attorney, and any subsequent or superseding attorneys ("Attorneys") I may retain to provide information regarding the status and progress of the Litigation to Purchaser, its successors or assigns.

PLEASE BE ADVISED THAT YOU MAY NOT DISBURSE ANY FUNDS FROM MY PORTION (other than attorney's fees, expenses, and payment to lien holders) OF THE SETTLEMENT, COLLECTION, JUDGMENT, COMPROMISE, OR ANY OTHER COLLECTION RESULTING FROM THIS CASE WITHOUT FIRST FULLY SATISFYING FAST TRAK'S LIEN.

I specifically direct my Attorneys to pay directly to Purchaser (and/or its assigns), the full amount due to Purchaser under the terms of the attached Agreement from the proceeds of the Litigation.

I specifically and irrevocably direct my Attorney to ignore and refuse to honor any transaction which is made or entered into by me in violation of any terms of the Agreement and to immediately advise Purchaser of any facts that should cause a reasonably prudent attorney to believe that a pending or attempted violation of those provisions was or might be occurring.

These instructions may not be altered or revoked until the full pay-off amount pursuant to Section B of the Assignment, Sale, Springing Assignment and Equitable Lien Agreement is delivered to Purchaser.

Dated: 9/8/14

[REDACTED]

Client's Signature Required

[REDACTED]

Print Client's Name

[REDACTED]

Client's Initials