



September 8, 2009

Mr. George G. Levin  
Manager  
BANYON STRATEGIES VI, LLC  
6007 Estate Nazareth  
Water Point  
St. Thomas, USVI. 00802

Re: Funding Facility

Dear George:

This letter outlines the proposed terms and conditions for a new facility to provide funding for the business currently being conducted by you and your wholly-owned affiliates, including Banyon Strategies VI, LLC, ("Levin") together with Banyon Income Fund, LP ("BIF"), its general partner, Banyon 1030-32, LLC and their respective principals and affiliates (collectively, "Banyon").

Subject to the terms and conditions set forth below, we ("Clockwork") agree to arrange and provide a new financing facility on the following terms and conditions:

1. **The Business.** The business to be financed (the "Business") consists of purchasing, at a discount, settlements and related periodic revenue streams from individual plaintiffs who have settled their labor and employment or other related lawsuits or claims in a manner that provides for immediate payment of the settlement amounts into the plaintiff's attorney's trust account but the disbursement of amounts therefrom to the respective plaintiffs only over a specified time schedule (each a "Settlement"). At the time of purchase of each Settlement, the buyer pays the applicable plaintiff a specified sum in cash (the "Settlement Price") and the plaintiff assigns the payments to be made under the Settlement to the buyer.
2. **Newco: Exclusive.** A new special purpose entity domiciled in the U.S. Virgin Islands will be created, owned and controlled by Levin (and/or entities established for the benefit of George Levin's family) for the future conduct of the Business ("Newco"), an entity domiciled in the U.S. Virgin Islands.. Following the Closing (as defined below), other than the collection or the remaining amounts on

303 Park Avenue South #1401 New York NY 10010

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pre-existing Settlements, the Business will be conducted exclusively through Newco. Newco shall provide Clockwork with the opportunity to lend against each Settlement, and if Clockwork approves such Settlement (an "Approved Settlement") then Newco will acquire the Approved Settlement with a portion of the Settlement Price provided by a Clockwork arranged Loan (as described in paragraph 4 below). Clockwork expects to approve all bona fide Settlements that have collateral margins consistent with past conduct of the Business. If any Settlement is not approved, then Levin may acquire such Settlement with its own funds or funding from other sources; provided, however, that the acquisition of such Settlement shall be completed through an entity other than Newco, it being the intention of the parties that the Newco shall only acquire Approved Settlements. Failure of Clockwork to fund any Approved Settlement, or failure to approve five (5) or more Settlements in any given month which have collateral margins consistent with past conduct of the Business, shall result in an immediate and irrevocable cancellation of this exclusivity clause.

3. Settlement Verification: Administrative Services. The documentation, validity and funding of each Settlement shall be subject to verification according to an agreed upon set of procedures. The funds representing the proceeds of each Settlement shall be held in a separate attorney's trust account for the benefit of Newco and subject to such terms, conditions and disbursement procedures as are satisfactory to Clockwork. All disbursements of such funds shall be subject to a "lockbox" arrangement to secure the repayment of the funding arranged by Clockwork. In light of these requirements, Clockwork shall take responsibility of the administration of the purchase, funding and collection of Settlements on behalf of the Newco subject to any limitations on these functions being handled outside of the U.S. Virgin Islands. At Closing, Clockwork will also assume administration of the collection of pre-existing BIF Settlements.
4. The Loans. Following the Closing, the Clockwork Fund will fund by way of loans on the terms and conditions set forth herein (each a "Loan", collectively the "Loans") at least 50%, but at Levin's option up to 90% of the Settlement Price of Approved Settlements, with Newco funding the balance of each Settlement Price from its own equity provided by Levin and/or Banyon, until the aggregate portion of the Settlement Price of all Settlements administered by Clockwork funded by Levin and/or Banyon reaches \$500 million. Thereafter, the Clockwork Fund will fund 90% of the Settlement Price for Approved Settlements by way of loans on the terms and conditions set forth herein, subject to the right of Newco to fund more than 10% of the Settlement Price using funds provided solely by Levin. The Fund intends to make available to Newco up to an aggregate of \$2.5 billion.
5. The Lender. The lender for the Loans will be a fund (the "Clockwork Fund") to be established by Clockwork specifically for the purposes of providing the financing



described in this letter. Clockwork will serve as the advisor to the Fund and an affiliate of Clockwork will serve as the general partner.

6. Fees. Clockwork shall receive the following fees:
  - a. A flat fee of 35 bps on the aggregate Settlement Prices for all Settlements (pre-existing and new) administered by Clockwork (excluding the portion of any Settlement Prices funded with Loans) until the total portion of Settlement Prices funded other than with proceeds of Loans equals \$500 million. For pre-existing Settlements the fee will be payable at Closing. For subsequent Settlements, the fee will be paid when the Settlement is purchased;
  - b. Thereafter, a flat fee of 100 bps on the portion of Settlement Prices of Approved Loans funded by Levin; and
  - c. In respect of any portion of such Settlement Prices funded by BIF or BIF's investors, such administrative, management and incentive fees as Clockwork may be entitled to receive in respect of investments by third parties through the Clockwork Fund.
7. Interest. Interest will accrue on the outstanding principal amount of each Loan at the rate of 20% per annum compounded monthly during the Initial Term, and 15% per annum compounded monthly during the Extended Term. The foregoing notwithstanding, in the event that Clockwork is able to arrange LIBOR based or similar financing from a bank or other institutional lender for the Clockwork Fund at any time during the Term ("Bank Financing"), then to the extent that any Loan is funded with proceeds of Bank Financing, the interest rate charged Newco on that portion of the Loan shall not exceed the lesser of (x) the rate on the Bank Financing plus 5% or (y) the 20% or 15% rate, as would otherwise be applicable under the first sentence of this paragraph 7.
8. Collateral/Application of Proceeds. Each Loan shall be secured by a collateral assignment of the Newco's right to receive payments from the trust account deposits pertaining to the applicable Approved Settlement. All proceeds from each Approved Settlement shall be applied first to interest due on the Loan and then to principal until the same has been repaid in full. Each Loan shall be repaid solely from the proceeds of the applicable Settlement; provided, however, that the Loans shall be cross-collateralized so that in the event the proceeds from a particular Settlement are not paid as scheduled, the Clockwork Fund shall be entitled to recover any amounts not paid on the corresponding Loan from the proceeds of any other pledged Settlement.



9. Distributions and Reserves. Newco shall be entitled to make periodic distributions of cash flow to its members. Distributions will be limited to proceeds of Approved Settlements as to which the corresponding Loans have been repaid in full, and shall be subject to reserves reasonably satisfactory to Clockwork to cover clawbacks (for uncollected proceeds of Approved Settlements), to ensure that Newco will have sufficient funds available to fund Newco's share of the anticipated purchases of Approved Settlements in the following periods, and to ensure that the debt to equity ratio of Newco does not exceed 9 to 1.
10. Term. The term ("Term") of the financing agreement will be 2 years from the Closing (the "Initial Term") subject to an extension at either Clockwork's or Levin's option for an additional 1 year. Upon expiration of the Term the agreement shall continue only for purposes of winding down the Business as conducted by Newco, i.e., for the collection of amounts still outstanding on Approved Settlements and the repayment of any outstanding Loans secured by those Settlements.
11. Restrictive Covenants. The financing agreement shall contain customary restrictive covenants including but not limited to that Newco shall not (i) engage in any business other than the Business, (ii) incur indebtedness other than the Loans, (iii) lend money to any person, (iv) transfer, assign or otherwise dispose of any of the Settlement, or (v) cause or allow any change of control of Newco.
12. Non-Binding: Definitive Agreements. This letter is intended only to set forth the basic terms and conditions under which the parties wish to proceed with the contemplated financing arrangements and, except for the undertakings in paragraphs 12 through 15 is not intended to be binding in the absence of more definitive agreements. The parties agree to negotiate in good faith, at their own respective cost and expense, the preparation of definitive written agreements that set forth the terms contemplated herein and all of the other material terms and conditions for the proposed transactions, which agreements, shall be executed and delivered by all of the parties, at a closing to be held twenty-one (21) days from the date hereof (the "Closing") or on such other date as the parties shall mutually agree.
13. Commitment Fee. To cover the costs and expenses of creating and documenting the Clockwork Fund and other costs incidental to concluding the transactions contemplated herein, Clockwork shall receive a \$750,000 commitment fee payable as follows:
  - a. \$125,000 upon execution of this letter of intent;
  - b. \$250,000 upon funding the first \$100 million in Loans;



- c. \$250,000 upon funding the next \$100 million in Loans; and
- d. \$125,000 upon funding of the next \$100 million in Loans.

If the Closing does not occur because of a failure of Clockwork to proceed, then Clockwork shall refund the initial installment of the Commitment Fee; otherwise, no portion of the Commitment Fee shall be refundable.

14. Exclusive. During the period specified in paragraph 12, Levin agrees to negotiate exclusively with Clockwork in respect of the provision of the funding for the acquisition of Settlements and shall not entertain offers from or engage in negotiations with any third parties respecting the same. Levin acknowledges that Clockwork shall be incurring substantial costs and expenses and devoting substantial time and resources to completing the contemplated transactions, which it would not otherwise do but for this agreement to negotiate exclusively with Clockwork. This paragraph shall not restrict Levin from undertaking or completing the restructuring of his business operations into a U.S. Virgin Island-based organization.

15. Applicable Law. This letter of intent shall be construed and enforced in accordance with the laws of the State of New York.

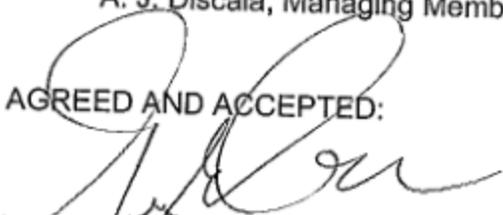
Please confirm your agreement with the foregoing by signing and returning the enclosed copy of this letter and arranging for the concurrent payment of the initial installment of the commitment fee described in paragraph 13.

Very truly yours,

CLOCKWORK CAPITAL ADVISORS, LLC

By: \_\_\_\_\_  
A. J. Discala, Managing Member

AGREED AND ACCEPTED:

  
\_\_\_\_\_  
GEORGE G. LEVIN, on behalf of himself and his affiliates, including Banyon Strategies VI, LLC, Banyon Income Fund, LP and Banyon 1030-32, LLC