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As filed with the Securities and Exchange Commission on August 23, 2011

Reg. No. 333-174887

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2 TO FORM S-1

REGISTRATION STATEMENT *UNDER THE SECURITIES ACT OF 1933*

GWG HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**26-2222607**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

220 South Sixth Street, Suite 1200 **Minneapolis, Minnesota 55402** **(612) 746-1944** **Fax: (612) 746-0445** (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	**Jon R. Sabes** **Chief Executive Officer** **220 South Sixth Street, Suite 1200** **Minneapolis, Minnesota 55402** **(612) 746-1944** (Name, address, including zip code, and telephone number, including area code, of agent for service)	*With a copy to:* Paul D. Chestovich, Esq. Martin R. Rosenbaum, Esq. Maslon Edelman Borman & Brand, LLP 3300 Wells Fargo Center Minneapolis, Minnesota 55402 Telephone: (612) 672-8200 Fax: (612) 672-8397

Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Renewable Secured Debentures	$250,000,000	(1)	$ 250,000,000	$ 29,025.00(2)

(1) The Renewable Secured Debentures will be issued in minimum denominations of $25,000 and in $1,000 increments in excess of such minimum amount.
(2) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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A Registration Statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Registration Statement becomes effective.

SUBJECT TO COMPLETION, DATED AUGUST , 2011

Offering Amount $250,000,000

GWG HOLDINGS, INC.

a Delaware corporation

Renewable Secured Debentures

GWG Holdings, Inc., through its subsidiaries, purchases life insurance policies sold in the secondary marketplace. Our objective is to earn returns from the purchased life insurance policies that are greater than the costs necessary to purchase, finance and service those policies to their maturity.

We are offering up to $250,000,000 in Renewable Secured Debentures (the "debentures") in this offering. This is a continuous offering and there is no minimum amount of debentures that must be sold before we can use any of the proceeds. The proceeds from the sale of the debentures will be paid directly to us following each sale and will not be placed in an escrow account. We will use the net proceeds from the offering of the debentures primarily to purchase and finance additional life insurance policies, and to service and retire other outstanding debt obligations. The minimum investment in debentures is $25,000. Investments in excess of such minimum amount may be made in $1,000 increments. The debentures will be sold with varying maturity terms, interest rates and frequency of interest payments, all as set forth in this prospectus and in supplements published from time to time. Depending on our capital needs and the amount of your investment, debentures with certain terms may not always be available. Although we will periodically establish and change interest rates on unsold debentures offered pursuant to this prospectus, once a debenture is sold, its interest rate will not change during its term (subject, however, to the extension and renewal provisions contained in such debenture). Upon maturity, subject to the terms and conditions described in this prospectus, the debentures will be automatically renewed for the same term at the interest rate we are offering at that time to other investors with similar aggregate debenture portfolios for debentures of the same maturity, unless repaid upon maturity at our or your election.

The debentures are secured by the assets of GWG Holdings, Inc., and a pledge of all of the common stock by our largest shareholders. Obligations under the debentures will also be guaranteed by our subsidiary GWG Life Settlements, LLC, which guarantee will involve the grant of a security interest in all of the assets of such subsidiary. The majority of our life insurance policy assets are held in our subsidiary GWG DLP Funding II, LLC (which is a direct subsidiary of GWG Life Settlements). The policies held by GWG DLP Funding II will not be collateral for obligations under the debentures although the guarantee and collateral provided by GWG Life Settlements will include that company's ownership interest in GWG DLP Funding II. The security offered for the debentures will provide rights as to collateral that are pari passu with the holders of other secured debt previously issued by GWG Life Settlements.

We may prepay the outstanding principal balance and accrued and unpaid interest of any or all of the debentures, in whole or in part, at any time without penalty or premium. Debenture holders will have no right to require us to prepay any debenture prior to the due date unless the request is due to death, bankruptcy or total disability. In the event we agree to prepay a debenture upon the request of a debenture holder (other than after death, bankruptcy or total disability), we will impose a prepayment fee of 6% against the outstanding principal balance of the redeemed debenture. This prepayment fee will be subtracted from the amount paid.

We do not intend to list our debentures on any securities exchange during the offering period, and we do not expect a secondary market in the debentures to develop. As a result, you should not expect to be able to resell your debentures regardless of how we perform. Accordingly, an investment in our debentures is not suitable for investors that require liquidity in advance of their debenture's maturity date.

Investing in our debentures may be considered speculative and involves a high degree of risk, including the risk of losing your entire investment. See "Risk Factors" beginning on page 15 to read about the risks you should consider before buying our debentures. You should carefully consider the risk factors set forth in this prospectus. An investment in our debentures is not suitable for all investors. The debentures are only suitable for persons with substantial financial resources and with no need for liquidity in this investment. See "Suitability Standards" for information on the suitability standards that investors must meet in order to purchase the debentures.

Please read this prospectus before investing and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the SEC. This information will be available free of charge by contacting us at 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota 55402 or by phone at (612) 746-1944 or on our website at www.gwglife.com. The SEC also maintains a website at www.sec.gov that contains such information.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2011

The debentures will be offered and sold on a best-efforts basis by Arque Capital, Ltd., a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"). Arque Capital will be an underwriter of the debentures in this offering for purposes of the Securities Act of 1933. Arque Capital may retain other dealers to act as an agent on its behalf in the course of offering and selling debentures in this offering. We will pay Arque Capital a selling commission ranging from 0.50% to 7.00% of the principal amount of debentures sold, depending on the debentures' maturity date. We will also pay Arque Capital additional underwriting compensation ranging from 1.00% to 3.00% of the principal amount of debentures sold depending on the debentures' maturity date. Such additional underwriting compensation consists of a dealer manager fee, a wholesaling fee (payable only to wholesaling dealers), and a non-accountable expense allowance. Furthermore, we will reimburse Arque Capital for its accountable due-diligence expenses in an amount up to 1.50% of the principal amount of debentures (without regard to the maturity date of such debentures). Arque Capital will share its commissions and non-accountable expense allowance with other dealers who may participate in the offering. The total amount of the selling commissions and additional underwriting compensation paid to Arque Capital on each debenture will not exceed 10.00% of the principal amount of the debenture sold. We will also pay our own issuer organization and offering expenses related to this offering, such as legal, accounting, printing and mailing expenses, registration, qualification and associate securities filing fees, various marketing expenses, other direct expenses incurred by us in connection with the offering, and facilities and technology costs and fees. Such expenses will not exceed 1.50% of the principal amount of debentures sold. See "Plan of Distribution" and "Use of Proceeds" for further information.

	Price to Investor	Aggregate Commissions, Allowances, Accountable Due Diligence Expenses and Issuer Organization and Offering Expenses (1)(2)	Net Proceeds to Company (3)
Minimum Investment	$ 25,000	$ 2,700	$ 22,300
Offering	$250,000,000	$ 27,000,000	$ 22,300,000

(1) Assumes an average sales commission of 5.00%, average dealer manager fee of 1.00%, average wholesaling fees of 0.70%, and average non-accountable expense allowance of 1.00%, average accountable due diligence expense reimbursement of 1.50%, and average issuer organization and offering expenses of 1.50%. As indicated above, actual commissions, fees, and allowances will vary based on a range relating to the term of the debentures sold. Actual due diligence expense reimbursement to the selling group members will vary based on our receipt of documented due diligence expenses. Actual issuer organization and offering expenses may differ from our estimates. Nevertheless, the total amount of selling commissions and additional underwriting compensation (consisting of dealer manager fees, wholesaling fees and non-accountable expense allowances) paid to the underwriter will not exceed 10.00% of the principal amount of debentures sold.

(2) Arque Capital has agreed to offer the debentures on a "best efforts" basis.

(3) Net Proceeds to Company are calculated after deducting (i) selling commissions, (ii) additional underwriting compensation (consisting of a dealer manager fee, wholesaling fee, and non-accountable expense allowance), and (iii) our reimbursement to the selling group members of their accountable due-diligence expenses, and our payment of our own issuer organization and offering expenses.

We will issue the debentures in book-entry or uncertificated form. Subject to certain limited exceptions, you will not receive a certificated security or negotiable instrument that is or represents your debentures. Instead, we will deliver written confirmation to purchasers of debentures. Bank of Utah, National Association, will act as trustee for the debentures.

The initial interest rates for the debentures based on the applicable maturity thereof is set forth in the table below.

Debenture Term	Interest Rate (%)
6 Months	
1 Year	
2 Years	
3 Years	
4 Years	
5 Years	
7 Years	

We may change the interest rates applicable to unsold debentures from time to time during this offering, in which case the applicable interest rates will be set forth in an interest rate supplement to this prospectus. Once a debenture is sold, the interest rate will not change during its term (subject, however, to the extension and renewal provisions contained in such debenture).

ABOUT THIS PROSPECTUS

We have prepared this prospectus as part of a registration statement that we filed with the SEC, using a continuous offering process. Periodically, as we make material investments or have other material developments, we will provide a prospectus supplement that may add, update or change information contained in this prospectus. We will endeavor to avoid interruptions in the continuous offering of our debentures, including, to the extent permitted under the rules and regulations of the SEC, by filing an amendment to the registration statement with the SEC. There can be no assurance, however, that our continuous offering will not be suspended while the SEC reviews such amendment, until it is declared effective.

Any statement that we make in this prospectus will be modified or superseded by any inconsistent statement made by us in a subsequent prospectus supplement. The registration statement we filed with the SEC includes exhibits that provide more detailed descriptions of the matters discussed in this prospectus. You should read this prospectus and the related exhibits filed with the SEC and any prospectus supplement, together with additional information described below under “Available Information.” In this prospectus, we use the term “day” to refer to a calendar day, and we use the term “business day” to refer to any day other than Saturday, Sunday, a legal holiday or a day on which banks in New York City are authorized or required to close.

You should rely only on the information contained in this prospectus. Neither we, nor the dealer manager have authorized any other person to provide you with different information from that contained in this prospectus or information furnished by us upon request as described herein. The information contained in this prospectus is complete and accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or sale of our debentures. This prospectus contains summaries of certain other documents, which summaries contain all material terms of the relevant documents and are believed to be accurate, but reference is hereby made to the full text of the actual documents for complete information concerning the rights and obligations of the parties thereto. Such information necessarily incorporates significant assumptions, as well as factual matters. All documents relating to this offering and related documents and agreements, if readily available to us, will be made available to a prospective investor or its representatives upon request. During the course of this offering and prior to sale, each prospective debenture holder is invited to ask questions of and obtain additional information from us concerning the terms and conditions of this offering, our company, the debentures and any other relevant matters, including but not limited to additional information necessary or desirable to verify the accuracy of the information set forth in this prospectus. We will provide the information to the extent it possesses such information or can obtain it without unreasonable effort or expense. If there is a material change in the affairs of our company, we will amend or supplement this prospectus.

Neither the information contained herein, nor any prior, contemporaneous or subsequent communication should be construed by the prospective investor as legal or tax advice. Each prospective investor should consult its, his or her own legal, tax and financial advisors to ascertain the merits and risks of the transactions described herein prior to purchasing the debentures. This written communication is not intended to be issued as a “reliance opinion” or a “marketed opinion,” as defined under Section 10.35 of Circular 230 published by the U.S. Treasury Department, so as to avoid any penalties that could be assessed under the Internal Revenue Code of 1986, as amended (the “Code”) or its applicable Treasury Regulations. Accordingly, (a) any information contained in this written communication is not intended to be used, and cannot be used or relied upon for purposes of avoiding any penalties that may be imposed on a prospective investor by the Code or applicable Treasury Regulations; (b) this written communication has been written to support the promotion or marketing of the transactions or matters addressed by this written communication; and (c) each prospective investor should seek advice based on the prospective investor’s particular circumstances from an independent tax advisor.

The debentures will be issued under an indenture. This prospectus is qualified in its entirety by the terms of that indenture filed with SEC as an exhibit to the registration statement of which this prospectus is a part. All material terms of the indenture are summarized in this prospectus. You may obtain a copy of the indenture upon written request to us or online at www.sec.gov.

The indenture trustee did not participate in the preparation of this prospectus and makes no representations concerning the debentures, the collateral, or any other matter stated in this prospectus. The indenture trustee has no duty or obligation to pay the debentures from their funds, assets or capital or to make inquiry regarding, or investigate the use of, amounts disbursed from any account.

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GWG Holdings, Inc.
220 South Sixth Street, Suite 1200
Minneapolis, MN 55402
(612) 746-1944
(612) 746-0445 fax

SUITABILITY STANDARDS

The following are our suitability standards for investors that are required by the Omnibus Guidelines published by the North American Securities Administrators Association in connection with our continuous offering of debentures under this registration statement.

Pursuant to applicable state securities laws, debentures offered through this prospectus are suitable only as a long-term investment for persons of adequate financial means who have no need for liquidity in this investment. There is not expected to be any public market for the debentures, which means that it may be difficult or impossible for you to resell the debentures. As a result, we have established suitability standards which require investors to have either (i) a net worth (not including home, furnishings, and personal automobiles) of at least $70,000 and an annual gross income of at least $70,000, or (ii) a net worth (not including home, furnishings, and personal automobiles) of at least $250,000. Our suitability standards also require that a potential investor (1) can reasonably benefit from an investment in us based on such investor's overall investment objectives and portfolio structuring; (2) is able to bear the economic risk of the investment based on the prospective debenture holder's overall financial situation; and (3) has apparent understanding of (a) the fundamental risks of the investment, (b) the risk that such investor may lose his or her entire investment, (c) the lack of liquidity of the debentures, (d) the qualifications of any advisor in our selling group who is recommending an investment in the debentures, and (e) the tax consequences of the investment.

The minimum purchase for our debentures is $25,000. To satisfy the minimum purchase requirements for retirement plans, unless otherwise prohibited by state law, a husband and wife may jointly contribute funds from their separate individual retirement accounts, or IRAs, provided that each such contribution is made in increments of $500. You should note that an investment in our debentures will not, in itself, create a retirement plan and that, in order to create a retirement plan, you must comply with all applicable provisions of the Code. If you wish to purchase debentures in excess of the $25,000 minimum, any additional purchase must be in amounts of at least $1,000.

In the case of sales to fiduciary accounts, these suitability standards must be met by the person who directly or indirectly supplied the funds for the purchase of our debentures or by the beneficiary of the account. These suitability standards are intended to help ensure that, given the long-term nature of an investment in our debentures, our investment objectives and the relative illiquidity of our debentures, the debentures are an appropriate investment for prospective purchasers. Those selling debentures on our behalf must make every reasonable effort to determine that the purchase of our debentures is a suitable and appropriate investment for each debenture holder based on information known to selling group members and provided by the debenture holder in the subscription agreement. Each selected broker-dealer is required to maintain for six years records of the information used to determine that an investment in our debentures is suitable and appropriate for a debenture holder.

The investor suitability requirements stated above represent minimum suitability requirements we establish for prospective debenture holders. However, satisfaction of these requirements will not necessarily mean that the debentures are a suitable investment for a prospective investor, or that we will accept the prospective investor's subscription agreement. Furthermore, as appropriate, we may modify such requirements in our sole discretion, and such modifications may raise the suitability requirements for prospective debenture holders.

This prospectus constitutes an offer only to the offeree or to the representative to whom it has been presented. Furthermore, this prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized. This prospectus has been prepared solely for the benefit of persons interested in the proposed offering of the debentures offered hereby. Any reproduction or distribution of this prospectus, in whole or in part, or the disclosure of any of its contents without our prior written consent is expressly prohibited. The recipient, by accepting delivery of this prospectus, agrees to return this prospectus and all documents furnished herewith to us or our representatives immediately upon request if the recipient does not purchase any debentures, or if this offering is withdrawn or terminated.

If you do not meet the requirements described above, do not read further and immediately return this prospectus. In the event you do not meet such requirements, this prospectus does not constitute an offer to sell debentures to you.

INDUSTRY AND MARKET DATA

The industry, market and data used throughout this prospectus have been obtained from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. We believe that each of these studies and publications is reliable.

HOW TO PURCHASE DEBENTURES

If, after carefully reading this entire prospectus, obtaining any other information requested and available and being fully satisfied with the results of pre-investment due-diligence activities, you would like to purchase debentures, you must complete, execute and return the Subscription Agreement to us (documents to be completed are in a separate subscription package) together with a certified check or personal check payable to the order of "GWG Holdings, Inc. – Indenture Account" (or wire sent to the Indenture Account) equal to the amount of debentures you wish to purchase. Instructions for subscribing for the debentures are included in the Subscription Agreement. The subscription materials and the certified check or personal check should be delivered to your broker-dealer, who will deliver it to us at the following address:

GWG Holdings, Inc.
220 South Sixth Street, Suite 1200
Minneapolis, MN 55402

Wire Instructions
GWG Holdings, Inc.—Indenture Account

Routing:
Bank Name:

You must meet the suitability requirements, and your purchase is subject to our acceptance. All information provided is confidential and will be disclosed only to our officers, affiliates, and legal counsel, and if required, to governmental authorities and self-regulatory organizations or as otherwise required by law.

Upon receipt of the signed Subscription Agreement, verification that the Subscription Agreement contains the appropriate representations and warranties respecting the investor's investment qualifications, and our acceptance of your purchase (in our sole discretion), we will notify you of receipt and acceptance of your purchase. We may, in our sole discretion, accept or reject any purchase, in whole or in part, for a period of 15 days after receipt of the Subscription Agreement. Any purchase not expressly accepted within 15 days of receipt shall be deemed rejected. In the event we do not accept a your purchase of debentures for any reason, we will promptly return your payment. We may terminate or suspend this offering at any time, for any reason or no reason, in our sole discretion.

PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It is not complete and may not contain all of the information that you may want to consider. To understand this offering fully, you should carefully read the entire prospectus, including the section entitled "Risk Factors," before making a decision to invest in our debentures. Unless otherwise noted or unless the context otherwise requires, the terms "we," "us," "our," the "Company" and "GWG" refers to GWG Holdings, Inc. together with its wholly owned subsidiaries.

Our Company

We are engaged in the emerging secondary market for life insurance policies. We acquire life insurance policies that are sold at a discount to the face value of the insurance benefit in the secondary market. Once we purchase a policy, we continue paying the policy premiums in order to ultimately collect the face value of the insurance benefit. We generally hold the individual policies to maturity in order to ultimately collect the policy's face value upon the insured's mortality. Our strategy is to continue to build a diversified and profitable portfolio of policies.

Life insurance companies earn substantial revenue windfalls due to the lapse and surrender behavior of individuals owning insurance policies. These revenue windfalls have enabled life insurance companies to issue policies with reduced premiums. These two business practices create a profit opportunity for participants in the life insurance secondary market. The profit opportunity is the difference, or "spread," between (i) the cost of purchasing and maintaining a life insurance policy over the insured's lifetime; and (ii) the policy's benefit that will paid upon the insured's mortality. The secondary market for life insurance policies has also been driven by the creation of life insurance policy pricing tools and actuarial modeling techniques developed by investors.

According to the American Council of Life Insurers Fact Book 2010 (ACLI), individuals owned over $10.3 trillion in face value of life insurance policies in the United States in 2009. This figure includes all types of policies, including term and permanent insurance known as whole life, universal life, variable life, and variable universal life. The secondary market for life insurance has developed around individuals aged 65 years or older owning either permanent insurance or term insurance convertible into permanent insurance. According to the ACLI, the average annual lapse rate and surrender rate of life insurance policies for the ten years ended 2009 was 7.3%, or over $750 billion in face value of policy benefits annually.

Owners of life insurance policies generally surrender the policies or allow them to lapse for a variety of reasons, including: (i) unrealistic original earnings assumptions made when the policy was purchased, combined with higher premium payments later in the term of the policy than initially forecasted; (ii) increasing premium payment obligations as the insured ages; (iii) changes in financial status or outlook which cause the insured to no longer require life insurance; (iv) other financial needs that make the insurance unaffordable; or (v) a desire to maximize the policy's investment value.

The market opportunity for selling and purchasing life insurance policies in the secondary market is relatively new. According to Conning Research & Consulting, the secondary market for life insurance policies grew from $2 billion in 2002 to over $11 billion in face value of life insurance policy benefits being purchased in 2008. To participate in the market opportunity, we have spent significant resources: (i) developing a robust operational platform and systems for purchasing and servicing life insurance policies; (ii) obtaining requisite licensure to purchase life insurance in the secondary market; (iii) developing financing resources for purchasing and financing our life insurance policies; (iv) recruiting and developing a professional management team; (v) establishing origination relationships for purchasing life insurance policies in the secondary market; and (vi) obtaining financing to participate in the business sector.

We were formed in 2006. Since then, we have acquired over $1.4 billion in face value of life insurance policy benefits and have become an active purchaser and financier of life insurance policies in the secondary

market. In 2008, after selling approximately $1 billion in face value of life insurance policy benefits, we adopted our current buy-and-hold strategy of investing in life insurance policies. As of June 30, 2011, we owned approximately $452 million in face value of life insurance policy benefits with an aggregate cost basis of approximately $104 million. To date, we have financed the acquisition of this portfolio through the issuance of secured notes by our direct wholly owned subsidiary GWG Life Settlements, LLC, and the use of a senior revolving credit facility, our "revolving credit facility," benefitting our indirect wholly owned subsidiary GWG DLP Funding II, LLC, which subsidiary owns title to the majority of our life insurance policy assets. For more information on our corporate structure, please refer to the caption "— Corporate Organization" below.

A summary of our portfolio of life insurance policies as of June 30, 2011 is set forth in the table below:

Life Insurance Portfolio Summary (as of June 30, 2011)

Total portfolio face value of policy benefits	$452,478,414
Average face value per policy *	$ 2,725,774
Average face value per insured life *	$ 2,900,503
Average age of insured (yrs)*	80.50
Average life expectancy estimate (yrs) *	8.08
Total number of policies	166
Demographics	62% Males; 38% Females
Number of smokers	No insureds are smokers
Largest policy as % of total portfolio	2.21%
Average policy as % of total portfolio	.60%
Average annual premium as % of face value	3.17%

* Averages presented in the table are weighted averages.

We generally purchase life insurance policies through secondary market transactions directly from the policy owner who originally purchased the life insurance in the primary market. We purchase policies in the secondary market through a network of life insurance agents, life insurance brokers, and licensed providers who assist policy owners in accessing the secondary market. Before we purchase a life insurance policy, we conduct a rigorous underwriting review that includes obtaining two life expectancy estimates on each insured from third party medical actuarial firms. We base our life expectancy estimates on the average of those two estimates. The policies we purchase are universal life insurance policies issued by rated life insurance companies. The price we are willing to pay for the policy in the secondary market is primarily a function of: (i) the policy's face value; (ii) the expected actuarial mortality of the insured; (iii) the premiums expected to be paid over the life of the insured; and (iv) market competition from other purchasers.

We seek to earn profits by purchasing policies at discounts to the face value of the insurance benefit. The discounts at which we purchase are expected to exceed the costs necessary to pay premiums and financing and servicing costs through the date of the insured's mortality. We rely on the actuarial life expectancy assumptions provided to us by third-party medical actuary underwriters to estimate the expected mortality of the insured. We seek to finance our life insurance policy purchases and payment of premiums and financing costs, until we receive policy benefits, through the sale of the debentures and the use of our revolving line of credit. In the past, we have also relied on the sale of subsidiary secured notes.

We believe that our business model provides significant advantages to potential investors. First, our earnings from life insurance policies are non-correlated to traditional external market influences such as real estate, equity markets, fixed income markets, currency, and commodities. Second, life insurance policy benefits are the most senior in rank within an insurance company's capital structure, senior even to secured debt holders, with some amounts further protected under state guaranteed funds (typically limited to $200,000). Third, our

assets provide diversification from many other investment opportunities. In addition, the policies within the life insurance portfolio are diversified as well, with no single insurance company making up more than 20% of the total face value of insurance policy benefits.

Our objective is to earn returns from the life insurance policies we purchase in the secondary market which are greater than the costs necessary to purchase and finance those policies to their maturity. We expect to accomplish our objective by:

- purchasing life insurance policies with expected internal rates of returns in excess of our cost of capital;
- paying the premiums and costs associated with the life insurance policy until the insured's mortality;
- obtaining a large and diverse portfolio to mitigate actuarial risk;
- maintaining diversified funding sources to reduce our overall cost of financing;
- engaging in hedging strategies that reduce potential volatility to our cost of financing; and
- maintaining rigorous portfolio monitoring and servicing.

We have built our business with what we believe to be the following competitive strengths:

- *Industry Experience*: We have actively participated in the development of the secondary market of life insurance as a principal purchaser and financier since 2006. Our position within the marketplace has allowed us to evaluate over 30,000 life insurance policies for possible purchase, thereby gaining a deep understanding of the variety of issues involved when purchasing life insurance policies in the secondary market. We have participated in the leadership of various industry associations and forums, including the Life Insurance Settlement Association and the Insurance Studies Institute. Our experience gives us the confidence in building a portfolio of life insurance policies that will perform to our expectations.
- *Operational Platform*: We have built an operational platform and systems for efficiently tracking, processing, and servicing life insurance policies that we believe provide competitive advantages when purchasing policies in the secondary marketplace, and servicing the policies once acquired.
- *Origination and Underwriting Practices*: We purchase life insurance policies that meet published guidelines on what policies would be accepted in a rated securitization. We purchase only permanent life insurance policies we consider to be non-contestable and that meet stringent underwriting criteria and reviews.
- *Origination Relationships*: We have established origination relationships with over 300 life insurance policy brokers and insurance agents who submit policies for our purchase or financing. Our referral base knows our underwriting standards for purchasing life insurance policies in the secondary market, which provides confidence in our bidding and closing process and streamlines our own due-diligence process.
- *Life Expectancy Methodology*: We rely on at least two life expectancy reports from independent third-party medical actuary underwriting firms such as 21st Services, AVS Underwriting, Fasano Associates, and ISC Services to develop our life expectancy estimate.
- *Pricing Software and Methodology*: We use actuarial pricing methodologies and software tools that are built and supported by leading independent actuarial service firms such as Modeling Actuarial Pricing Systems, Inc. ("MAPS") for calculating our expected returns.
- *Diversified Funding*: We have actively developed diversified sources for accessing capital markets in support of our buy and hold strategy for our portfolio of life insurance policies, ranging from institutional bank financing and global capital markets, to a network of broker-dealers registered with the Financial Industry Regulatory Authority ("FINRA") who have participated in our subsidiary secured notes financing.

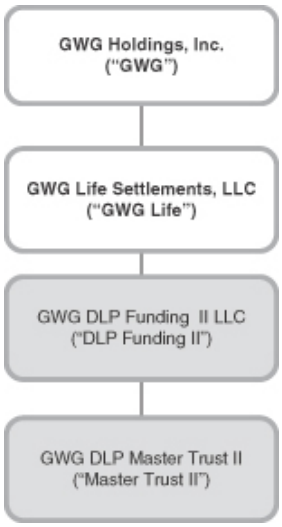
On the other hand, our business involves a number of challenges and risks described in more detail elsewhere in this prospectus, including the following:

- *Relatively New Market*. The purchase and ownership of life insurance policies acquired in the secondary market is a relatively new and evolving market. Our ability to repay the principal and interest on the debentures materially depends on the continued development of the secondary market for life insurance, including the solvency of life insurance companies to pay the face value of the life insurance benefits and other factors beyond our control.
- *Assumptions About Valuation of Our Assets.* The valuation of our insurance policies, which are the principal assets on our balance sheet, requires us to make material assumptions that may ultimately prove to be incorrect. These assumptions include actuarial life expectancies, which may not prove to be accurate.
- *Ability to Expand Our Portfolio.* Our business model relies on achieving actual results that are in line with the results we expect to attain from our investments in life insurance policy assets. In this regard, we believe that the larger portfolio we own, the greater likelihood we will achieve our expected results. Although we plan to expand of the number of life insurance policies we own using proceeds raised from the sale of debentures, we may be unable to meet this goal.
- *Reliance on Financing.* To date, we have chosen to finance our business almost entirely through the issuance of debt, including debt incurred by our subsidiary under a senior revolving credit facility. Our business model expects that we will have continued access to financing in order to purchase a large and diversified portfolio of life insurance policies, pay the attendant premiums and costs of maintaining the portfolio.
- *Risk of Investment in Life Insurance Policies.* Our investments in life insurance policies have inherent risks, including fraud and legal challenges to the validity of the policies, as well as the possibility of misleading information provided by the seller of the policy.
- *Effects of Regulation.* Our business is subject to state regulation, and changes in state laws and regulations governing our business, or changes in the interpretation of such laws and regulations, could negatively affect our business.

Corporate Organization

Our business was organized in February 2006. Our principal executive offices are located at 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota 55402 and our telephone number is (612) 746-1944. Our website address is www.gwglife.com. The information on or accessible through our website is not part of this prospectus.

On June 10, 2011, GWG Holdings converted from a Delaware limited liability company to a Delaware corporation through the filing of statutory articles of conversion. In connection with the conversion, each class of limited liability company membership interests in GWG Holdings, LLC was converted into shares of common stock of GWG Holdings, Inc. Our corporate structure, including our principal subsidiaries, is as follows:



GWG Life Settlements, LLC (Delaware limited liability company), or GWG Life, is a licensed life/viatical settlement provider. GWG Life has fully and unconditionally guaranteed payment of our renewable secured debentures offered by this prospectus. GWG DLP Funding II, LLC (Delaware limited liability company), or DLP Funding II, is a wholly owned special purpose subsidiary owning life insurance policies and is the borrower under the revolving line of credit from Autobahn/DZ Bank. The life insurance policy assets owned by DLP Funding II are held in the GWG DLP Master Trust II. The trust exists solely to hold the collateral security granted to Autobahn/DZ Bank under the revolving line of credit, and DLP Funding II is the beneficiary under the trust. Neither DLP Funding II nor Master Trust II have guaranteed the renewable secured debentures offered hereby. Further, none of the assets of DLP Funding II nor Master Trust II are collateral for the renewable secured debentures, although GWG Life has pledged the equity in DLP Funding II as collateral.

The Offering	
Issuer	GWG Holdings, Inc.
Indenture Trustee	Bank of Utah, National Association
Paying Agent	GWG Holdings, Inc.
Securities Offered	We are offering up to $250,000,000 in principal amount of our Renewable Secured Debentures, or the "debentures." The debentures are being sold on a continuous basis.
Method of Purchase	Prior to your purchase of debentures, you will be required to complete a Subscription Agreement setting forth the principal amount of your purchase, the term of the debentures, the interest payment frequency and certain other information regarding your ownership of the debentures, and tender the purchase price for the debentures. The form of Subscription Agreement is filed as an exhibit to the registration statement of which this prospectus is a part. We will mail you written confirmation that your subscription has been accepted. For more information, see "Plan of Distribution."
Denomination	The minimum purchase of debentures is $25,000 in principal amount. Additional debentures in excess of $25,000 may be purchased in increments of $1,000.
Offering Price	100% of the principal of the debenture.
Limited Rescission Right	If your Subscription Agreement is accepted at a time when we have determined that a post-effective amendment to the registration statement of which this prospectus is a part must be filed with the SEC, but such post-effective amendment has not yet been declared effective, you will have a limited time within which to rescind your investment subject to the conditions set forth in this prospectus. See "Description of the Debentures—Limited Rescission Right" for additional information.
Maturity	You may generally choose maturities for your debentures of 6 months or 1, 2, 3, 4, 5 or 7 years. Nevertheless, depending on our capital requirements, we may not offer and sell debentures of all maturities at all times during this offering.
Interest Rates	The interest rate of the debentures will be established at the time of your purchase, or at the time of renewal, based upon the rates we are offering in this prospectus or our latest interest rate supplement to this prospectus (i.e., any prospectus supplement containing interest rate information for debentures of different maturities), and will remain fixed throughout the term of the debenture. We may offer higher rates of interest to investors with larger aggregate debenture portfolios, as set forth in the then-current interest rate supplement.

Interest Payments	We will pay interest on the debentures based on the terms you choose, which may be monthly, annually or at maturity. Interest will accrue from the effective date of the debenture. Interest payments will generally be made on the 15th day immediately following the last day of the month to the debenture holder of record as of the last day of that month. Interest will be paid without any compounding, unless you choose to be paid interest at maturity, or reinvest your interest for another term. Your first payment of interest will include interest for the partial month in which the purchase occurred.
Principal Payments	The maturity date for the debentures will be the last day of the month during which the debenture matures. We are obligated to pay the principal on the debenture on the 15th day of the month next following its maturity (or the first business day following such date).
Payment Method	Principal and interest payments will be made by direct deposit to the account you designate in your Subscription Agreement
Renewal or Redemption at Maturity	Upon maturity, the debentures will be automatically renewed for the same term at the interest rate we are offering at that time to other investors with similar aggregate debenture portfolios for debentures of the same maturity, unless repaid upon maturity at our or your election. In this regard, we will notify you at least 30 days prior to the maturity date of your debentures. In the notice, we will advise you if we intend to repay the debentures or else remind you that your debentures will be automatically renewed unless you exercise your option, within 15 days, to elect to have your debentures repaid. If we determine that a post-effective amendment to the registration statement covering the offer and sale of debentures must be filed during your 15-day repayment election period, we will extend your election period until ten days following the postmark date of our notice to you that the amendment has become effective. For any debentures offered hereby that mature more than two years after , 2011, the effective date of this registration statement, we expect that the renewal of such debentures will require us to file a new registration statement. In such a case, the new registration statement must be declared effective before we will be able to renew your debenture. In this event, if the new registration statement has not yet been filed or become effective, we will extend your election period until ten days following the date of our notice to you that the new registration statement has become effective, which notice will include a new prospectus. If debentures with similar terms are not being offered at the time of renewal, the interest rate upon renewal will be (a) the rate specified by us in writing on or before the maturity date or (b) if no such rate is specified, the rate of your existing debentures. Accordingly, you should understand that the interest rate offered upon renewal may differ from the interest rate applicable to your debentures prior to maturity. See

	"Description of the Debentures—Renewal or Redemption on Maturity."
Prepayment or Early Redemption	We may prepay the outstanding principal balance and accrued and unpaid interest of any or all of the debentures, in whole or in part, at any time without penalty or premium. Debenture holders will have no right to require us to prepay any debenture prior to maturity date unless the request is due to your death, bankruptcy, or total disability. In our sole discretion, we may nonetheless accommodate requests to prepay or redeem any debenture prior to its maturity. In the event we agree to prepay a debenture upon the request of a debenture holder, we will impose a prepayment fee of 6% against the outstanding principal balance of the debenture redeemed. This prepayment fee will be subtracted from the amount paid to you.
Ranking	The renewable secured debentures will constitute the senior secured debt of GWG Holdings. The payment of principal and interest on the debentures will be: • pari passu with respect to payment and collateral securing the approximately $60.6 million in principal amount of subsidiary secured notes previously issued by our subsidiary GWG Life (see the caption "—Collateral Security" below); • structurally junior to the present and future obligations owed by our subsidiary DLP Funding II under the revolving credit facility with Autobahn/DZ Bank (including the approximately $48.2 million presently outstanding under such facility); and • structurally junior to the present and future claims of other creditors of our subsidiaries, other than GWG Life, including trade creditors. See "Description of the Debentures—Ranking" for further information.
Guarantee	The payment of principal and interest on the debentures is fully and unconditionally guaranteed by GWG Life. This guarantee (and accompanying grant of a security interest in all of the assets of GWG Life) makes the debentures pari passu, with respect to collateral, with the approximately $60.6 million of subsidiary secured notes previously issued by GWG Life.
Collateral Security	The debentures are secured by the assets of GWG Holdings, Inc. We will grant a security interest in all of our assets to the indenture trustee for the benefit of the debenture holders. Our assets consist primarily of any cash proceeds we receive from life insurance policy assets of our subsidiaries, and all other cash and investments we hold in various accounts. The majority of our life insurance policy assets are held in our subsidiary DLP Funding II, LLC. The debentures' security interest

	will be structurally subordinate to the security interest in favor of the lender under DLP Funding II's revolving credit facility. The assets of GWG Life, including proceeds it receives as distributions from DLP Funding II and derived from the insurance policies owned by DLP Funding II, are collateral for GWG Life's guarantee of the repayment of principal and interest on the debentures. This security interest will be pari passu to other debt issued and outstanding by GWG Life. The debentures are also secured by a pledge of a majority of our outstanding common stock from our largest stockholders, which pledge is pari passu with the pledge of the common stock to the holders of secured notes issued by GWG Life.
Indenture Covenants	The indenture governing the debentures places restrictive covenants and affirmative obligations on us. For example: • our debt coverage ratio may not exceed 90%; and • our subordination ratio may not exceed 50% for the first four years after our initial sale of debentures. The indenture defines the debt coverage ratio as a percentage calculated by the ratio of (A) obligations owing by us and our subsidiaries on all outstanding debt for borrowed money (including the debentures), over (B) the net present asset value of all life insurance policy assets we own, directly or indirectly, plus any cash held in our accounts. For this purpose, the net present asset value of our life insurance assets is equal to the present value of the cash flows derived from the face value of policy benefit assets we own, discounted at a rate equal to the weighted average cost of capital for all our indebtedness for the prior month. The indenture defines the subordination ratio as a percentage calculated as a ratio of (A) the principal amount owing by us or any of our subsidiaries that is either senior in rank to the debentures or secured by the life insurance policy assets owned by us or our subsidiaries, over (B) the net present asset value of all life insurance policy assets we own, directly or indirectly, plus any cash held in our accounts. For this purpose, the net present asset value of our life insurance assets is equal to the present value of the cash flows derived from the face value of policy benefit assets we own, discounted at a rate equal to the weighted-average cost of capital for all our indebtedness for the prior month. We are required to notify the indenture trustee in the event that we violate one of these restrictive covenants. An "event of default" will exist under the indenture if a violation of these covenants persists for a period of 30 calendar days after our initial notice to the trustee. The indenture also places limitations on our ability to engage in a merger or sale of all of our assets. See "Description of the Indentures—Events of Default" and "—Consolidation Mergers or Sales" for more information.

Use of Proceeds	If all the debentures are sold, we would expect to receive up to approximately $223 million of net proceeds from this offering after paying estimated offering and related expenses, expected average commissions, dealer manager fees and non-accountable expense allowances. If the maximum offering were sold and the maximum commissions, fees and allowances were paid, the proceeds to us would be approximately $217.5 million. There is no minimum amount of debentures that must be sold before we access investor funds. The exact amount of proceeds we receive may vary considerably depending on a variety of factors, including how long the debentures are offered. We intend to use a substantial majority of the net proceeds from this offering to purchase life insurance policies in the secondary market. We intend to use the remaining balance of the net proceeds from this offering for certain other expenditures we anticipate incurring in connection with this offering and in connection with our business. See “Use of Proceeds” for additional information.
No Market for Debentures and Restrictions on Transfers	There is no existing market for the debentures and we do not anticipate that a secondary market for the debentures will develop. We do not intend to apply for listing of the debentures on any securities exchange or for quotation of the debentures in any automated dealer quotation system. You will be able to transfer or pledge the debentures only with our prior written consent. See “Description of the Debentures—Transfers.”
Book Entry	The debentures will be issued in book entry or uncertificated form only. Except under limited circumstances, the debentures will not be evidenced by certificates or negotiable instruments. See “Description of the Debentures—Book Entry Registration and Exchange.”

RISK RELATING TO FORWARD-LOOKING STATEMENTS

Certain matters discussed in this prospectus are forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about our operations and the investments we make, including, among other things, factors discussed under the heading “Risk Factors” in this prospectus and the following:

- changes in the secondary market for life insurance;
- our limited operating history;
- the valuation of assets reflected on our financial statements;
- the reliability of assumptions underlying our actuarial models;
- our reliance of debt financing;
- risks relating to the validity and enforceability of the life insurance policies we purchase;
- our reliance on information provided and obtained by third parties;
- federal and state regulatory matters;
- additional expenses, not reflected in our operating history, related to being a public reporting company;
- competition in the secondary life insurance market;
- the relative illiquidity of life insurance policies;
- life insurance company credit exposure;
- economic outlook;
- performance of our investments in life insurance policies;
- financing requirements;
- litigation risks; and
- restrictive covenants contained in borrowing agreements.

Some of the statements in this prospectus that are not historical facts are “forward-looking” statements. Forward-looking statements can be identified by the use of words like “believes,” “could,” “possibly,” “probably,” “anticipates,” “estimates,” “projects,” “expects,” “may,” “will,” “should,” “seek,” “intend,” “plan,” “consider” or the negative of these expressions or other variations, or by discussions of strategy that involve risks and uncertainties. All forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual transactions, results, performance or achievements to be materially different from any future transactions, results, performance or achievements expressed or implied by such forward-looking statements. The cautionary statements set forth under the caption “Risk Factors” and elsewhere in this prospectus identify important factors with respect to such forward-looking statements due to the life insurance focus of our business.

We base these forward-looking statements on current expectations and projections about future events and the information currently available to us. Although we believe that the assumptions for these forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Consequently, no representation or warranty can be given that the estimates, opinions, or assumptions made in or referenced by this prospectus will prove to be accurate. Some of the risks, uncertainties and assumptions are identified in the discussion entitled “Risk Factors” in this prospectus. We caution you that the forward-looking statements in this prospectus are only estimates and predictions. Actual results could differ materially from those anticipated in the forward-looking statements due to risks, uncertainties or actual events differing from the assumptions underlying these

statements. These risks, uncertainties and assumptions include, but are not limited to, those discussed in this prospectus.

Although federal securities laws provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to certain issuers, including issuers that do not have their equity traded on a recognized national exchange or the Nasdaq Capital Market. Our common stock does not trade on any recognized national exchange or the Nasdaq Capital Market. As a result, we will not have the benefit of this safe harbor protection in the event of any legal action based upon a claim that the material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading.

RISK FACTORS

An investment in the debentures involves a high degree of risk. Before purchasing debentures, you should carefully consider the following risk factors in conjunction with the other information contained in this prospectus. The risks discussed in this prospectus can materially harm our operations, operating results, financial condition or future results. If any of these risks materialize or occur, the value of our debentures could decline and could cause you to lose part or all of your investment. You should review the risks of this investment with your legal and financial advisors prior to purchasing debentures.

Risks Related to Our Business and Our Industry

Material changes in the life insurance secondary market, a relatively new and evolving market, may adversely affect our operating results, business prospects and our ability to repay our obligations under the debentures.

Our sole business is the purchase and ownership of life insurance policies acquired in the secondary market, which is a relatively new and evolving market. Our ability to repay the principal and interest on the debentures materially depends on the continued development of the secondary market for life insurance, including the solvency of life insurance companies to pay the face value of the life insurance benefits, both of which will critically impact the performance of the life insurance policies we own. We expect that the development of the secondary market will primarily be impacted by a variety of factors such as the interpretation of existing laws and regulations (including laws relating to insurable interests), the passage of new legislation and regulations, mortality improvement rates, and actuarial understandings and methodologies. Importantly, all of the factors that we believe will most significantly affect the development of the life insurance secondary market are beyond our control. Any material and adverse development in the life insurance secondary market could adversely affect our operating results, our access to capital, our business prospects and viability, and our ability to repay our obligations under the debentures. Because of this, an investment in the debentures generally involves greater risk as compared to investments offered by companies with more diversified business operations in more established markets.

We have a relatively limited history of operations and our earnings may be volatile, resulting in future losses and uncertainty about our ability to service and repay our debt when and as it comes due.

We are a company with a limited history, which makes it difficult to accurately forecast our earnings and cash flows. In the first six months of 2011, we had net income of $1,412,281. However, we have incurred losses in the past, including net losses of $(230,395) and $(4,833,413) for the years ending December 31, 2010 and 2009, respectively. Our equity as of June 30, 2011 was $1,573,628 and our total equity as of December 31, 2010 was $670,473. In addition, our lack of a significant history and the evolving nature of our market make it likely that there are risks inherent in our business and the performance characteristics for portfolios of life insurance policies that are as yet recognized by us or others, or not fully appreciated, and that could result in earning less on our life insurance policies than we anticipate or even suffering further losses. As a result of the foregoing, an investment in our debentures necessarily involves uncertainty about the stability of our earnings, cash flows and, ultimately, our ability to service and repay our debt.

The valuation of our principal assets on our balance sheet requires us to make material assumptions that may ultimately prove to be incorrect. In such an event, we could suffer significant losses that could materially and adversely affect our results of operations and eventually cause us to be in default of restrictive covenants contained in our borrowing agreements.

Our principle assets are life insurance policies, comprising approximately 91% of our total assets. Those assets are considered “Level 3” assets under ASU No. 2010-06, *Fair Value Measurements and Disclosures*, as there is currently no active market where we are able to observe quoted prices for identical assets. As a result, our valuation of those assets incorporates significant inputs that are not observable. Fair value is defined as an exit price representing the amount that would be received if assets were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a

market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

The fair value measurement of Level 3 assets is inherently uncertain and creates additional volatility in our financial statements that are not necessarily related to the performance of the underlying assets. As of June 30, 2011, we estimate the fair value discount rate for our portfolio to be 13.38%. If we determine in the future that fair value requires a higher discount rate for a similarly situated portfolio of life insurance policies, we would experience significant losses materially affecting our results of operations. It is also possible that significant losses of this nature could at some point cause us to fall out of compliance with certain borrowing covenants contained in our revolving credit facility.

In an effort to present results of operations not subject to this volatility, we intend to provide additional non-GAAP financial disclosures, on a consistent basis, presenting the actuarial economic gain occurring within the portfolio of life insurance policies at the expected internal rate of return against the costs we incur over the same period. We report these very same non-GAAP financial measures to the lender under our revolving credit facility pursuant to financial covenants in the related borrowing documents. Nevertheless, our reported GAAP earnings may in the future be volatile for reasons that do not bear an immediate relationship to the cash flows we experience.

Our expected results from our life insurance portfolio may not match actual results, which could adversely affect our ability to service and grow our portfolio for diversification, and to service our debt.

Our business model relies on achieving actual results that are in line with the results we expect to attain from our investments in life insurance policy assets. In this regard, we believe that the larger portfolio we own, the greater likelihood we will achieve our expected results. To our knowledge, rating agencies generally suggest that portfolios of life insurance policies be diversified enough to achieve actuarial stability in receiving expected cash flows from underlying mortality. For instance, in a study published in 2009, A.M. Best concluded that at least 300 lives are necessary to achieve actuarial stability, while Standard & Poor’s has indicated that statistical credibility is unlikely to be achieved with a pool of less than 1,000 lives. As of June 30, 2011, we own approximately $452 million in face value of life insurance policies covering 156 lives. Accordingly, while there is risk with any portfolio of policies that our actual yield may be less than expected, we believe that the risk we face is presently more significant given the relative lack of diversification in our current portfolio as compared to rating agency recommendations.

Although we plan to expand of the number of life insurance policies we own using proceeds raised from the sale of debentures, we may be unable to meet this goal if we do not sell enough debentures and financing from other capital sources is available only on unfavorable or unacceptable terms. Furthermore, even if our portfolio reaches the size we desire, we still may experience differences between the actuarial models we use and actual mortalities.

Differences between our expectations and actuarial models and actual mortality results could have a materially adverse effect on our operating results and cash flow. In such a case, we may face liquidity problems, including difficulties servicing our remaining portfolio of policies and servicing our outstanding debt obligations owed under our revolving credit facility, subsidiary secured notes, and the debentures. Continued or material failures to meet our expected results could decrease the attractiveness of our debentures or other securities in the eyes of potential investors, making it even more difficult to obtain capital needed to both service our portfolio, grow the portfolio to obtain desired diversification, and service our existing debt.

We rely on debt financing for our business and in particular on our access to liquidity under a revolving credit facility. Any inability to borrow under the revolving credit facility could adversely affect our business operations and our ability to satisfy our obligations under the debentures.

To date, we have chosen to finance our business almost entirely through the issuance of debt, including debt incurred by our subsidiary DLP Funding II under a senior revolving credit facility provided by Autobahn/DZ Bank (which we refer to throughout this prospectus as our “revolving credit facility”). This revolving credit

facility is secured by all of the assets of DLP Funding II, has a maximum amount of $100 million, and the outstanding balance at June 30, 2011 was approximately $48.2 million. Obligations under the revolving credit facility have a scheduled maturity date of July 15, 2013.

Our business model expects that we will have continued access to financing in order to purchase a large and diversified portfolio of life insurance policies, pay the attendant premiums and costs of maintaining the portfolio, all while satisfying our current interest and principal repayment obligations under our revolving credit facility, our other indebtedness and the debentures. In particular, and in light of the fact that we do not presently expect to begin receiving cash inflows from policy benefits exceeding our premium obligations until 2014, we expect to refinance our revolving credit facility, either through renewal or replacement, when it comes due in July 15, 2013. Pending the due date or refinancing of our revolving credit facility, we expect that proceeds from our life insurance policies will first be used to satisfy our obligations under that facility, as required by the revolving loan agreement. Accordingly, until we achieve cash flows derived from the portfolio of life insurance policy benefits, we expect to rely on debt to satisfy our ongoing financing and liquidity needs, including the costs associated with the offer and sale of the debentures. Nevertheless, continued access to financing and liquidity under the revolving credit facility is not guaranteed. If we are unable to borrow under the revolving credit facility for any reason, or to renew or replace the revolving credit facility when it comes due in July 2013, our business may be adversely impacted as well as our ability to repay our obligations under the debentures.

Our investments in life insurance policies have inherent risks, including fraud and legal challenges to the validity of the policies, which we will be unable to eliminate and which may adversely affect our results of operations.

When we purchase a life insurance policy, we underwrite the purchase of the policy to mitigate risks associated with insurance fraud and other legal challenges to the validity of the life insurance policy. To the extent that the insured is not aware of the existence of the policy, the insured him or herself does not exist, or the insurance company does not recognize the policy, the insurance company may cancel or rescind the policy thereby causing the loss of an investment in a policy. In addition, if medical records have been altered in such a way as to shorten a related life expectancy report, this may cause us to overpay for the related policy. Finally, we may experience legal challenges from insurance companies that the insured failed to have an insurable interest at the time the policy was originally purchased, or from the beneficiaries of an insurance policy claiming the sale was invalid upon mortality of the insured. To mitigate these risks, we require a current verification of coverage from the insurance company, complete thorough due diligence on the insured and accompanying medical records, review the life insurance policy application, require a policy to have been in force for at least two years before purchasing, and require a legal review of any premium financing associated with the life insurance policy to insure insurable interest existed. Nevertheless, we do not expect that these steps will eliminate the risk of fraud or legal challenges to the life insurance policies we purchase. If a significant face amount of policies were invalidated for reasons of fraud or any other reason, our results of operations may be adversely affected.

Every acquisition of a life insurance policy necessarily requires us to materially rely on information provided or obtained by third parties. Any misinformation or negligence in the course of obtaining material information could materially and adversely affect the value of the policies we own.

The acquisition of each life insurance policy is negotiated based on variables that are particular facts unique to the life insurance policy itself and the health of the insured. The facts we obtain about the policies and the insured at the time at which the policy was applied for and obtained are based on factual representations made to the insurance company by the insured, and the facts the insurance company independently obtains in the course of its own due-diligence examination, such as facts concerning the health of the insured and whether or not there is an insurable interest present at the inception of each issued policy. It is nearly impossible for us to confirm many of the facts provided by the insured or obtained by the insurance company at the time a policy was issued. Any misinformation or negligence in the course of obtaining or supplying material information relating to the insurance policy or the insured could ultimately materially and adversely impact the value of the life insurance policies we own.

Our business is subject to state regulation and changes in state laws and regulations governing our business, or changes in the interpretation of such laws and regulations, could negatively affect our business.

When we purchase a life insurance policy, we are subject to state insurance regulations. Over the past three years, we have seen a dramatic increase in the number of states that have adopted legislation and regulations from a model law promulgated by either the National Association of Insurance Commissioners (NAIC) or by the National Conference of Insurance Legislators (NCOIL). These laws are essentially consumer protection statutes responding to abuses that arose early in the development of our industry. Today, almost every state has adopted some version of either the NAIC or NCOIL model laws, which generally require the licensing of purchasers of and brokers for life insurance policies, the filing and approval of purchase agreements, disclosure of transaction fees, require various periodic reporting requirements and prohibit certain business practices deemed to be abusive.

State statutes typically provide state regulatory agencies with significant powers to interpret, administer and enforce the laws relating to the purchase of life insurance policies. Under statutory authority, state regulators have broad discretionary power and may impose new licensing requirements, interpret or enforce existing regulatory requirements in different ways or issue new administrative rules, even if not contained in state statutes. State regulators may also impose rules that are generally adverse to our industry. Because the life insurance secondary market is relatively new and because of the history of certain abuses in the industry, we believe it is likely that state regulation will increase and grow more complex during the foreseeable future. We cannot, however, predict what any new regulation would specifically involve.

As discussed in “Business—Government Regulation,” in 2007, the Florida Department of Insurance issued an order for us to desist and refrain from further operating as a life settlement provider unless and until qualification had been made under the Florida law, or unless exempt. In April 2009, without admitting any wrongdoing, we settled the matter with the Florida Department of Insurance. Furthermore, in April 2011, without admitting any wrongdoing, we entered into a settlement agreement with the Nevada Secretary of State, Securities Division, for alleged failures to register as a broker-dealer of life insurance settlement transactions and to file a notice of exempt offering for the sale of subsidiary secured notes to residents of that state in 2009-2010. We believe that we are in compliance with all applicable laws in Florida, Nevada, and elsewhere, and that neither the Company nor this offering is adversely impacted by the Florida or Nevada settlements.

Any adverse change in present laws or regulations, or their interpretation, in one or more states in which we operate (or an aggregation of states in which we conduct a significant amount of business) could result in our curtailment or termination of operations in such jurisdictions, or cause us to modify our operations in a way that adversely affects our profitability. Any such action could have a corresponding material and negative impact on our results of operations and financial condition, primarily through a material decrease in revenues, and could also negatively affect our general business prospects.

If federal or state regulators or courts conclude that the purchase of life insurance in the secondary market constitutes, in all cases, a transaction in securities, we could be in violation of existing covenants under our revolving credit facility, which could result in significantly diminished access to capital. We could also face increased operational expenses. The materialization of any of these risks could adversely affect our operating results and possibly threaten the viability of our business.

Some states and the SEC have, on occasion, attempted to regulate the purchase of non-variable universal life insurance policies as transactions in securities under federal or state securities laws. In July 2010, the SEC issued a Staff Report of its Life Settlement Task Force. In that report, the Staff recommended that certain types of purchased life insurance policies be classified as securities. The SEC has not taken any position on the Staff Report, and there is no indication if the SEC will take or advocate for any action to implement the recommendations of the Staff Report. In addition, there have been several federal court cases in which transactions involving the purchase and fractionalization of life insurance contracts have been held to be

transactions in securities under the federal Securities Act of 1933. We believe that the matters discussed in the Staff Report, and existing caselaw, do not impact our current business model since our purchases of life settlements are distinguishable from those cases that have been held by courts, and advocated by the Staff Report, to be transactions in securities. For example, we are not involved in fractionalization of any life insurance policies.

With respect to state securities laws, many of states currently treat the sale of a life insurance policy as a securities transaction under state laws, although most states exclude from the definition of security the original sale from the insured or the policy owner to the provider. To date, due to the manner in which we conduct and structure our activities and the availability, in certain instances, of exceptions and exemptions under securities laws, such laws have not adversely impacted our business model.

As a practical matter, the widespread application of securities laws to our purchases of life insurance policies, either through the expansion of the definition of what constitutes a security, the expansion of the types of transactions in life insurance policies that would constitute transactions in securities, or the elimination or limitation of available exemptions and exceptions (whether by statutory change, regulatory change, or administrative or court interpretation) could burden us as well as other companies operating in the life insurance secondary market through the imposition of additional processes in the purchase of life insurance policies or the imposition of additional corporate governance and operational requirements through the application of the federal Investment Company Act of 1940. Any such burdens could be material. Among the particular repercussions for us would be a violation of existing covenants under our revolving credit facility requiring us to not be an “investment company” under the Investment Company Act of 1940, which could in the short or long term affect our liquidity and increase our cost of capital and operational expenses, all of which would adversely affect our operating results. It is possible that such an outcome could threaten the viability of our business and our ability to satisfy our obligations as they come due, including obligations under our debentures.

Being a public company will result in additional expenses and divert management’s attention. Being a public company could also adversely affect our ability to attract and retain qualified directors.

We will become a public reporting company upon the effectiveness of the registration statement of which this prospectus is a part. As a public reporting company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934 pursuant to Section 15(d) of that Act. These requirements will generate significant accounting, legal and financial compliance costs, and can be expected to make some activities more difficult, time consuming or costly, and may place significant strain on our personnel and resources. The Securities Exchange Act of 1934 requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to establish the requisite disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight are required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse and even material effect on our business, financial condition and results of operations. These rules and regulations may also make it more difficult and expensive for us to obtain director and officer liability insurance. If we are unable to obtain appropriate director and officer insurance, our ability to recruit and retain qualified officers and directors, especially those directors who may be deemed independent, could be adversely impacted. Our historical financial statements contained in this prospectus do not presently include or reflect any of the costs or strains of being a public reporting company. As a consequence, an investor should understand that our general and administrative expenses can be expected to increase as a result of our becoming a public reporting company.

Our business and prospects may be adversely affected by changes, lack of growth or increased competition in the life insurance secondary market.

The growth of the life insurance policy secondary market and our expansion within the market may be negatively affected by a variety of factors beyond our ultimate control, including:

- the inability to locate sufficient numbers of life insurance policy sellers and agents to source life sellers;

- the inability to convince life insurance policy owners of the benefits of selling their life insurance policy;
- competition from other companies in the life insurance secondary market;
- negative publicity about the market based on actual or perceived abuses; and
- the adoption of additional governmental regulation.

The relatively new and evolving nature of the market in which we operate makes these risks unique and difficult to quantify.

Changes in general economic conditions could adversely impact our business.

Changes in general economic conditions, including, for example, interest rates, investor sentiment, changes specifically affecting insurance industry, competition, technological developments, political and diplomatic events, tax laws, and other factors not known to us today, can substantially and adversely affect our business and prospects. For example, changes in interest rates may increase our cost of capital and ability to raise capital, and have a corresponding adverse impact on our operating results. While we may engage in certain hedging activities to mitigate the impact of these changes, none of these conditions are or will be within our control.

If actuarial assumptions we obtain from third-party providers and rely on to model our expected returns on our investments in life insurance policies changes, our operating results and cash flow could be adversely affected, as well as the value of our collateral and our ability to service our debt obligations, including obligations owed to the holders of debentures.

The expected internal rate of return we calculate we will earn when purchasing a life insurance policy is based upon our estimate of how long the insured will live—an actuarial life expectancy. We obtain actuarial life expectancies from third-party medical actuarial underwriting companies. These actuarial life expectancies are subject to interpretation and change. Any change to the actuarial expectancies or the mortality assumptions accompanied therewith that extend the estimated actuarial life expectancies could have a materially adverse effect on our operating results and cash flow. Adverse impacts on the value of our life insurance policy portfolio or our cash flow could in turn impair the value of the collateral we have pledged to our creditors, including the holders of our debentures, and our ability to service our debt. In September 2008, we experienced adverse changes in actuarial life expectancy estimates by many of the medical actuarial underwriting firms we use with the release of the Society of Actuaries' 2008 Valuation Basic Table. This change in actuarial estimates by the medical actuarial firms had a negative impact on the valuation of our life insurance policy investments and reduced the rate of return we expected we would earn on those investments.

In addition, to actuarial life expectancies, we rely on pricing and premium forecasting software models developed by third-party actuarial companies for the valuation of policies we purchase, future mortality revenues, and the calculation of anticipated internal rates of return. These pricing models forecast the estimated future premiums due, as well as the future mortalities based on the survival probabilities of the insureds over their life expectancies. It is possible that the actuarial tables we presently use will again change in the future or that the mortality assumptions will fail substantially to meet actuarial estimates, and that any such failure could have a materially adverse effect on our business.

We rely on estimated rates of mortality for the actuarial assumptions we use when valuing life insurance policies and forecasting the performance of our portfolio, and we also rely on other estimates derived from statistical methodologies for projecting our future cash flows, among other things. If our estimates prove to be incorrect, it could materially and adversely affect our ability to satisfy our debt service and repayment obligations, including our obligations under the debentures.

If we assume we will receive cash inflows from policies sooner than we actually do, we may not be able to make payment on the obligations, including the debentures, in a timely manner, or at all. Moreover, a significant

discovery that results in mortality improvements among seniors, above historically predicted rates by medical actuaries providing life expectancies, could have a material adverse effect on the life insurance policy investments.

For example, we use a modeling method for projecting cashflows known as the "probabilistic method." This is an actuarial method that uses a mortality curve to project the likely flow of policy benefits to us, and attempts to reflect the probability that each premium must be paid. Using this method, we have in fact experienced fewer cash flows from policy benefits than projected in the early stages of ownership of our current life insurance policy portfolio. We had expected to receive approximately $8,691,446 in policy benefits to date, and have in fact received $400,000. This has resulted in greater than expected premium payments, increasing from an expected $14,938,590 to $15,108,604. Barring significant mortality improvements, however, the fact that actual results have differed from the expectations derived from the probabilistic method of projecting cashflows should ordinarily result in greater cashflows later in the portfolio's servicing period.

We update and revise our projected future cash flows each month using the probabilistic method to reflect the actual experience within our life insurance policy portfolio to date. We use the current future cash flow projection to generate our expected internal rate of return on the life insurance policy portfolio we own. We would expect to change our method of calculating our future cash flows only if leading actuarial firms no longer believed such methodology was the most appropriate means of generating projected cash flows from a life insurance policy portfolio. Any change to the pricing model, methodology, premium forecasting assumptions, cashflow projections, or the mortality assumptions accompanied therewith that increase the projected cost of insurance premiums or decrease the probability of mortality could have a material and adverse impact on our results of operations and cash flows. Ultimately, this could adversely affect our ability to meet our debt service and repayment obligations, including our obligations under the debentures.

Risks Related to This Offering and Our Company

We may not be able to raise the capital that we are seeking in this offering, and may be unable to meet our overall business objectives of growing a larger, more statistically diverse portfolio of life insurance policies without the proceeds from the sale of debentures.

Arque Capital serves as our underwriter in this offering on a best-efforts basis. And, while Arque Capital will use its best efforts in the offer and sale of the debentures, investors should understand that (i) there is no minimum aggregate principal amount of debentures that we must sell prior to accessing investor funds, and (ii) we may not be able to sell the debentures that we are seeking to sell in this offering. Consequently, the additional capital we are seeking may not be available.

While we plan to continue the offering in support of our overall business objectives of growing a larger, more statistically diverse portfolio that is more likely to meet our actuarial cash flow projections, if we are unable to continue the offering for any reason, and we are unable to obtain capital from other sources, we expect that our business would be adversely affected, as the timing of our actuarial cash flow projections from our portfolio of life insurance policies would become less certain. In addition, if holders of our subsidiary secured notes were to fail to renew those notes with the frequency we have historically experienced, and actual cash flows from our portfolio of life insurance policies do not occur as our actuarial projections have forecasted, we could be forced to sell our investments in life insurance policies in order to service or satisfy our debt-related obligations. If we are forced to sell investments in life insurance policies, we may be unable to sell them at prices we believe are appropriate. In any such event, our business may be materially and adversely impacted.

We depend upon cash distributions from our subsidiaries, and contractual restrictions on distributions to us or adverse events at one of our operating subsidiaries could materially and adversely affect our ability to pay our debts, including our obligations under the debentures.

GWG Holdings is a holding company. As a holding company, we conduct our operations through our operating subsidiaries, and our only significant assets are the capital stock of our subsidiaries. Accordingly, our

ability to meet our cash obligations, including our obligations under the debentures, depends in part upon the ability of our subsidiaries to make cash distributions to us. The ability of our subsidiaries to make distributions to us is, and will continue to be, restricted by certain negative covenants relating to our revolving credit facility. DLP Funding II is the borrower under our revolving credit facility. See note 8 to our consolidated financial statements. The significant majority of insurance policies owned by the Company are subject to a collateral arrangement with the agent to our revolving credit lender, as described in note 2 to the consolidated financial statements. Under this arrangement, collection and escrow accounts are used to fund purchases and premiums of the insurance policies and to pay interest and other charges under its revolving credit facility. The lender and its agent must authorize all disbursements from these accounts, including any distributions to GWG Life. Distributions are limited to an amount that would result in the borrowers realizing an annualized rate of return on the equity funded amount for such assets of not more than 18%, as determined by the agent. After such amount is reached, the credit agreement requires that excess funds be used to fund repayments or a reserve account in certain amount, before any additional distributions may be made.

If any of the above limitations were to materially impede the flow of cash to us, such fact would materially and adversely affect our ability to service and repay our debt, including obligations under the debentures. In addition, any adverse event at the subsidiary level, such as a declaration of bankruptcy, liquidation or reorganization or an event of default under our revolving credit facility, could materially and adversely affect the ability of our subsidiaries to make cash distributions to us. Just as with a material contractual impediment to cash flow, any such subsidiary corporate event would materially and adversely affect our ability to service and repay our debt, including obligations under the debentures.

Subordination provisions contained in the indenture will restrict the ability of the trustee or the debenture holders to enforce their rights against us under the indenture, including the right to payment on the debentures, if a default then exists under our senior revolving credit facility.

The debentures will be subordinate in right of payment to any claims of the senior lender under our revolving credit facility. In this regard, subordination provisions limiting the right of debenture holders to enforce their rights are contained in the indenture. These provisions include:

- a prohibition on challenging any enforcement action taken by a senior lender or interfering with any legal action or suits undertaken by the senior lender against us and our affiliates;
- a 180-day standstill period during which there may not be brought any action to enforce an event of default against us or our affiliates unless our revolving credit facility has been repaid in full, which period may be extended if the credit facility provider takes action during such standstill period; and
- a prohibition on filing a bankruptcy or insolvency case against us or our affiliates for at least one year plus one day after the revolving credit facility lender has been paid in full.

Furthermore, in the event of a default, we will be prohibited from making any payment, direct or indirect (whether for interest, principal, as a result of any redemption or repurchase at maturity, on default, or otherwise), on the debentures and any other indebtedness, and neither the holders of the debentures nor the trustee will have the right, directly or indirectly, to sue to enforce the indenture or the debentures, if a default or event of default under any senior credit facility has occurred and is continuing, or if any default or event of default under any senior credit facility would result from such payment. This payment restriction will generally remain in effect unless and until: (i) the default and event of default respecting the senior credit facility has been cured or waived or has ceased to exist; and (ii) the end of the period commencing on the date the indenture trustee receives written notice of default from a holder of such credit facility and ending on the earlier of (1) the indenture trustee’s receipt of a valid waiver of default from the holder of a credit facility; or (2) the indenture trustee’s receipt of a written notice from the holder of a credit facility terminating the payment blockage period.

Other provisions of the indenture permit the trustee to take action to enforce the right of debenture holders to payment after 179 days have passed since the trustee’s receipt of notice of default from the senior lender, but

in such case any funds paid as a result of any such suit or enforcement action shall be applied toward the senior credit facility until the facility is indefeasibly paid in full before being applied to the debentures. These subordination provisions present the risk that, upon any default by us on obligations owed under our senior debt, the holders of the debentures will be unable to enforce their right to payment.

The collateral granted as security for our obligations under the debentures may be insufficient to repay the debentures upon an event of default.

While the debentures will be guaranteed by GWG Life and rank pari passu with our outstanding subsidiary secured notes with respect to collateral security, the debentures will be structurally subordinated to all obligations of any of our subsidiaries other than GWG Life, including DLP Funding II. Importantly in this regard, DLP Funding II owns the vast majority of our life insurance policies. Moreover, trade payables of our operating subsidiaries other than GWG Life will be structurally senior to the debentures. This means that holders of the debentures will have a junior position to the claims of creditors, including trade creditors, of such other operating subsidiaries on their assets and earnings.

The debentures will also be effectively subordinate to all senior secured debt we have or may incur, to the extent of the value of the assets securing that debt. The indenture governing the debentures does not limit the amount of debt that we or our subsidiaries can incur, and it permits us and our subsidiaries to incur secured debt. As of June 30, 2011, we had approximately $48.2 million of outstanding secured indebtedness under our revolving credit facility that is senior to the debentures. For a description of the ranking of the debentures, see “Description of Debentures—Ranking” in this prospectus. Because of the fact that 94% of our life insurance policies, representing approximately 96% of the face value of our life insurance policy benefits as of June 30, 2011, are held in our DLP Funding II subsidiary, and all of those assets serve as collateral security for our obligations under the revolving credit facility, debenture holders risk the possibility that the collateral security we have granted for our obligations under the debentures may be insufficient to repay the debentures upon an event of default.

If a significant number of holders of our short-term subsidiary secured notes demand repayment of those notes instead of renewing them, and we have not at such time raised sufficient capital in this offering, we may be forced to liquidate some of our life insurance policy assets, which could have a material and adverse impact on our results of operations.

Our direct and wholly owned subsidiary, GWG Life, has issued and outstanding approximately $60.6 million in subsidiary secured notes. By virtue of GWG Life’s full and unconditional guarantee of obligations under the debentures, and other agreements contained in or made in connection with the indenture, the debentures are pari passu in right of payment and collateral with such subsidiary secured notes. The indenture for the debentures, and the note issuance and security agreement for the subsidiary secured notes, each provide for cross defaults upon an event of default under the provisions of the other agreement (i.e., an event of default under the note issuance and security agreement will constitute an event of default under the indenture for the debentures, and vice versa).

As of June 30, 2011 (unaudited), we had the following principal amount of subsidiary secured notes due during the referenced years ended December 31:

2011	$ 16,981,000
2012	19,698,000
2013	8,811,000
2014	1,790,000
2015	5,005,000
2016	2,002,000
2017	6,334,000
Total	$ 60,621,000

The renewal terms of the subsidiary secured notes have auto-renewal features. Since we first issued our subsidiary secured notes, we have experienced $35,013,644 in maturities, of which $25,714,952 has renewed for an additional term as of June 30, 2011. This has provided us with an aggregate renewal rate of approximately 73% for investments in our subsidiary secured notes.

We expect to use a portion of the proceeds from this offering to repay all or a portion of the subsidiary secured notes; however, we do not plan to immediately retire all of such notes. See "Use of Proceeds" for more information in this regard. If investors holding existing indebtedness with short-term maturities do not elect to renew and we have not, at such time, raised sufficient capital through the sale of debentures, we may need to liquidate some of our investments in life insurance policies earlier than anticipated. In such an event, we may be unable to sell those life insurance policies at prices we believe are fair or otherwise appropriate, and such sales could have a material and adverse impact on our results of operations.

Because we intend to hold our life insurance policies to their maturity, we therefore measure our debt coverage ratio against our current cost of financing, which may not reflect the sale price if we had to liquidate the policies.

We intend and expect to hold the life insurance policy investments until they are paid out at the mortality of the insured. As a result, we measure our debt coverage ratio based on the portfolio's gross expected yield against the interest cost of our total debt obligations to finance the portfolio. The debt coverage ratio, expressed as a percentage, is defined as the ratio of (i) total amounts outstanding on any indebtedness for borrowed money, over (ii) the net present asset value of all life insurance assets we own, plus any cash held in our accounts. For this purpose, the net present asset value is calculated as the present value of the life insurance portfolio's expected future cash flows discounted at the weighted average interest rate of the indebtedness for the previous month. Under the indenture, the maximum amount of debentures we may issue at any time is limited to an amount such that our debt coverage ratio does not exceed 90%. This limitation is designed to provide some comfort to holders of our debt that the value of our assets exceeds our obligations to those holders. Nevertheless, the debt coverage ratio is not based on the market value of our life insurance policy assets, which may be different—greater or less—than the amount we would receive if we were forced to sell those assets in the marketplace.

We have no obligation to repurchase debentures prior to their maturity date except in narrowly limited circumstances.

We will have no obligation, and debenture holders will have no right to require us, to prepay any debenture prior to its maturity date. The only exceptions exist for situations in which an individual natural person investor suffers a total permanent disability, a bankruptcy or dies. In such an event, we will be required to repurchase the debenture of such person so long as certain procedural requirements are met. Outside these narrow exceptions, we may nonetheless agree, in our sole and absolute discretion, to accommodate requests to prepay or repurchase a debenture prior to its maturity in other cases. If we do agree to prepay or repurchase debentures, we will assess a 6% repurchase fee for redeeming the debentures. For more information, see "Description of the Debentures—Redemption or Repurchase Prior to Stated Maturity (Prepayment)." As a result, any investment in a debenture should be considered illiquid and unable to be redeemed until its stated maturity.

Fraudulent transfer statutes may limit your rights under the guarantee of the debentures.

Our obligations under the debentures will be fully and unconditionally guaranteed by our direct wholly owned subsidiary, GWG Life. The guarantee may be subject to review under various laws for the protection of creditors. It is possible that other creditors of GWG Life may challenge the guarantee as a fraudulent transfer under relevant federal and state laws. Under certain circumstances, including a finding that GWG Life was insolvent at the time its guarantee was issued, a court could hold that the obligations of GWG under the guarantee may be voided or are subordinate to other obligations of GWG Life, or that the amount for which GWG Life is liable under its guarantee of the debentures may be limited. Different jurisdictions define "insolvency" differently, and we cannot assure you as to what standard a court would apply to determine whether GWG was insolvent. If a court were to determine that

GWG Life was insolvent on the date on which it guaranteed the debentures, or that the guarantee constituted a fraudulent transfer on other legal grounds, the claims of creditors of GWG Life would effectively have priority with respect to GWG Life's assets and earnings over the claims of the holders of the debentures.

Our controlling stockholders and principal executives are involved in a litigation "clawback" claim made by a bankruptcy trustee to an affiliate, and it is possible that the trustee may assert claims against our company.

Our Chief Executive Officer, Jon R. Sabes and Chief Operating Officer, Steven F. Sabes, who together beneficially own approximately 95.6% of our common stock are subject to litigation relating to claims by a bankruptcy trustee for loan payments made to an affiliate, Opportunity Finance, LLC. Such payments may ultimately be deemed to be avoidable transfers under preference or other legal theories. Case No. 08-45257 (U.S. Bankruptcy Court District of Minnesota). In addition, GWG Holdings invested $1 million in Opportunity Finance, LLC in 2006 and was repaid and received $176,948 of interest income from that investment in 2007. To date, no claim has been made against GWG Holdings.

While we believe there are numerous meritorious defenses to the claims made by the bankruptcy trustee, and we are advised that the defendants in that action will vigorously defend against the trustee's claims, such defendants may not prevail in the litigation with the bankruptcy trustee. If the bankruptcy trustee sought to sell or transfer the equity interests of Jon R. Sabes or Steven F. Sabes as a result of the litigation, there could be a change in control of the Company and our business together with all of our investors, including investors in our debentures, could be materially and adversely impacted. Such adverse results would likely arise in connection with negative change-in-control covenants contained in our revolving credit facility agreements, the breach of those covenants and an ensuing event of default under such facility. In addition, if the bankruptcy trustee sought to sell or transfer the equity interests of Jon R. Sabes or Steven F. Sabes as a result of the litigation, such transfers would adversely affect debenture holders by reducing the number of shares of common stock of GWG Holdings that have been pledged as collateral security for our obligations under the debentures. Finally, regardless of the outcome of this litigation, these matters are likely to distract management and reduce the time and attention that they are able to devote to our business.

We have no obligation to contribute to a sinking fund to retire the debentures, nor are the debentures guaranteed by any governmental agency.

We have no obligation to contribute funds to a sinking fund to repay principal or interest on the debentures upon maturity or default. The debentures are not certificates of deposit or similar obligations of, or guaranteed by, any depository institution. Further, no governmental entity insures or guarantees payment on the debentures if we do not have enough funds to make principal or interest payments.

The loss of the services of our current executives or other key employees, or the failure to attract additional key individuals, would materially adversely affect our business operations and prospects.

Our financial success is dependent to a significant degree upon the efforts of our current executive officers and other key employees. In addition, our revolving credit facility requires Messrs. Jon R. Sabes and Steven F. Sabes to generally remain active within the business. We have entered into employment agreements with Messrs. Jon R. Sabes, Steven F. Sabes, Paul Siegert and Jon Gangelhoff. Nevertheless, there can be no assurance that these individuals will continue to provide services to us. A voluntary or involuntary termination of employment could have an adverse effect on our business operations if we were not able to attract qualified replacements in a timely manner. At present, we do not maintain key-man life insurance policies for any of these individuals. In addition, our success and viability is also dependent to a significant extent upon our ability to attract and retain qualified personnel in all areas of our business, especially our sales, policy acquisition, and financial management team. If we were to lose the members of our respective service teams, we would need to replace them with qualified individuals in a timely manner or our business operations and prospects could be adversely impacted.

We will have the discretion to purchase assets, including life insurance policies, through different subsidiaries, and to transfer assets among our subsidiaries. Any decision to purchase or hold title to assets in one subsidiary, as opposed to a different subsidiary, may affect the value of collateral security for our obligations under the debentures.

We may at our discretion direct the purchase of policies by, and the sale of policies and other assets amongst, different subsidiaries of GWG Holdings as a method of asset and liability management and to attempt to maintain diversification and certain ratios in our investment portfolio. Purchases of assets in, or movements of assets amongst, different subsidiaries could affect the value of the collateral security for obligations under the debentures. For example, purchases through, or transfers of life insurance polices to, DLP Funding II would cause the policies acquired by DLP Funding II to become collateral for our revolving credit facility, whereas purchases through, or transfers of life insurance policies to, GWG Life would cause the policies acquired by GWG Life to become collateral for the debentures. Moreover, we determine the sales prices for intracompany (consolidated) transfers of assets, including life insurance policies, amongst our subsidiaries. In the case of life insurance policies, intracompany sales are generally priced at the sum of the total amount theretofore advanced on the outstanding policies as of the date of transfer. These purchase prices will ordinarily not be equivalent to the fair market value of the policies at the time of the transfer. Accordingly, purchases of assets such as life insurance policies through, or transfers of such assets to, different subsidiaries may affect the value of collateral security for different classes of holders of our debt, including the debentures. In the case of a liquidation, any of these discretionary decisions may affect the value of and amount you may ultimately be entitled to receive with respect to your debentures.

We do not expect a market to exist that will enable you to sell your debentures.

The debentures will not be readily resalable or transferable. No public market for the debentures exists and none is expected to develop. As a result, transferability of the debentures will be limited. The purchase of debentures is not suitable for investors desiring liquidity at any time prior to the maturity of the debentures.

We cannot know the tax implications of an investment in the debentures for the debenture holder.

The section of this prospectus entitled “Material Federal Income Tax Considerations” sets forth a summary of federal income tax consequences to the purchasers of the debentures. No information is provided concerning tax consequences under any other federal, state, local or foreign laws that may apply to the purchasers of the debentures. Prospective investors or their representatives should read that section very carefully in order to properly evaluate the federal income tax risks of an investment in the debentures. Each prospective investor should consult his personal counsel, accountant and other business advisors as to the federal, state, local and foreign tax consequences of an investment in the debentures. Debenture holders will receive an IRS Form 1099-INT in connection with their receipt of interest payments.

The protection provided by the federal securities laws relating to forward-looking statements does not apply to us. The lack of this protection could harm us in the event of an adverse outcome in a legal proceeding relating to forward-looking statements made by us.

Although federal securities laws provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to certain issuers, including issuers that do not have their equity traded on a recognized national exchange (or the Nasdaq Capital Market). Our common stock does not trade on any recognized national exchange (or the Nasdaq Capital Market). As a result, we will not have the benefit of this safe harbor protection in the event of any legal action based upon a claim that the material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading. The lack of this protection in a contested proceeding could harm our financial condition.

Advances previously made to members of our executive management and outstanding at the time that we initially filed the registration statement of which this prospectus is a part may be deemed violations of Section 402 of the Sarbanes-Oxley Act of 2002, which prohibits public reporting companies from extending or maintaining credit to directors or executive officers in the form of a personal loan, and such violations could have material and adverse effect upon our reputation and business.

As described elsewhere in this prospectus, prior to our conversion from a limited liability company to a corporation and the filing of the registration statement of which this prospectus is a part, we made certain advances to our executive management personnel, Messrs. Jon R. Sabes, Steven F. Sabes and Paul A. Siegert, that were to be repaid by such individuals upon or in connection with operating distributions to be paid by us when the Company had cash flow sufficient to make distributions on account of their ownership interests in the Company. For further information, please refer to "Executive Compensation—Summary Compensation Table," "—Employment Agreements and Change-in-Control Provisions," and "—Related-Party Transactions."

Each of Messrs. Jon R. Sabes, Steven F. Sabes and Paul A. Siegert have repaid all outstanding advances, including all interest accrued thereon. However, because such loan advances remained outstanding at the time that we initially filed such registration statement with the SEC, we may be deemed to have inadvertently violated Section 402 of the Sarbanes-Oxley Act of 2002, which prohibits "issuers" from extending or maintaining credit to directors or executive officers in the form of a personal loan. As defined under the Sarbanes-Oxley Act of 2002, the term "issuer" includes, in addition to public companies, a company that has filed a registration statement that has not yet become effective under the Securities Act of 1933 and that has not been withdrawn. Although we believe that the loan advances constitute business loans, as opposed to personal loans, regulatory authorities may not agree with this assessment if the matter is investigated and claims alleging a violation are pursued. On July 27, 2011, Messrs. Jon R. Sabes, Steven F. Sabes and Paul A. Siegert repaid their loan balances.

Violations of the Sarbanes-Oxley Act of 2002 could result in significant penalties, including censure, cease and desist orders, revocation of registration and fines. It is also possible that the criminal penalties could exist, although criminal penalties require a related violation to have been willful, and not the result of an innocent mistake, negligence or inadvertence. In the end, it is possible that we could face any of these potential penalties or results, and any action by administrative authorities, whether or not ultimately successful, could have a material and adverse effect upon our reputation and business.

USE OF PROCEEDS

If all of the debentures are sold, we expect to receive up to approximately $223 million of net proceeds from this offering after paying estimated offering and related expenses and after paying our estimated average selling commissions, dealer manager fees, non-accountable expense allowances, wholesale commissions and the accountable due diligence expenses of our selling group members. The estimated average commissions, dealer manager fees, non-accountable expense allowances and wholesale commission expenses of our selling group members aggregate to approximately $19.50 million based on expected average selling commissions of $12.5 million (5.00%), dealer manager fees of $2.5 million (1.00%), and wholesale commissions of $2.0 million (0.80%), assuming the sale of all of the debentures. We may incur additional accountable due diligence expenses of $3.75 million (1.50%) and accountable offering and related expenses of $3.75 million, assuming the sale of all of the debentures. As explained elsewhere in this prospectus, the maximum amount of commissions, fees and allowances and offering expenses is limited to 13.00% of the amount of debentures sold. Therefore, if all of the debentures were sold and the maximum commissions, fees and allowances were paid, we estimate that the net proceeds to us, after paying estimated offering and related expenses of $3.375 million, would be approximately $217.5 million. However, because we do not know the total principal amount of debentures that will be ultimately sold, we are unable to accurately forecast the total net proceeds that will be generated by this offering. For more information about dealer manager fees, selling commissions, non-accountable expense allowances and accountable due diligence expenses payable to our selling group in connection with the sale of debentures, as well as our own offering and related expenses, please see “Plan of Distribution.”

There is no minimum amount of debentures that must be sold before we access investor funds. The exact amount of proceeds we receive may vary considerably depending on a variety of factors, including how long the debentures are offered.

Our goal is use a majority of the net proceeds from this offering to purchase additional life insurance policies in the secondary market. The amount of proceeds we apply towards purchasing additional life insurance policies will depend, among other things, on how long the debentures are offered, the amount of net proceeds that we receive from the sale of debentures being offered, the existence and timing of opportunities to expand our portfolio of insurance policy assets, our cash needs for certain other expenditures (summarized below) we anticipate incurring in connection with this offering and in connection with our business, and the availability of other sources of cash (e.g., our revolving credit facility). These certain other expenditures, listed in order of priority, include:

- paying premiums on life insurance policy assets we own;
- paying principal at maturity, interest and fees to our lenders, including under our revolving credit facility, the subsidiary secured notes, and the debentures; and paying fees and expenses of the trustees of certain trusts associated with our subsidiary secured notes and the debentures;
- providing funds for portfolio operations, such as obtaining life expectancy estimates, mortality tracking and collection expenses;
- paying fees in connection with, and associated with maintaining the life insurance policies and accounts under the arrangements required by, our revolving credit facility, our subsidiary secured notes and the indenture;
- paying tax liabilities; and
- purchasing interest rate caps, swaps or hedging instruments for the portfolio or our indebtedness.

The extent to which we will use proceeds from this offering for these other purposes, and the amounts and timing of such expenditures will depend on, among other things, how long the debentures are offered, the amount of net proceeds that we receive from the sale of debentures being offered, the existence and timing of opportunities to expand our portfolio of insurance policy assets and the availability of funds from other sources, including borrowings from our revolving credit facility and cash generated from our operations. We currently expect to allocate net offering proceeds as follows, based upon various assumed amounts of gross proceeds that we receive from the sale of debentures:

	Gross Offering Proceeds							
	$250,000,000		$125,000,000		$62,500,000		$25,000,000	
Net Offering Proceeds	223,000,000	100%	111,500,000	100%	55,750,000	100%	22,300,000	100%
Purchase Policies	178,400,000	80%	83,625,000	75%	39,025,000	70%	11,150,000	50%
Payment of Premiums	17,840,000	8%	11,150,000	10%	8,362,500	15%	4,460,000	20%
Payment of Principal and Interest	15,610,000	7%	11,150,000	10%	5,575,000	10%	4,460,000	20%
Other Expenditures	11,150,000	5%	5,575,000	5%	2,787,500	5%	1,115,000	5%

Proceeds not immediately applied to the uses summarized above will be invested in money market funds, commercial paper, U.S. Treasury Bills and similar securities investments pending other uses. We may also purchase interest rate hedges to lock in our cost of capital, or longevity hedges to lock in our expected return from our portfolio.

As indicated above, we may use some of the net proceeds from this offering to pay premiums on life insurance policy assets we own. Our aggregate premium obligations over the next five years for life insurance policy assets that we currently own are set forth in the table below. These premium obligations do not take into account the expectation of mortality over the periods presented.

Year	Premiums
2011	$ 7,186,333
2012	14,485,417
2013	15,406,979
2014	16,476,439
2015	17,628,285
Total	$ 71,183,453

Also as indicated above, we may use some of the net proceeds from this offering to pay principal amounts owing under our subsidiary secured notes when such amounts become due and payable. The amount of such notes that we would repay with proceeds of this offering will depend on whether the holders of such notes elect repayment rather than renewal of such notes, as well as whether we elect to use other sources of repayment such as available borrowings under our line of credit. We believe it is most likely that such payments, if any, would relate to subsidiary secured notes that mature within the first three years after the initial effective date of the registration statement of which this prospectus is a part (i.e., the maximum period of time during which we may offer securities under the registration statement). Of the subsidiary secured notes presently scheduled to mature on or prior to June 30, 2014, such notes have an aggregate outstanding principal amount of approximately $46.4 million and a weighted average interest rate of 7.66%. We do not intend to use any net proceeds from this offering to repurchase subsidiary secured notes prior to their maturity.

Some of the outstanding subsidiary secured notes due to mature within the next year may have been issued within the prior year (i.e., less than one year ago). In such a case, we used the proceeds of such debt to purchase life insurance policies or finance the servicing of such policies.

CAPITALIZATION

The following table sets forth, as of June 30, 2010, our consolidated debt and stockholders' equity on an actual basis and as adjusted to give effect to the sale of the maximum amount of debentures offered hereby and an assumed application of approximately 11% of our net proceeds to repay outstanding amounts owed under our subsidiary secured notes. You should read this table in conjunction with our consolidated financial statements and the notes thereto which are incorporated herein by this reference.

	At June 30, 2011	
	Actual	As Adjusted
	(Dollars in thousands, except per share amounts) (Unaudited)	
Debt:		
Debentures offered hereby	—	250,000
Subsidiary secured notes (1)	58,854	34,324
Revolving credit line (2)	48,175	48,175
Total debt	$107,029	$ 332,499
Stockholders' equity:		
Common stock (par value $0.001 per share; shares authorized 210,000,000; shares issued 4,500,000)	5	5
Additional paid-in capital	6,867	6,867
Retained earnings	(2,992)	(2,992)
Other	(2,306)	(2,306)
Total stockholders' equity	1,574	1,574
Total debt and stockholders' equity	$100,666	$ 334,073

(1) The total outstanding face amount of subsidiary secured notes outstanding at June 30, 2011 was $60,620,729, less unamortized selling costs of $1,791,460, plus subscriptions receivable of $25,000. The weighted average interest rate of our outstanding subsidiary secured notes at June 30, 2011 was approximately 8.01%, and the weighted average maturity was approximately 1.80 years.

(2) The interest rate of our revolving credit line floats in conjunction with advances made thereunder. The weighted average interest rate payable under our revolving credit line at June 30, 2011 was approximately 2.08%. Amounts owing under our revolving credit line come due on July 15, 2013.

For more discussion and information relating to the retirement of subsidiary secured notes, please refer to the "Use of Proceeds" section of this prospectus.

SUMMARY FINANCIAL INFORMATION

The following tables set forth our summary consolidated financial information. The summary statement of operations data for fiscal years 2010 and 2009 and the selected balance sheet data as of December 31, 2010 and 2009 are derived from our audited consolidated financial statements contained elsewhere in this prospectus. The selected statement of operations data for the six months ended June 30, 2011 and June 30, 2010 and the selected balance sheet data as of June 30, 2011 have been derived from our unaudited consolidated financial statements contained elsewhere in this prospectus. In the opinion of management, the interim consolidated financial information reflects all adjustments of a normal recurring nature necessary for a fair statement of our financial position and results of operations at the dates and for the periods indicated. The results of operations for the six months ended June 30, 2011 may not be indicative of the results to be expected for the year ending December 31, 2011 or any other interim period.

The selected consolidated financial information should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and the related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this prospectus.

BALANCE SHEET DATA:

	December 31, 2010	December 31, 2009	June 30, 2011 (Unaudited)
Total Assets	$ 91,050,758	$ 24,090,614	$ 114,192,020
Investment in Portfolio	82,717,562	12,908,172	108,479,885
Cash and Cash Equivalents	1,758,230	1,180,850	349,170
Restricted Cash	5,219,009	5,751,115	3,571,451
Total Debt	90,889,411	22,365,538	112,618,392
Revolving Credit Facility	37,085,452	4,987,425	48,175,000
Subsidiary Secured Notes	51,798,992	13,570,983	58,854,268
Stockholder Equity	670,473	2,195,512	1,573,628

INCOME STATEMENT DATA:

	Year Ended		Six Months Ended (Unaudited)	
	December 31, 2010	December 31, 2009	June 30, 2011	June 30, 2010
Total Revenue	$8,898,947	$ 1,347,123	$10,326,079	$(4,632,524)
Gain on Life Insurance Contracts	8,658,874	808,944	10,294,109	(4,689,860)
Interest Expense	3,683,733	593,101	2,414,672	1,311,403
Net Income (Loss)	(230,395)	(4,833,413)	1,412,281	(8,570,372)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the consolidated and combined financial statements and accompanying notes and the information contained in other sections of this prospectus, particularly under the headings "Risk Factors," "Summary Financial Information" and "Business." This discussion and analysis is based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. The statements in this discussion and analysis concerning expectations regarding our future performance, liquidity and capital resources, as well as other non-historical statements in this discussion and analysis, are forward-looking statements. See "Risk Relating to Forward-Looking Statements." These forward-looking statements are subject to numerous risks and uncertainties, including those described under "Risk Factors." Our actual results could differ materially from those suggested or implied by any forward-looking statements.

Business Overview

We are engaged in the emerging secondary market for life insurance policies. We acquire life insurance policies in the secondary market from policy owners desiring to sell their policies at a discount to the face value of the insurance benefit. Once we purchase a policy, we continue paying the policy premiums in order to ultimately collect the face value of the insurance benefit. We generally hold the individual policies to maturity, in order to ultimately collect the policy's face value upon the insured's mortality. Our strategy is to continue to build a diversified and profitable portfolio of policies.

Corporate Conversion

We converted from a Delaware limited liability company to a Delaware corporation on June 10, 2011. As a limited liability company, we were treated as a partnership for United States federal and state income tax purposes and, as such, we were not subject to income taxation. For all periods after such conversion, our income will be subject to corporate-level United States federal and state income taxes.

Public Company Expenses

We filed the registration statement of which this prospectus is a part on June 14, 2011. Upon the effectiveness of the registration statement, we will become a public reporting company under Section 15(d) of the Securities Exchange Act of 1934. As a result, we will need to comply with federal securities laws, regulations and requirements, including certain provisions of the Sarbanes-Oxley Act of 2002. Compliance with the requirements of being a public company increase our general and administrative expenses to pay our employees, legal counsel, accountants, and other advisors to assist us in, among other things, external reporting, instituting and maintaining internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, and preparing and distributing periodic public reports in compliance with our obligations under the federal securities laws. In addition, being a public company will make it more expensive for us to obtain director and officer liability insurance.

Critical Accounting Policies

Critical Accounting Estimates

The preparation of the financial statements requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our judgments, estimates and assumptions on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions and conditions. We evaluate our judgments, estimates and assumptions on a regular basis and make changes accordingly. We believe that the judgments, estimates and assumptions involved in the accounting for the valuation of investments in life insurance policies have the greatest potential impact on our financial statements

and accordingly believe these to be our critical accounting estimates. Below we discuss the critical accounting policies associated with the estimates as well as selected other critical accounting policies. For further information on our critical accounting policies, see the discussion in Note 1 to our audited consolidated financial statements.

Ownership of Life Insurance Policies—Fair Value Option

Our primary business involves the purchasing and financing of life insurance policies. As such, we account for the purchase of life insurance policies in accordance with ASC 325-30, *Investments in Insurance Contracts*, which requires us to use either the investment method or the fair value method. The election is made on an instrument-by-instrument basis and is irrevocable. We have elected to account for these life insurance policies as investments using the fair value method.

We initially record our purchase life insurance policies at the transaction price, which is the amount paid for the policy, inclusive of all fees and costs associated with the acquisition. The fair value of the investment in insurance policies is evaluated at the end of each reporting period. Changes in the fair value of the life insurance policy are based on periodic evaluations and are recorded as change in fair value of life insurance policies in our consolidated and combined statement of operations. The fair value is determined as the net present value of the life insurance portfolio's future expected cash flows that incorporates current life expectancy and discount rate assumptions.

In addition to reporting our results of operations and financial condition based on the fair value of our life insurance policies as required by GAAP, management also makes calculations based on the weighted average expected internal rate of return of the policies. See "Non-GAAP Financial Measures" below.

Valuation of Insurance Policies

Our valuation of insurance policies is a critical component of our estimate for the fair value of our investments in life insurance policies. We currently use a probabilistic method of valuing life insurance policies, which we believe to be the preferred and most prevalent valuation method in the industry. In this regard, the most significant assumptions we make are the life expectancy of the insured and the discount rate.

In determining the life expectancy estimate, we use actuarial medical reviews from independent medical underwriters. These medical underwriters summarize the health of the insured by reviewing historical and current medical records. The medical underwriters evaluate the health condition of the insured in order to produce an estimate of the insured's mortality—a life expectancy report. The life expectancy report represents a range of probabilities for the insured's mortality against a group of cohorts with the same age, sex, and smoking status. These mortality probabilities represent a mathematical curve known as a mortality curve, which is then used to generate a series of expected cash flows from the life insurance policy over the expected lifespan of the insured. A discount rate is used to calculate the net present value of the expected cash flows. The discount rate represents the internal rate of return we expect to earn on investments in a policy or in the portfolio as a whole. The discount rate used to calculate fair value of our portfolio incorporates the guidance provided by ASU No. 2010-06, *Fair Value Measurements and Disclosures*.

At the end of each reporting period we re-value the life insurance policies using our valuation model in order to update our estimate of fair value for investments in policies held on our balance sheet. This includes reviewing our assumptions for discount rates and life expectancies as well as incorporating current information for premium payments and the passage of time. The table below provides the discount rate used for the fair value of the life insurance policies for the period ending:

June 30, 2011	June 30, 2010	December 31, 2010	December 31, 2009
13.38%	14.11%	13.36%	14.24%

Fair Value Measurement Guidance

We follow ASU No. 2010-06, *Fair Value Measurements and Disclosures*, which defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions the guidance establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Level 3 fair value measurement is the estimated fair value is based on a model whose significant inputs are the life expectancy of the insured and the discount rate, which are not observable and based on limited information on market activity. Although we believe that the Level 3 fair value is predictable based on the fixed contractual terms of the life insurance policy and its premium schedule and face value of the policy benefit, as well as the ability to predict the insured's age at the time of mortality, and appropriate discount rate to apply, all of which are the key factors in determining the fair value of a life insurance policy, we cannot be certain of the ultimate accuracy of this estimate.

Principal Revenue and Expense Items

Components of Revenue

We earn revenues from two primary sources.

Policy Benefits Realized. We recognize and record revenues upon the receipt of the face value of the policy benefits paid upon the mortality of an insured. We generally collect the face value of the life insurance policy from the insurance company typically within 45 days of the insured's mortality.

Change in Fair Value of Life Insurance Policies. We have elected to carry our investments in life insurance policies at fair value in accordance with ASC 325-30, *Investments in Life Insurance Contracts*. Accordingly, we value our investments in life insurance policies each reporting period in accordance with the fair value principles discussed herein, which includes the payment of premiums for such period.

Components of Expenses

Selling, General and Administrative Expenses. We recognize and record expenses in the operations of the purchasing and servicing of life insurance policies for the current period. These expenses include legal, salaries, and sales and marketing expenditures.

Employee Compensation and Benefits. As described in note 6 to the consolidated financial statements, we had notes receivable from equity owners of the Company at each of the balance sheet dates. Effective January 1, 2011, interest income earned on these notes were treated as guaranteed payments to the members and are included in employee compensation and benefits in the statements of operations.

Interest Expense. We recognize and record interest expenses associated with the costs of financing our life insurance portfolio for the current period. These expenses include interest amounts paid to our senior lender under our revolving credit facility, as well as all interest paid on our other outstanding indebtedness such as our subsidiary secured notes.

Amortization of Deferred Costs. When we issue long-term indebtedness, we amortize the costs associated with such indebtedness over the outstanding term of the financing.

Results of Operations

The following is our analysis of the results of operations for the periods indicated below. This analysis should be read in conjunction with our financial statements, including the related notes to the financial statements.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Revenue. Recognized revenue includes an increase in the fair value of life insurance policies in the amount of $10,294,109 for the six months ended June 30, 2011, compared to a decline of $(4,689,860) for the same period in 2010. We initially record our investments in life insurance policies at the total purchase price paid for policies. We recorded change in fair value gains of $10,294,109 during the six months ended June 30, 2011 due to the evaluation of the fair value of the total portfolio of life insurance policies at the end of the reporting period. The increases in fair value were due to the change in discount rate. The change in discount rate was driven primarily by increasing demand for the types of policies we purchase. The discount rate used for the fair value of the life insurance policies was 13.38% for the period ending June 30, 2011, compared to 14.11% for the same period in 2010.

Expenses. Interest expense was $2,414,679 for the six months ended June 30, 2011, compared to $1,394,007 for the same period in 2010, an increase of $1,020,672. The increase in interest expense was due to the increase in the issuance of debt outstanding to purchase life insurance policies. Selling, general and administrative expenses were $1,821,086 for the six months ended June 30, 2011, compared to $2,427,393 for the same period in 2010, a decrease of $606,307. This increase was due to a decrease in travel and marketing activities related to the issuance of indebtedness. Amortization of deferred issuance costs was $896,540 for the six months ended June 30, 2011, compared to $116,448 for the same period in 2010, an increase of $780,092. This increase resulted from the increase in the issuance of indebtedness in 2010.

Tax expense for the six months ended June 30, 2011 was $3,781,500 compared to $0 for the same period in 2010. This was due to recording the deferred tax liability on June 10, 2011 upon converting the Company from a limited liability company to a corporation.

2010 Compared to 2009

Revenue. Recognized revenue from the receipt of policy benefits was $157,552 in 2010, compared to no revenue from the receipt of policy benefits during 2009. Revenue recognized from the change in fair value of our life insurance policies was $8,501,322 in 2010 compared to $808,994 in 2009. We initially record these investments at the total purchase price paid for policies. We recorded change in fair value gains of $8,501,322 in 2010 due to the evaluation of the fair value of the total portfolio of life insurance policies at the end of the reporting period. The increases in fair value were due to the change in the discount rate. The change in discount rate was driven primarily by increasing demand for the types of policies we purchase. The discount rate used for the fair value of the life insurance policies we own was 13.36% for the period ending December 31, 2010 compared to 14.24% for the same period ending in 2009.

Expenses. Interest expense was $3,683,733 in 2010 compared to $593,101 in 2009, an increase of $3,090,632. The increase in interest expense was due to an increase in the issuance of debt outstanding to purchase life insurance policies. Selling, general and administrative expenses were $4,772,399 in 2010 compared to $5,506,059 in 2009, a decrease of $783,660. This decrease in expense was due to the restructuring of the sales and marketing activities associated with the issuance of indebtedness to include hiring the services of a managing broker-dealer. Amortization of deferred issuance costs was $743,635 in 2010, compared to $232,896 in 2009, an increase of $510,739. This increase resulted from the increase in principal amount of subsidiary secured notes sold in 2010.

Liquidity and Capital Resources

Historically, we have funded our operational expenditures for the management of our business primarily through origination fees derived from the purchase of life insurance policies, and we have funded the acquisition, servicing and financing of our life insurance policy portfolio through various forms of debt financing.

The origination fee we charge is generally one to four percent of the face value of a life insurance policy's benefit and is charged and received by us when we acquire the related policy. The origination fee we charge is calculated into the total purchase price we pay for a life insurance policy, but is a separate transaction that is not netted against the purchase price we pay to a seller of an insurance policy. In 2010, we generated cash flows of $6,048,493 from origination fees that covered our operational expenditures. Profit from intra-company origination fees for life insurance policies retained by the Company are eliminated from our statement of operations. As such, the origination fees collected under our life insurance policy financing arrangements are reflected in our statement of cash flows as cash flows from financing activities. See the subcaption "—Cash Flows" below for further information. We determine the purchase price of life insurance policies in accordance with ASC 325-30 *Investments in Insurance Contracts* using the fair value method. Under the fair value method, the initial investment is recorded at the transaction price, including direct acquisition costs. Since the origination fees are paid from a wholly owned subsidiary to the parent company, these costs are not included in the transaction price for our GAAP financial statements. For further discussion on our accounting policies for life settlements, please refer to footnote 1 of the notes to our consolidated financial statements on page F-9. In 2010, we used origination fees earned in 2010 to repay approximately $1,446,825 in unsecured working capital loans, along with $90,900 in accrued interest from those loans. The loans were made to us by Insurance Strategies Fund, LLC, a Delaware limited liability company controlled by Jon R. Sabes and Steven F. Sabes, our Chief Executive Officer and Chief Operating Officer, respectively, in 2009. The agreement with Insurance Strategies Fund under which the working capital loans were made remains in effect so that additional working capital loans may in the future be made as our Board of Directors determines to be necessary. See "Management—Related-Party Transactions."

To date, we have financed our policy acquisition, servicing and related financing expenditures primarily through restricted borrowings made directly by our subsidiaries. In particular, DLP Funding II has entered into a $100 million revolving credit facility with Autobahn/DZ Bank and GWG Life has issued secured notes (referred to throughout this prospectus as the "subsidiary secured notes"). At June 30, 2011, we owed approximately $48.2 million in principal amount on our revolving credit facility. Interest accrues on amounts borrowed under the revolving credit facility at a floating rate the weighted average of which was 2.08% per annum at June 30, 2011. As of June 30, 2011 we had the ability to borrow up to $51.8 million. At June 30, 2011 we estimate our borrowing base made available to us an additional $11.46 million under the revolving credit facility. On that same date, we had approximately $60.6 million in principal amount of subsidiary secured notes outstanding. The weighted-average interest rate of our outstanding subsidiary secured notes at that date was 8.01%, and the weighted-average maturity at that date was 1.8 years. The subsidiary secured notes outstanding have renewal features similar to those of the debentures. Since we first issued our subsidiary secured notes, we have experienced $35,013,644 in maturities, of which $25,714,952 has renewed for an additional term as of June 30, 2011. This has provided us with an aggregate renewal rate of approximately 73% for investments in our subsidiary secured notes.

As of June 30, 2011, we had approximately $15.36 million in available cash and available borrowing capacity under our revolving credit facility for the purpose of purchasing of additional life insurance policies, paying premiums on existing policies, paying portfolio servicing expenses, and paying of principal and interest on our outstanding financing obligations. As of June 30, 2011, we also had approximately $2.31 million in outstanding unsecured notes receivable from certain of our equity owners, as described in note 6 to the consolidated financial statements. Because management believes the ability to collect the amounts due is directly linked to future profits, the Company has classified these receivables as members' equity on its consolidated balance sheets.

We expect to meet our ongoing operational capital needs through origination fees and our unsecured working capital loans. We expect to meet our policy acquisition, servicing, and financing capital needs from the net proceeds from our offering of debentures, and our revolving credit facility. However because we only receive origination fees when we purchase a policy, our receipt of those fees is contingent upon our consummation of policy purchases, which is, in turn, contingent upon our receipt of external funding. We expect to begin receiving insurance benefit payments on our portfolio of life insurance policies as the average age of the insureds increase

and mortality events occur over time—beginning in 2012 and steadily increasing until 2018. In addition, despite recent capital market conditions including a credit crisis, we demonstrated continued access to credit and financing markets. As a result, we estimate that our liquidity and capital resources are sufficient for our current and projected financial needs. Nevertheless, if we are unable to continue the offering of debentures for any reason, and we are unable to obtain capital from other sources, we expect that our business would be materially and adversely affected as we are staffed and organized to support a larger portfolio of life insurance policies than we currently own. In addition, our business would be materially and adversely affected if we did not receive the policy benefits we forecast and if holders of our subsidiary secured notes also failed to renew those notes with the frequency we have historically experienced. In such a case, we could be forced to sell our investments in life insurance policies, in order to service or satisfy our debt-related obligations.

Capital expenditures have historically not been material and we do not anticipate making material capital expenditures in 2011 or beyond.

Debt Financings Summary

We had the following outstanding debt balances as of June 30, 2011:

Issuer/Borrower	Principal Amount Outstanding at June 30, 2011 ($)	Weighted Average Interest Rate (%)
GWG Holdings, Inc.	$ 0	—
GWG Life Settlements, LLC	$ 60,654,729	8.01%
GWG DLP Funding II, LLC	$ 48,175,000	2.08%
Total	$ 108,829,729	5.39%

Our total credit facility and other indebtedness balance as of $108,829,729 was used to purchase and finance our portfolio of life insurance policies. The fair value of our investments in life insurance policies of $108,479,885, plus our restricted cash balance of $3,571,451 totaled $112,051,336, representing an excess of portfolio assets over secured indebtedness of $3,221,607 at June 30, 2011.

Cash Flows

The payment of premiums and servicing costs to maintain life insurance policies represents our most significant requirement for cash disbursement. When a policy is purchased, we are able to calculate the minimum premium payments required to maintain the policy in-force. Over time as the insured ages, premium payments will increase, however the probability of actually needing to pay the premiums decreases since mortality becomes more likely. These scheduled premiums and associated probabilities are factored into our expected internal rate of return and cash-flow modeling. Beyond premiums, we incur policy servicing costs, including annual trustee and tracking costs, and debt servicing costs, including principal and interest payments. Until we receive proceeds from the policy benefits, we intend to pay these costs from our credit facility and through the issuance of debt. We presently expect that by 2014, the cash inflows from the receipt of policy benefits will exceed the premium obligations on the remaining life insurance policies held within the portfolio. However, because our revolving credit facility matures on July 15, 2013, we believe we will need to refinance our revolving credit facility, either through renewal or replacement, when it comes due. Pending the due date or refinancing of our revolving credit facility, we expect that proceeds from our life insurance policies will first be used to satisfy our obligations under that facility, as required by the revolving loan agreement. We expect to begin servicing and paying down our outstanding indebtedness from these cash flows when we receive payments from the policy benefits. See “Business—Portfolio Management.”

The amount of payments that we will be required to make over the next five years to cover the payment of premiums and servicing costs to maintain life insurance policies is set forth in the table below.

Year	Premiums + Servicing
2011	$ 7,285,933
2012	14,684,617
2013	15,606,179
2014	16,675,639
2015	17,827,485
Total	$ 72,079,852

The significant majority of insurance policies owned by the Company are subject to a collateral arrangement with the agent to our revolving credit lender, as described in notes 2 and 8 to the consolidated financial statements. Under this arrangement, collection and escrow accounts are used to fund purchases and premiums of the insurance policies and to pay interest and other charges under its revolving credit facility. The lender and its agent must authorize all disbursements from these accounts, including any distributions to GWG Life, which is the guarantor subsidiary under the renewable secured debentures offered hereby. Distributions are limited to an amount that would result in the borrowers realizing an annualized rate of return on the equity funded amount for such assets of not more than 18%, as determined by the agent. After such amount is reached, the credit agreement requires that excess funds be used to fund repayments or a reserve account in certain amount, before any additional distributions may be made. In the future, these arrangements may restrict the cash flows available for payment of principal and interest on the renewable secured debentures offered hereby.

Inflation

Changes in inflation do not necessarily correlate with changes in interest rates. We presently do not foresee any material impact of inflation on our results of operations in the periods presented in our financial statements.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Credit Risk

We review our portfolio of life insurance policies to determine their adequacy of bad debt reserves for losses on life insurance policy benefits, and other assets. We expect to maintain the reserves for losses on policies at an amount estimated to be sufficient to absorb future losses, net of recoveries, inherent in the policies. In evaluating the adequacy of the bad debt reserves, we consider insurance company solvency, credit risk indicators, economic conditions, on-going credit evaluations, reserve account balances if any, and company positions. We attempt to manage our credit risk related to life insurance policies typically by purchasing policies issued only from companies with an investment grade credit rating by either Standard & Poor's, Moody's, or A.M. Best Company. As of June 30, 2011, 99.4% of our life insurance policies were issued by companies rated "A" or better by Standard & Poor's. Our overall credit risk is subject to rapid changes that may be unforeseen and could result in immediate increased losses and material adjustments to the allowance or actual losses.

Interest Rate Risk

Our credit facility is floating rate financing. In addition, our ability to offer interest rates that attract capital (including in the offer and sale of debentures) is generally impacted by prevailing interest rates. Furthermore, while our other indebtedness provides us with fixed-rate financing, our debt coverage ratio is calculated in relation to our total cost of financing. Therefore, fluctuations in interest rates impact our business by increasing our borrowing costs, and reducing availability under our debt financing arrangements. Furthermore, we calculate

our portfolio earnings based upon the spread generated between the return on our life insurance portfolio and the cost of our financing. As a result, increases in interest rates will reduce the earnings we expect to achieve from our investments in life insurance policies. While we expect to manage this volatility with interest rate hedges to mitigate our exposure to changes in interest rates, our income and business may nonetheless be impacted by changes in interest rates.

Non-GAAP Financial Measures

We use non-GAAP financial measures when evaluating our financial results, for planning and forecasting purposes, and for maintaining compliance with covenants contained in our borrowing agreements. Non-GAAP financial measures disclosed by management are provided as additional information to investors in order to provide them with an alternative method for assessing our financial condition and operating results. These non-GAAP financial measures are not in accordance with GAAP and may be different from non-GAAP measures used by other companies, including other companies within our industry. This presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for comparable amounts prepared in accordance with GAAP.

We have elected to carry our investments in life insurance policies at fair value in accordance with ASC 325-30, *Investments in Life Insurance Contracts*. Accordingly, we value our investments in life insurance policies at the conclusion of each reporting period in accordance with GAAP fair value accounting principles. In addition to GAAP, we are required to report non-GAAP financial measures to Autobahn/DZ Bank under certain financial covenants made to that lender under our revolving credit facility. We also use non-GAAP financial reporting to manage and evaluate the financial performance of our business.

GAAP-based fair value accounting imports subjective financial market volatility into our financial reporting by requiring management to estimate the value of our assets as if they were sold in an orderly transaction between market participants at the measurement date based upon prevailing conditions supported by little or no market activity that is readily observable. However, we believe one of the key attractions for purchasing life insurance policies is the non-correlated nature of the returns to be derived from such policies. Therefore, in contrast to a GAAP-based fair valuation, we can accrue for the actuarial gain occurring within life insurance policies at the expected internal rate of return based on statistical mortality probabilities for an insured (using primarily the insured's age, sex and smoking status). The expected internal rate of return tracks actuarial gain occurring within the policies according to mortality tables as the ages of insureds increase. By comparing the actuarial gain accruing within our life insurance policies against our costs in the same period, we manage and evaluate the financial profitability of our business. We use this information to balance our life insurance policy purchasing and manage our capital structure, including the issuance of debt under our revolving credit agreement and utilization of our other sources of capital, and to monitor our compliance with borrowing covenants. We believe that these non-GAAP financial measures provide information that is useful for investors to understand period-over-period operating results separate and apart from fair value items that may, or could, have a disproportionately positive or negative impact on results in any particular period.

Our revolving credit facility requires us to maintain an "excess spread," which is the difference between (i) the weighted average of our expected internal rate of return and (ii) the weighted average of our credit facility's interest rate. In addition, our credit facility requires us to maintain a "tangible net worth" and "positive net income" each of which are calculated on an adjusted non-GAAP basis by recognizing the accrual of value at the expected internal rate of return of the policies we own, without regard to GAAP-based fair value.

Excess Spread. Our revolving credit facility requires us to maintain a 2.00% "excess spread" between our weighted-average expected internal rate of return and the credit facility's interest rate. A presentation of our excess spread and our total excess spread is set forth below. Management uses the "total excess spread" to gauge expected profitability of our investments, and uses the "excess spread" to monitor compliance with our borrowing covenants.

	As of June 30, 2011	As of June 30, 2010	At December 31, 2010	At December 31, 2009
Weighted-average expected IRR (1)	13.84%	11.52%	12.87%	15.41%
Weighted-average revolving credit facility interest rate (2)	2.08%	2.28%	2.14%	2.16%
Excess spread (3)	11.76%	9.24%	10.73%	13.25%
Total weighted-average interest rate on indebtedness for borrowed money (4)	5.38%	6.04%	5.54%	6.12%
Total excess spread	8.46%	5.48%	7.33%	9.29%

(1) This represents the weighted-average expected internal rate of return of the life insurance policies as of the measurement date based upon our investment cost basis of the insurance policies and the expected cash flows from the life insurance portfolio. Our investment cost basis is calculated as our cash investment in the life insurance policies, without regard to GAAP-based fair value measurements, and is set forth in the following table.

	As of June 30, 2011	As of June 30, 2010	As of December 31, 2010	As of December 31, 2009
GAAP fair value	$ 108,479,885	$ 48,924,984	$ 82,717,562	$ 12,908,172
Unrealized fair value loss/(gain) (A)	(19,604,375)	3,880,915	(9,310,266)	(808,944)
Adjusted cost basis increase/(decrease) (B)	15,500,989	6,282,987	11,195,989	1,556,803
Investment cost basis (C)	$ 104,376,499	$ 59,088,886	$ 84,603,285	$ 13,656,031

(A) This represents the reversal of cumulative unrealized GAAP fair value gain or loss of life insurance policies.
(B) Adjusted cost basis is increased to include those acquisition and servicing expenses that are not capitalized by GAAP.
(C) This is the full cash investment cost basis in life insurance policies from which our expected internal rate of return is calculated.

(2) This is the weighted-average revolving credit relating to our revolving credit facility interest rate as of the measurement date.
(3) We must maintain an excess spread of 2.00% relating to our revolving credit facility to maintain compliance under such facility.
(4) Represents the weighted-average interest rate paid on all outstanding indebtedness as of measurement date, determined as follows:

	Outstanding Indebtedness			
	As of June 30, 2011	As of June 30, 2010	As of December 31, 2010	As of December 31, 2009
Revolving credit facility	$ 48,175,000	$20,361,403	$37,085,452	$ 4,987,425
Subsidiary secured notes	$ 60,654,729	$45,907,964	$53,292,714	$13,220,983
Total	$108,829,729	$66,269,367	$90,378,166	$18,208,408
Interest Rates on Indebtedness:				
Revolving credit facility	2.08%	2.28%	2.14%	2.16%
Subsidiary secured notes	8.01%	7.74%	7.90%	7.62%
Weighted-average interest rates on indebtedness	5.38%	6.04%	5.54%	6.12%

Adjusted Tangible Net Worth. Our revolving credit facility requires us to maintain a tangible net worth in excess of $5 million calculated on an adjusted non-GAAP basis. We calculate the adjusted tangible net worth by recognizing the accrual of value at the expected internal rate of return of the policies we own without regard to fair value.

	As of June 30, 2011	As of June 30, 2010	As of December 31, 2010	As of December 31, 2009
GAAP net worth (1)	$ 1,573,628	$ (7,171,746)	$ 161,347	$ 1,725,076
Less intangible assets	(2,334,681)	(2,254,702)	(619,008)	(824,381)
GAAP tangible net worth	(761,053)	(9,426,448)	(457,661)	900,695
Unrealized fair value loss/(gain) (2)	(19,604,375)	3,880,915	(9,310,266)	(808,944)
Adjusted cost basis increase/(decrease) (3)	15,500,989	6,282,987	11,195,989	1,556,803
Accrual of unrealized actuarial gain (4)	15,701,183	5,841,875	9,977,051	479,365
Adjusted non-GAAP tangible net worth	10,836,744	6,579,329	11,405,113	2,127,919
Accrual of unrealized gain of portfolio sold (5)	0	56,650,709	—	52,871,708
Total adjusted non-GAAP tangible net worth (6)	10,836,744	63,230,038	11,405,113	54,999,627

(1) Includes termination of redeemable member's interest prior to corporate conversion.
(2) Reversal of cumulative unrealized fair value gain or loss of life insurance policies.
(3) Adjusted cost basis is increased by acquisition and servicing expenses which are not capitalized under GAAP.
(4) Accrual of cumulative actuarial gain at expected internal rate of return based on investment cost basis.
(5) Represents the accrual of unrealized gain in the life insurance portfolio sold on November 1, 2010 owned by GWG DLP Funding, LLC and financed by WestLB AG. This entity was deconsolidated in our GAAP financial statements, but consolidated for our total adjusted non-GAAP tangible net worth measurement.
(6) We must maintain a total adjusted non-GAAP tangible net worth of $5 million to maintain compliance with our revolving credit facility with DZ Bank/Autobahn.

Adjusted Net Income. Our credit facility requires us to maintain a positive net income calculated on an adjusted non-GAAP basis. We calculate the adjusted net income by recognizing the accrual of value at the expected internal rate of return of the policies we own without regard to fair value.

	January 1, 2011 to June 30, 2011	January 1, 2010 to June 30, 2010	January 1, 2010 to December 31, 2010	January 1, 2009 to December 31, 2009
GAAP net income	$ 1,412,279	$ (9,010,633)	$ (230,395)	$ (4,833,413)
Unrealized fair value loss/(gain) (1)	(10,294,109)	(4,689,860)	(8,501,322)	(808,944)
Adjusted cost basis increase/(decrease) (2)	4,405,630	4,172,900	9,675,064	1,556,803
Accrual of unrealized actuarial gain (3)	5,859,832	2,111,203	6,246,378	479,366
Adjusted non-GAAP income	1,383,632	1,963,330	7,189,725	(3,606,188)
Adjusted non-GAAP income (loss) of portfolio sold (4)	0	3,244,595	24,837,599	10,001,433
Total adjusted non-GAAP income (5)	$ 1,383,632	$ 5,207,925	$ 32,027,324	$ 6,395,245

(1) Reversal of unrealized fair value gain or loss of life insurance policies for current period.
(2) Adjusted cost basis is increased to include those acquisition and servicing expenses which are not capitalized by GAAP.
(3) Accrual of actuarial gain at expected internal rate of return based on Investment Cost Basis for the period.
(4) Represents adjusted non-GAAP income from the life insurance portfolio sold on November 1, 2010 owned by GWG DLP Funding, LLC and financed by WestLB AG. This entity was deconsolidated in our GAAP financial statements, but consolidated for our total adjusted non-GAAP Income measurement.
(5) We must maintain a positive consolidated net income, calculated on a non-GAAP basis, to maintain compliance with our revolving credit facility with DZ Bank/Autobahn.

BUSINESS

Overview

We are engaged in the emerging secondary market of life insurance. We acquire life insurance policies in the secondary market from policy owners who sell their policies at a price greater than the cash surrender value, but less than the face value of the policy's benefit. We continue to pay the premiums and generally hold the individual policies to maturity, in order to ultimately collect the policy's face value upon the insured's mortality. Our strategy is to continue to build a diversified and profitable portfolio of policies.

The market opportunity for selling and purchasing life insurance policies in the secondary market is relatively new. According to Conning Research & Consulting, the secondary market for life insurance policies grew from $2 billion in 2002 to over $12 billion in face value of life insurance policy benefits being purchased in 2008. To participate in the market opportunity, we have spent significant resources: (i) developing a robust operational platform and systems for purchasing and servicing life insurance policies; (ii) obtaining requisite licensure to purchase life insurance in the secondary market; (iii) developing financing resources for purchasing and financing our life insurance policies; (iv) recruiting and developing a professional management team; (v) establishing origination relationships for purchasing life insurance policies in the secondary market; and (vi) obtaining financing to participate in the business sector.

As of June 30, 2011, we owned $452 million in face value of life insurance policy benefits with an aggregate cost basis of $104 million. We have acquired this portfolio through a combination of the sale of secured notes by a subsidiary and our revolving credit facility. Our objective is to earn returns from the life insurance policies we purchase in the secondary market which are greater than the costs necessary to purchase and finance those policies to their maturity. We expect to accomplish our objective by:

- purchasing life insurance policies with expected internal rates of returns in excess of our cost of capital;
- paying the premiums and costs associated with the life insurance policy until the insured's mortality;
- obtaining a large and diverse portfolio to mitigate actuarial risk;
- maintaining diversified funding sources to reduce our overall cost of financing;
- engaging in hedging strategies that reduce potential volatility to our cost of financing; and
- maintaining rigorous portfolio monitoring and servicing practices.

We generally purchase life insurance policies through secondary market transactions directly from the policy owner who originally purchased the life insurance in the primary market. We purchase policies in the secondary market through a network of life insurance agents, life insurance brokers, and licensed providers who assist policy owners in accessing the secondary market. Before we purchase a life insurance policy, we conduct a rigorous underwriting review that includes obtaining two life expectancy estimates on each insured from third party medical actuarial firms. The policies we purchase are universal life insurance policies issued by rated life insurance companies. The price we are willing to pay for the policy in the secondary market is primarily a function of: (i) the policy's face value; (ii) the expected actuarial mortality of the insured; (iii) the premiums expected to be paid over the life of the insured; and (iv) market competition from other purchasers.

We intend to apply the proceeds of this offering, along with approximately $51.8 million potentially available to DLP Funding II under the revolving credit facility with Autobahn/DZ Bank, of which $11.46 million is currently available, to expand the portfolio of insurance policies we own, and finance those policies until their maturity.

Industry Background

Life insurance companies earn substantial revenue windfalls due to the lapse and surrender of many insurance policies. These revenue windfalls have enabled life insurance companies to issue policies with reduced premiums. These two business practices create a profit opportunity for the life insurance secondary market. The profit opportunity is the difference, or "spread," between (i) the cost of purchasing and maintaining a life insurance policy over the insured's lifetime; and (ii) the policy's benefit that will paid upon the insured's mortality. The secondary market for life insurance policies has also been driven by the creation of life insurance policy pricing tools and actuarial modeling techniques developed by investors.

According to the American Council of Life Insurers Fact Book 2010 (ACLI), individuals own over $10.3 trillion of face value of life insurance policies in the United States in 2009. This figure includes all types of policies, including term and permanent insurance known as whole life, universal life, variable life, and variable universal life. The secondary market for life insurance has developed around individuals aged 65 years or older owning either permanent insurance or term insurance convertible into permanent insurance. According to the ACLI, the average annual lapse rate and surrender rate of life insurance policies for the ten years ended 2009 was 7.3%, or over $750 billion in face value of policy benefits annually.

Owners of life insurance policies generally surrender the policies or allow them to lapse for a variety of reasons, including: unrealistic original earnings assumptions made when the policy was purchased, combined with higher premium payments later in the term of the policy than initially forecasted; (ii) increasing premium payment obligations as the insured ages; (iii) changes in financial status or outlook which cause the insured to no longer require life insurance; (iv) other financial needs that make the insurance unaffordable; or (v) a desire to maximize the policy's investment value. Rather than allowing a policy to lapse as worthless, or surrendering a life insurance policy at a fraction of its inherent value, the sale of a life insurance policy in the secondary market can bring significant value to the policy owner. The life insurance secondary market often pays policy sellers amounts ranging from two to ten times the value that would otherwise be paid by the insurer upon policy surrender.

According to the U.S. Census Bureau, the population of individuals aged 65 years or older is growing three times faster than the general population over the next 20 years, growing from an estimated 39 million seniors in 2010 to over 69 million seniors by 2030. As awareness of the secondary market grows, we expect that recent financial recessionary pressures coupled with historically low savings rates will lead many individuals to sell their life insurance policies rather than lapse or surrender the policies. Therefore, we believe there will be continued growth in the number of life insurance policy owners seeking to sell their life insurance in the secondary market.

As the life insurance secondary market has grown, a regulatory framework has been established to oversee the sale of life insurance policies in the secondary market. Since 2007, there has been a dramatic increase in the number of states who have adopted legislation and regulations. Today, almost every state has adopted some version of model laws that prohibit business practices deemed to be abusive and generally require the licensing of life insurance purchasers and brokers, the filing and approval of purchase agreements, disclosure of transaction fees and periodic reporting requirements. The widespread adoption of this regulatory framework by states has brought about standardized practices and procedures for purchasing life insurance policies in the secondary market. In addition, several states have modified their laws to adopt notice requirements for the benefit of life insurance owners, alerting them to the existence of the secondary market before they lapse or surrender their life insurance policy.

We believe the strengthened regulatory framework, along with the emergence of best practices adopted within the life insurance secondary market, has led to a growing awareness of the secondary market among life insurance agents and financial advisors. We expect this growing awareness, along with the demographic factors described above, will lead to continued growth in the secondary market for life insurance policies.

The secondary market for life insurance policies has also attracted global investor interest because investments in these policies can provide non-correlated investment diversification. The ability for investors to invest in the life insurance asset class comes as a result of the development of life insurance policy pricing tools and actuarial modeling techniques for valuing portfolios of life insurance policies. Standardized life insurance pricing tools and actuarial modeling software, including life expectancies, have provided foundational support for the development of the life insurance secondary market. The appeal for investors to achieve non-correlated diversification is strong, particularly after the global recession of 2008. The notion of non-correlation is that the underlying investment return is independent of the factors contributing to economic downturns such as real estate values, commodity prices, and stock market indices. In addition, many life insurance policies represent payment obligations from highly rated life insurance companies. As a result, investors can evaluate the expected risk premium they receive for investing in the asset class as compared to the credit profile of the underlying insurance company. The risk premium offered by the asset class, along with the non-correlated return profile has attracted a large number of investors seeking investment opportunities in the life insurance secondary market. As innovation and investor awareness of the secondary market for life insurance increases, we expect continued investor interest in the asset class.

Company History

After we were founded in 2006, we developed a platform to evaluate, purchase, service, and track life insurance policies purchased in the secondary market. Our original model was to operate as a joint venture with WestLB, AG, a German commercial bank, with the goal of having the bank securitize and sell the life insurance policies we purchased. During 2006 and 2007, we built an institutional platform to underwrite, purchase, service, and track life insurance policies purchased in the secondary market in conjunction with a $250 million revolving credit facility we obtained from WestLB. In 2008, however, WestLB informed us that they were abandoning their effort to securitize and sell our life insurance portfolio in light of the global economic and financial crisis. This resulted in a material change to our business plan, as we had earlier purchased the portfolio of life insurance policies in DLP Funding per WestLB's mandate with the expectation these policies would be sold through a securitization. Subsequently, in 2010, we sold the original portfolio owned by DLP Funding.

Since 2008, we have focused on establishing diversified funding sources whose investment expectation is based on the purchase and finance of life insurance policies to their maturity—a buy and hold strategy—as opposed to the securitized sale of those assets prior to maturity. In July 2008, our wholly owned subsidiary GWG DLP Funding II, LLC, or "DLP Funding II," established a $100 million credit facility with Autobahn Funding Company, LLC, a bank sponsored commercial paper conduit administered by DZ Bank AG Deutsche Zentral-Genossenschaftsbank, or DZ Bank. In addition, our subsidiary GWG Life Settlements, LLC, or "GWG Life," began selling secured notes to further finance the business.

Our Business Model

Our business plan is to earn returns from life insurance policies purchased in the secondary market which are greater than the costs to finance those policies to their maturity. We purchase life insurance policies at a discount to the face value of the policy benefit. We base our purchase price on an actuarial assessment or valuation of the expected mortality of the insured and the costs of maintaining the policy over this same period. Once we purchase a life insurance policy, we continue to pay the premiums until the insured's mortality, at which time we collect the face value of the life insurance policy benefit. We perform the services required for the assessment, valuation, purchase, underwriting, monitoring, administration, and servicing of the life insurance policies we purchase.

We are also compensated for underwriting and purchasing the life insurance policies in an amount typically between one and four percent of the face value of the policy benefits we purchase in the form of an origination fee. The origination fees are incorporated into our total acquisition costs and expected yield calculations. We expect that the difference between the returns we earn from the life insurance policies we purchase and the cost of financing those purchases to their maturity represents the majority of the compensation we stand to earn.

We believe that our business model provides significant advantages to potential investors, including:

- *Non-Correlating Assets*: Our earnings from life insurance policies are non-correlated to traditional external market influences such as real estate, equity markets, currency, and commodities.
- *Insurance Carrier Capital Structure*: Life insurance policy benefits are the most senior in rank within an insurance company's capital structure, senior even to secured debt holders, with some amounts further protected under state guaranteed funds (typically limited to $200,000).
- *Asset Diversification*: Our assets provide diversification from many other investment opportunities. In addition, the policies within the life insurance portfolio are diversified as well, with no single insurance company making up more than 20% of the total face value of insurance policy benefits. The fair value of our life insurance policies, as reflected on our balance sheet as of December 31, 2010, comprised approximately 91% of our total assets.

Our Strategy and Competitive Strengths

Our objective is to earn returns from the life insurance policies we purchase in the secondary market which are greater than the costs necessary to purchase and finance those policies to their maturity. We expect to accomplish our objective by:

- purchasing life insurance policies with expected internal rates of returns in excess of our cost of capital;
- paying the premiums and costs associated with the life insurance policies until the insured's mortality;
- obtaining a large and diverse portfolio to mitigate actuarial risk;
- maintaining diversified funding sources to reduce our overall cost of financing;
- engaging in hedging strategies that reduce potential volatility to our cost of financing; and
- maintaining rigorous portfolio monitoring and servicing.

We have built our business with what we believe to be the following competitive strengths:

- *Industry Experience*: We have actively participated in the development of the secondary market of life insurance as a principal purchaser and financier since 2006. Our position within the marketplace has allowed us to evaluate over 30,000 life insurance policies for possible purchase, thereby gaining a deep understanding of the variety of issues involved when purchasing life insurance policies in the secondary market. We have participated in the leadership of various industry associations and forums, including the Life Insurance Settlement Association and the Insurance Studies Institute. Our experience gives us the confidence in building a portfolio of life insurance policies that will perform to our expectations.
- *Operational Platform*: We have built an operational platform and systems for efficiently tracking, processing, and servicing life insurance policies that we believe provide competitive advantages when purchasing policies in the secondary marketplace, and servicing the policies once acquired.
- *Origination and Underwriting Practices*: We purchase life insurance policies that meet published guidelines on what policies would be accepted in a rated securitization. We purchase only non-contestable permanent life insurance policies that meet stringent underwriting criteria and reviews.
- *Origination Relationships*: We have established origination relationships with over four hundred life insurance policy brokers and insurance agents who submit policies for our purchase or financing. Our referral base knows our underwriting standards for purchasing life insurance policies in the secondary market, which provides confidence in our bidding and closing process and streamlines our due-diligence process.
- *Life Expectancy Methodology*: We rely on at least two life expectancy reports from independent third-party medical actuary underwriting firms that include 21st Services, AVS Underwriting, Fasano Associates, and ISC Services to develop our life expectancy estimate.

- *Pricing Software and Methodology*: We use actuarial pricing methodologies and software tools that have been built and are supported by leading independent actuarial service firms, such as Modeling Actuarial Pricing Systems, Inc. ("MAPS") for calculating our expected returns.
- *Diversified Funding*: We have actively developed diversified sources for accessing capital markets in support of our buy and hold strategy for our portfolio of life insurance policies, ranging from institutional bank financing and global capital markets, to a network of broker-dealers registered with the Financial Industry Regulatory Authority ("FINRA") who have participated in our subsidiary secured notes financing.

Our business also involves challenges and risks, which are described under the caption "Prospectus Summary — Our Company," in the section entitled "Risk Factors" and elsewhere in this prospectus.

Our Portfolio and Operations

Our Portfolio

Our portfolio of life insurance policy portfolio as of June 30, 2011 is summarized and set forth below:

Life Insurance Portfolio Summary

Total portfolio face value of policy benefits	$452,478,414
Average face value per policy *	$ 2,725,774
Average face value per insured life *	$ 2,900,503
Average age of insured (yrs) *	80.50
Average life expectancy estimate (yrs) *	8.08
Total number of policies	166
Demographics	62% Males; 38% Females
Number of smokers	No insureds are smokers
Largest policy as % of total portfolio	2.21%
Average policy as % of total portfolio	.60%
Average annual premium as % of face value	3.17%

* Averages presented in the table are weighted averages.

We track concentrations of pre-existing medical conditions among insured individuals within our portfolio based on information contained in life expectancy reports. We track these medical conditions with ten primary disease categories: (1) cardiovascular, (2) cerebrovascular, (3) dementia, (4) cancer, (5) diabetes, (6) respiratory disease, (7) neurological disorders, (8) other, no disease, or multiple. Our primary disease categories are summary generalizations based on the ICD-9 codes we track on each insured individuals within our portfolio. ICD-9 codes, published by the World Health Organization, are used worldwide for medical diagnoses and treatment systems, as well as mobidity and mortality statistics. Currently, cardiovascular is the only primary disease category within our portfolio that represents a concentration over ten percent. The table below sets forth the primary disease categories of our portfolio as of June 30, 2011:

Primary Disease Category	Policy Benefits	%
Cardiovascular	$ 111,636,047	25%
Cerebrovascular	34,985,000	8%
Dementia	24,755,380	5%
Cancer	24,550,000	5%
Diabetes	32,153,000	7%
Respiratory Diseases	24,700,000	5%
Neurological Disorders	12,600,000	3%
Other	57,113,520	13%
No Disease	59,485,467	13%
Multiple Primary Disease Categories	70,500,000	16%
Total Policy Benefits	452,478,414	100%

The primary disease category represents a general category of impairment. Within the primary disease category, there are a multitude of sub-categorizations defined more specifically by ICD-9 codes. For example, a primary disease category of cardiovascular includes sub-categorizations such as atrial fibrillation, heart valve replacement, coronary atherosclerosis, etc. In addition, individuals may have more than one ICD-9 codes describing multiple medical conditions within one or more primary disease categories. Where an individual's ICD-9 codes indicate medical conditions in more than one primary disease categories, we categorize the individual as having multiple primary disease categories. We expect to continue to develop and refine our identification and tracking on the insured individuals medical conditions as we manage our portfolio of life insurance policies.

Life Insurance Portfolio Detail (as of June 30, 2011)

Face Value Ben. Amt. ($)	Sex	Insured Current Age (years) (1)	Est. Life Expectancy (months) (2)	Insurance Company	Ins. Co. S&P Rating
2,000,000	F	88	43.5	Pruco Life Insurance Company	AA-
5,000,000	F	87	84.2	American General Life Insurance Company	A+
5,000,000	F	87	52.2	John Hancock Life Insurance Company (U.S.A)	AA-
1,000,000	F	87	37.5	Protective Life Insurance Company	AA-
1,350,000	F	86	88.4	Jefferson-Pilot Life Insurance Company	AA-
2,500,000	F	86	86.9	AXA Equitable Life Insurance Company	AA-
2,500,000	F	86	86.9	AXA Equitable Life Insurance Company	AA-
1,500,000	F	86	85.4	Jefferson-Pilot Life Insurance Company	AA-
5,000,000	F	86	85.0	ING Life Insurance and Annuity Company	A

Face Value Ben. Amt. ($)	Sex	Insured Current Age (years) (1)	Est. Life Expectancy (months) (2)	Insurance Company	Ins. Co. S&P Rating
600,000	F	86	84.0	Columbus Life Insurance Company	AA+
3,500,000	F	86	83.1	John Hancock Life Insurance Company (U.S.A)	AA-
3,333,333	M	86	74.6	Metropolitan Life Insurance Company	AA-
1,203,520	M	86	69.1	Columbus Life Insurance Company	AA+
3,000,000	F	86	67.1	Jefferson-Pilot Life Insurance Company	AA-
5,000,000	M	86	62.4	John Hancock Life Insurance Company (U.S.A)	AA-
5,000,000	F	86	55.8	Lincoln National Life Insurance Company	AA-
2,000,000	F	86	53.7	American General Life Insurance Company	A+
3,000,000	F	85	110.8	Massachusetts Mutual Life Insurance Company	AA+
2,225,000	F	85	105.9	Transamerica Life Insurance Company	AA-
5,000,000	M	85	95.2	AXA Equitable Life Insurance Company	AA-
715,000	F	85	94.5	Jefferson-Pilot Life insurance Company	AA-
3,500,000	F	85	84.8	Lincoln National Life Insurance Company	AA-
2,500,000	F	85	82.6	American General Life Insurance Company	A+
500,000	M	85	82.1	Lincoln National Life Insurance Company	AA-
4,500,000	F	85	76.5	John Hancock Life Insurance Company (U.S.A)	AA-
2,500,000	M	85	70.5	Pacific Life Insurance Company	A+
1,500,000	M	85	68.8	John Hancock Life Insurance Company (U.S.A)	AA-
1,500,000	M	85	68.8	John Hancock Life Insurance Company (U.S.A)	AA-
5,000,000	F	85	67.3	Massachusetts Mutual Life Insurance Company	AA+
1,500,000	M	85	63.4	Union Central Life Insurance Company	A+
8,985,000	M	85	60.4	Massachusetts Mutual Life Insurance Company	AA+
3,600,000	F	84	107.7	AXA Equitable Life Insurance Company	AA-
4,000,000	F	84	105.7	Transamerica Life Insurance Company	AA-
800,000	M	84	84.8	National Western Life Insurance Company	A
5,000,000	F	84	84.0	Penn Mutual Life Insurance Company	AA-
4,445,467	M	84	83.5	Penn Mutual Life Insurance Company	AA-
1,803,455	F	84	82.8	Metropolitan Life Insurance Company	AA-
1,529,270	F	84	82.8	Metropolitan Life Insurance Company	AA-
2,500,000	M	84	81.3	Transamerica Life Insurance Company	AA-
500,000	F	84	75.6	Sun Life Assurance Company of Canada (U.S.)	AA-
200,000	M	84	73.1	Lincoln Benefit Life Company	A+
5,000,000	M	84	72.7	John Hancock Life Insurance Company (U.S.A)	AA-
4,785,380	F	84	71.8	John Hancock Life Insurance Company (U.S.A)	AA-
2,000,000	M	84	70.1	John Hancock Life Insurance Company (U.S.A)	AA-
7,500,000	M	84	64.3	Jefferson-Pilot Life Insurance Company	AA-
1,600,000	F	84	56.9	ING Life Insurance and Annuity Company	A

Face Value Ben. Amt. ($)	Sex	Insured Current Age (years) (1)	Est. Life Expectancy (months) (2)	Insurance Company	Ins. Co. S&P Rating
1,000,000	F	83	123.8	ING Life Insurance and Annuity Company	A
1,200,000	M	83	103.9	Transamerica Life Insurance Company	AA-
8,500,000	M	83	96.7	Massachusetts Mutual Life Insurance Company	AA+
1,000,000	F	83	88.2	New York Life Insurance Company	AAA
1,000,000	M	83	86.4	John Hancock Life Insurance Company (U.S.A)	AA-
2,000,000	M	83	86.4	John Hancock Life Insurance Company (U.S.A)	AA-
5,000,000	M	83	76.2	Jefferson-Pilot Life Insurance Company	AA-
1,000,000	M	83	67.3	American General Life Insurance Company	A+
5,000,000	F	83	66.7	Transamerica Life Insurance Company	AA-
3,000,000	F	82	131.1	Transamerica Life Insurance Company	AA-
1,365,000	F	82	124.3	Transamerica Life Insurance Company	AA-
2,000,000	M	82	96.7	Transamerica Life insurance Company	AA-
2,000,000	M	82	92.7	AXA Equitable Life Insurance Company	AA-
1,750,000	M	82	92.7	AXA Equitable Life Insurance Company	AA-
1,000,000	M	82	75.4	John Hancock Life Insurance Company (U.S.A)	AA-
1,800,000	M	82	69.4	John Hancock Variable Life Insurance Company	AA-
2,000,000	M	82	65.5	Jefferson-Pilot Life Insurance Company	AA-
2,000,000	M	82	58.8	Transamerica Life Insurance Company	AA-
750,000	M	82	47.8	ING Life Insurance and Annuity Company	A
750,000	M	82	47.8	ING Life Insurance and Annuity Company	A
2,000,000	F	81	144.0	Lincoln Benefit Life Company	A+
5,000,000	F	81	142.8	American General Life Insurance Company	A+
1,500,000	F	81	136.0	Lincoln Benefit Life Company	A+
3,500,000	F	81	130.0	Lincoln Benefit Life Company	A+
2,000,000	F	81	116.3	AXA Equitable Life Insurance Company	AA-
3,000,000	F	81	116.0	Sun Life Assurance Company of Canada (U.S.)	AA-
1,000,000	F	81	114.1	John Hancock Life Insurance Company (U.S.A)	AA-
3,750,000	M	81	109.4	AXA Equitable Life Insurance Company	AA-
5,000,000	M	81	104.6	ING Life Insurance and Annuity Company	A
1,000,000	M	81	101.3	John Hancock Life Insurance Company (U.S.A)	AA-
2,500,000	F	81	95.2	American General Life Insurance Company	A+
1,500,000	M	81	87.1	AXA Equitable Life Insurance Company	AA-
1,500,000	M	81	82.6	ING Life Insurance and Annuity Company	A
1,500,000	M	81	82.6	ING Life Insurance and Annuity Company	A
1,500,000	M	81	81.1	Transamerica Life Insurance Company	AA-
4,000,000	F	81	76.8	ING Life Insurance and Annuity Company	A
4,000,000	M	81	67.8	John Hancock Life Insurance Company (U.S.A)	AA-

Face Value Ben. Amt. ($)	Sex	Insured Current Age (years) (1)	Est. Life Expectancy (months) (2)	Insurance Company	Ins. Co. S&P Rating
1,000,000	M	81	60.8	John Hancock Life Insurance Company (U.S.A)	AA-
829,022	F	81	46.9	Hartford Life and Annuity Insurance Company	A
4,200,000	F	80	163.4	Transamerica Life Insurance Company	AA-
1,500,000	M	80	136.6	Jefferson-Pilot Life Insurance Company	AA-
6,000,000	F	80	133.8	American General Life Insurance Company	A+
500,000	F	80	132.8	AXA Equitable Life Insurance Company	AA-
7,600,000	F	80	132.0	Transamerica Life Insurance Company	AA-
5,000,000	F	80	131.9	AXA Equitable Life Insurance Company	AA-
750,000	M	80	131.4	West Coast Life Insurance Company	AA-
500,000	M	80	129.5	Metropolitan Life Insurance Company	AA-
3,500,000	F	80	110.7	AXA Equitable Life Insurance Company	AA-
5,000,000	M	80	108.4	AXA Equitable Life Insurance Company	AA-
2,000,000	M	80	96.1	Pacific Life Insurance Company	A+
10,000,000	F	80	88.2	American National Insurance Company	A+
5,000,000	M	80	87.2	Jefferson-Pilot Life Insurance Company	AA-
2,700,000	M	80	82.7	John Hancock Life Insurance Company (U.S.A)	AA-
500,000	M	80	71.1	West Coast Life Insurance Company	AA-
5,403,000	F	79	127.7	Phoenix Life Insurance Company	BB-
3,500,000	F	79	125.8	Jefferson-Pilot Life Insurance Company	AA-
2,000,000	F	79	123.1	Jefferson-Pilot Life Insurance Company	AA-
5,000,000	F	79	111.6	Sun Life Assurance Company of Canada (U.S.)	AA-
1,250,000	F	79	109.5	Columbus Life Insurance Company	AA+
1,995,000	F	79	105.9	Transamerica Life Insurance Company	AA-
4,000,000	M	79	105.2	Jefferson-Pilot Life Insurance Company	AA-
3,500,000	M	79	103.3	AXA Equitable Life Insurance Company	AA-
5,000,000	M	79	95.5	Transamerica Life Insurance Company	AA-
4,500,000	M	79	91.6	AXA Equitable Life Insurance Company	AA-
350,000	M	79	83.6	Reassure America Life Insurance Company	A+
750,000	M	79	81.7	John Hancock Life Insurance Company (U.S.A)	AA-
1,900,000	M	79	76.5	American National Insurance Company	A+
500,000	M	79	71.7	New York Life Insurance Company	AAA
500,000	M	79	71.7	New York Life Insurance Company	AAA
250,000	M	79	61.7	Jackson National Life Insurance Company	AA
550,000	M	78	144.7	Genworth Life Insurance Company	A
2,000,000	F	78	139.0	Transamerica Life Insurance Company	AA-
10,000,000	M	78	126.0	John Hancock Life Insurance Company (U.S.A)	AA-
3,000,000	M	78	91.0	Protective Life Insurance Company	AA-

Face Value Ben. Amt. ($)	Sex	Insured Current Age (years) (1)	Est. Life Expectancy (months) (2)	Insurance Company	Ins. Co. S&P Rating
1,500,000	M	78	85.7	Pacific Life Insurance Company	A+
5,000,000	M	78	74.9	AXA Equitable Life Insurance Company	AA-
3,000,000	M	77	145.1	Principal Life insurance Company	A
3,000,000	F	77	135.7	West Coast Life Insurance Company	AA-
5,000,000	M	77	133.4	AXA Equitable Life Insurance Company	AA-
3,000,000	M	77	125.2	John Hancock Life Insurance Company (U.S.A)	AA-
8,000,000	M	77	115.5	AXA Equitable Life Insurance Company	AA-
2,000,000	M	77	115.0	Jefferson-Pilot Life Insurance Company	AA-
1,250,000	F	77	107.5	Principal Life Insurance Company	A
1,680,000	F	77	101.7	AXA Equitable Life Insurance Company	AA-
250,000	M	77	95.1	American General Life Insurance Company	A+
1,000,000	M	77	72.0	AXA Equitable Life Insurance Company	AA-
1,000,000	M	76	155.4	Empire General Life Assurance Corporation	AA-
4,000,000	M	76	120.0	Jefferson-Pilot Life Insurance Company	AA-
5,000,000	M	76	107.6	AXA Equitable Life Insurance Company	AA-
5,000,000	M	76	107.6	AXA Equitable Life Insurance Company	AA-
500,000	M	76	100.8	Transamerica Life Insurance Company	AA-
1,000,000	M	75	123.3	Metropolitan Life Insurance Company	AA-
3,601,500	M	75	114.7	Transamerica Life Insurance Company	AA-
5,000,000	M	75	110.3	John Hancock Life Insurance Company (U.S.A)	AA-
1,000,000	M	75	103.5	Sun Life Assurance Company of Canada (U.S.)	AA-
4,000,000	M	75	103.2	MetLife Investors USA Insurance Company	AA-
5,000,000	M	75	96.4	John Hancock Life Insurance Company (U.S.A)	AA-
3,750,000	M	75	94.4	AXA Equitable Life Insurance Company	AA-
2,250,000	M	75	92.7	Massachusetts Mutual Life Insurance Company	AA+
870,000	M	75	78.3	Pruco Life Insurance Company	AA-
1,009,467	M	75	69.8	John Hancock Life Insurance Company (U.S.A)	AA-
1,000,000	M	74	135.8	Metropolitan Life Insurance Company	AA-
5,000,000	M	74	128.3	Jefferson-Pilot Life Insurance Company	AA-
500,000	F	74	127.4	Columbus Life Insurance Company	AA+
2,500,000	M	74	118.8	Massachusetts Mutual Life Insurance Company	AA+
2,500,000	M	74	118.8	Massachusetts Mutual Life Insurance Company	AA+
500,000	M	74	89.6	John Hancock Life Insurance Company (U.S.A)	AA-
2,000,000	F	74	77.6	Transamerica Life Insurance Company	AA-
750,000	M	73	149.1	U.S. Financial Life Insurance Company	AA-
600,000	M	73	119.5	Protective Life Insurance Company	AA-
5,000,000	M	72	104.8	West Coast Life Insurance Company	AA-

Face Value Ben. Amt. ($)	Sex	Insured Current Age (years) (1)	Est. Life Expectancy (months) (2)	Insurance Company	Ins. Co. S&P Rating
850,000	M	72	102.6	New York Life Insurance Company	AAA
5,000,000	M	72	70.5	Lincoln Benefit Life Company	A+
200,000	M	71	133.2	ING Life Insurance and Annuity Company	A
2,000,000	M	71	127.6	U.S. Financial Life Insurance Company	AA-
2,000,000	M	70	157.1	American General Life Insurance Company	A+
1,000,000	M	70	127.3	United of Omaha Life Insurance Company	A+
500,000	M	70	93.5	Midland National Life Insurance Company	A+
2,850,000	M	70	90.6	Massachusetts Mutual Life Insurance Company	AA+
1,500,000	M	68	139.6	Metropolitan Life Insurance Company	AA-
$452,478,414					

(1) The insured's age is current as of the measurement date.

(2) The insured's life expectancy estimate is the average of two life expectancy estimates provided by independent third-party medical actuarial underwriting firms at the time of purchase, actuarially adjusted through the measurement date.

Obtaining Life Insurance Policies

We seek to purchase life insurance policies nationwide. We work directly with consumers to purchase their policies in states where we hold proper licensure, and in states where we are not licensed we work through other licensed providers. Policy sourcing typically begins with life insurance agents that identify policy owners who should consider selling a life insurance policy. The agents typically work with professional life insurance policy brokers specializing in packaging the policies for presentation to potential purchasers. Their packaging includes obtaining medical records on the insured, life expectancy estimates from medical actuarial firms, current insurance policy illustrations, and other information needed to enable potential purchasers to properly evaluate the policy. The purchasers may work directly in the market or through "providers" who represent investors. Once potential purchasers have evaluated the policy, the policy is sold through an auction process whereby brokers facilitate competing bids from purchasers, concurrently negotiating fees. The highest bidder typically wins the auction, but not always. Brokers and agents also consider the track record of the purchaser and will sometimes award the policy to the purchaser most likely to get the sale of the policy closed. This has been one of our advantages, as we have developed a network of brokers throughout the United States who have advised us that they recognize that our purchase criteria and bids are reliable. This enables the brokers to focus on policy referrals, thus filtering out policies they know we will not consider, and maximizing their return on effort to close the sale of a policy.

Our contacts with life insurance policy brokers and life insurance agent, from whom we obtain referrals, have been developed over the past several years through our marketing efforts. We maintain membership affiliations and representation within key industry groups, such as the Life Insurance Settlement Association (LISA). We typically sponsor events and or maintain a trade booth where we are able to maintain contacts with existing life settlement brokers and meet new brokers to submit policies for purchase.

Life Insurance Policy Underwriting and Purchasing Process

The process used to value and underwrite life insurance policies is relatively new and continues to be refined. We underwrite and administer all the life insurance policies that we purchase. When we identify a

suitable client owning a life insurance policy that meets our purchasing criteria, we seek to make a bid that provides us with an expected internal rate of return that meets our internal guidelines. Once our bid is accepted, we enter into a policy purchase agreement with the seller. This agreement gives us the right to, among other things, pay premiums, collect policy benefits, file collateral assignments, change the ownership, and obtain medical records. The terms of the agreement are standardized.

We maintain an underwriting department with experience in underwriting life insurance policies for purchase in the secondary market. The underwriting due diligence process consists of a careful review and analysis of available due-diligence materials related to a life insurance policy and the covered individual. The goal of the underwriting process is to make an informed purchasing decision with respect to the life insurance policy. While we believe that our underwriting policies and practices are consistent with industry best practices, it is possible that the processes may change or may not accurately reflect actual mortality experience or catch fraud or deception by sellers. To the extent the underwriting is not accurate or we are subject to fraud or deception by sellers, the performance of policies may be different from the expected results, which could adversely affect profitability.

Life Insurance Policy Characteristics

We purchase universal life insurance policies whose insureds are 65 years or older and whose actuarial life expectancies are less than 168 months. In some cases, however, we purchase term life insurance policies that are convertible into universal life insurance policies, depending on the analysis of the life insurance policy and the insured's life expectancy. The life expectancy is the number of months the insured is expected to live based upon 50% mortality (meaning roughly half of the individuals with similar age, sex, smoking and medical statuses will have died within that number of months), which is in turn based upon actuarial studies. We purchase life insurance policies with the goal that the average life expectancy in the portfolio generally will not exceed 144 months. The requirements as to which life insurance policies we will purchase are set forth in the indenture. We reserve the right to disqualify some life insurance companies or categories of life insurance policies for purchasing in our sole discretion.

We purchase life insurance policies that have been in force for more than two years from the policy issuance date and meet our other underwriting guidelines. Our underwriting and business development departments use pricing and credit criteria that are similar to those used by other institutions that finance similar assets. We test the prospective life insurance policies through the use of at least two life expectancy reports for assessing the value of the life insurance policies. In addition, the relevant historical, projected and actual premium streams are reviewed to assess the accuracy of the pricing expectations and identify any variance from projected premium levels, as well as the cause of such variance. This includes a periodic review of the policy's premium payment history and ongoing confirmations of account values with life insurance companies.

Pricing Life Insurance Policies

Pricing involves an analysis of both the policy and the insured. An analysis of the insurance policy starts with an illustration obtained from the insurance company providing a schedule of level premium payments until the insured reaches age 125. Then, utilizing pricing software now owned by Modeling Actuarial Pricing Systems, Inc. ("MAPS"), we reverse engineer the premium schedule of the policy to determine a premium schedule that provides for the minimum payments required to keep the policy in effect. An analysis of the insured involves an actuarial evaluation of the insured's probable mortality at different points in the future—the mortality curve. This analysis covers the insured's entire projected lifespan using estimates generated by third-party medical actuarial underwriting firms ("life expectancy reports").

In determining the life expectancy estimate, we require at least two life expectancy reports from independent medical actuarial underwriting firms, and we average the estimates of the two reports to generate

our estimated life expectancy. The health of the insured is summarized by the underwriters into a health assessment based on the review of the insured's historical and current medical records. The underwriting assesses the characteristics and health risks of the insured in order to quantify the health into a mortality rating that represents their life expectancy. We average the life expectancy estimates provided by independent medical actuarial underwriting firms to form our life expectancy estimate.

By combining the optimized premiums and the insured's life expectancy estimate within the MAPS software, we generate detailed information, including the expected mortality curve over the insured's total projected lifespan; the expected servicing and related costs over the insured's total projected lifespan; the expected policy benefit paid over the insured's total projected lifespan; the account values within the policy; and the expected internal rate of return we will achieve at various purchase prices. From this information set, we are able to calculate the present value of the life insurance policy by discounting the anticipated cash flows at the sought for internal rate of return using the probabilistic pricing methodology employed by the MAPS program. The price of the policy, or its value, is the present value of the policy's cash flows discounted at our expected internal rate of return. We expect that we will realize an operating profit as long as we are able to acquire and service life insurance policies that generate yields in excess of our borrowing costs.

Portfolio Administration

We have developed a comprehensive administration and servicing platform to administer and service the life insurance policies we own. This allows us to safeguard our life insurance policy assets and to process and report on the assets in our portfolio. We regularly contact each insurance company on every policy we own to verify policy account values, confirm the correct application of premium payments made, and the resulting account values inside the life insurance policy after application of the premium payment and the deduction of the cost of insurance. We typically maintain little account value inside the policy and seek to make only minimum premium payments necessary to keep the life insurance policy in force until the next scheduled premium payment.

In addition to policy servicing, we monitor insureds by periodically contacting them directly, or their appointed representatives, to confirm their location and health status. We monitor social security database for mortalities as well as online obituary databases. When we are notified of an insured's mortality, we are required to obtain a copy of the death certificate and present it to the life insurance company for payment of the face value of the policy benefit.

Portfolio Management

We realize profits by earning a spread between the cost of purchasing and maintaining a life insurance portfolio over its duration and face value of the policy benefits that will be paid upon the insured's mortality. We believe that building and managing a profitable portfolio of life insurance policies is complex, requires considerable technical knowledge and resources, and is subject to numerous regulations. We have developed extensive experience and disciplines to work toward a stable and profitable portfolio. We update our actuarial projections each month for the portfolio based on the life expectancies, premium payments made, and mortalities experienced. These data points combine to provide us with future forecasted cash flows with respect to our portfolio of life insurance assets. These forecasted future cash flows, along with our current financial position, are combined in a comprehensive model that includes detailed assumptions as to interest rates, financing costs, policy acquisitions, and capital markets activities. This comprehensive financial model enables us to closely monitor and manage our necessary capital reserves and future profitability.

We believe our portfolio represents a balanced and stable portfolio of life insurance policies. In order to assess the stability of our portfolio, we analyze longevity risk, which is the risk of the insured living longer than his/her life expectancy estimate. Longevity risk is the single largest variable affecting the returns on an

investment in life insurance policy assets and the ability to predict the portfolio's value over time. Research by A.M. Best and others indicates that, as the number of insured lives increase within a portfolio of life insurance policies, there is a decrease in the standard deviation of the value of the portfolio—i.e., the stability of longevity risk increases with an increase in the number of insured lives.

While Standard & Poor's has indicated that statistical credibility is unlikely to be achieved with a pool of less than 1,000 lives, a study published in 2009 by A.M. Best concluded that at least 300 lives are necessary to narrow the band of cash flow volatility in the Monte Carlo simulations, i.e., the same methodology we use to evaluate our portfolios. Our internal analysis of our portfolio, which currently consists of 156 lives, resulted in a standard deviation that is comparable with the A.M. Best measurement for a portfolio of 200 lives. We believe this result is due to the specific portfolio make up of our portfolio relative to the variation in underlying life expectancy estimates. Further, A.M. Best suggests that no one life should comprise more than 3.33% of the face value of an entire portfolio or collateral pool. As of June 30, 2011, the largest face value policy in our portfolio represented approximately 2.21% of the total portfolio. We intend to maintain a well diversified and relatively stable portfolio as we continue to expand our purchases of life insurance policies.

We also believe our portfolio represents a profitable portfolio. In order to assess the profitability, we analyze the future cash flows expected from our portfolio of life insurance policies. The standard practice within the insurance industry is to analyze the timing of uncertain future cash flows through stochastic modeling, or Monte Carlo simulations. We continue to analyze the internal rates of return and spread against borrowing costs represented by our portfolio.

Portfolio Credit Risk Management

The life insurance policies that we acquire represent obligations of third-party life insurance companies to pay the benefits under the relevant policy. Because we finance life insurance policies, we rely on the payments from the face value of policy benefits from life insurance companies for revenue collections. We rely on the face value of the life insurance policy at maturity as the exclusive form of payment.

The possible insolvency or loss by a life insurance company is a significant risk to our business. In order to manage this risk, our purchasing policy is that, unless the benefits of a particular policy fall within applicable state minimum guarantees, 90% of life insurance companies insuring the policies in our portfolio hold an investment grade rating from either A.M. Best, Moody's or Standard & Poor's. This policy also comprises a covenant under the borrowing documents relating to our subsidiary secured notes. To further mitigate risk, our purchasing policy is to limit the face amount of policies issued by any one life insurance company within the total portfolio to 20%. State guaranty funds generally guaranty policy benefits less than $200,000. In addition, to assure diversity and stability in our portfolio, we regularly review the various metrics of our portfolio relating to credit risk. We track industry rating agency reports and industry journals and articles in order to gain insight into possible financial problems of life insurance companies. Recently, some of the credit ratings on insurance companies were downgraded and we will no longer consider purchasing policies issued by these insurance companies. Finally, we will only purchase those life insurance policies that meet the financial requirements and underwriting standards established in the indenture.

Of the 33 insurance companies that insure the policies we own, ten companies insure approximately 81.87% of total face value of insurance benefits and the remaining 23 insurance companies insure the remaining approximately 18.13% of total face value of insurance benefits. We seek to have not more than 20% of our total insured benefits insured by any one company. All of the companies are rated "A" or better from Standard & Poor's. The concentration risk of our ten largest insurance company holdings as of June 30, 2011, is set forth in the table below.

Rank	Face Value Benefit Amt. ($)	Percentage of Total Portfolio Face Value Benefit Amt. (%)	Insurance Company	Ins. Co. S&P Rating
1	$81,030,000	17.91%	AXA Equitable Life Insurance Company	AA-
2	71,744,847	15.86%	John Hancock Life Insurance Company (U.S.A)	AA-
3	51,686,500	11.42%	Transamerica Life Insurance Company	AA-
4	48,065,000	10.62%	Jefferson-Pilot Life Insurance Company	AA-
5	35,585,000	7.86%	Massachusetts Mutual Life insurance Company	AA+
6	26,250,000	5.80%	American General Life Insurance Company	A+
7	21,300,000	4.71%	ING Life Insurance and Annuity Company	A
8	12,200,000	2.70%	Lincoln Benefit Life Company	A+
9	11,900,000	2.63%	American National Insurance Company	A+
10	10,666,058	2.36%	Metropolitan Life Insurance Company	AA-

Servicing Agents

We have contracted with Wells Fargo Bank to provide servicing, collateral agent, and trustee services with respect to certain life insurance policies owned by DLP Funding II. In addition, we have contracted with Bank of Utah to provide servicing, collateral agent, and trustee services with respect to all other life insurance policies we own. Wells Fargo Bank and Bank of Utah provide services for certain life insurance policies in connection with ownership and tracking of life insurance policies it owns, including paying premiums, posting of payments (receipts) of the life insurance policies, certain monitoring, enforcement of rights and payor notifications, and related services. We reserve the right to service and provide collateral agent services for certain life insurance policies directly, or appoint additional third-party servicers in the future. Neither Wells Fargo Bank nor Bank of Utah participated in the preparation of this prospectus and they make no representations concerning the debentures, the collateral securing obligations under the debentures, or any other matter stated in this prospectus. Wells Fargo Bank and Bank of Utah have no duty or obligation to pay the debentures from their funds, assets or corporate capital or to make inquiry regarding, or investigate the use of, amounts disbursed from any account.

Competition

We encounter significant competition in the life insurance purchasing and financing business from numerous companies, including hedge funds, investment banks, secured lenders, specialty life insurance finance companies and life insurance companies themselves. Many of these competitors have greater financial and other resources than we do and may have significantly lower cost of funds because they have greater access to insured deposits or the capital markets. Moreover, some of these competitors have significant cash reserves and can better fund shortfalls in collections that might have a more pronounced impact on companies such as ours. They also have greater market share. In the event that the life insurance companies make a significant effort to compete against the business, we would experience significant challenges with our business model.

Competition can take many forms, including the pricing of the financing, transaction structuring, timeliness and responsiveness in processing a seller's application and customer service. Some of the competitors may outperform us in these areas. Some competitors target the same type of life insurance clients as we do and generally have operated in the markets we service for a longer period of time. Increased competition may result

in increasing our costs of purchasing policies, or it may affect the availability and qualify of policies that are available for our purchase. These factors could adversely affect our profitability by reducing our return on investment or increasing our risk.

Government Regulation

The life insurance sector is highly regulated at both the federal and state levels. We are subject to federal and state regulation and supervision in the life insurance purchasing and finance business. There are significant regulations in many states that require us to obtain specific licenses or approvals to be able to purchase life insurance policies in those states. We continually research and monitor regulations and apply for the appropriate licenses in the required states.

Governments at both the federal and state levels have continued to review the impact of the business on the life insurance industry. Moreover, recent federal government actions with respect to insurance companies have increased the federal government's role in regulating the insurance industry. These efforts may affect the number of life insurance policies available for purchase and their attractiveness.

State statutes typically provide state regulatory agencies with significant powers to interpret, administer and enforce the laws relating to the purchase of life insurance policies in those states. Under statutory authority, state regulators have broad discretionary power and may impose new licensing requirements, interpret or enforce existing regulatory requirements in different ways or issue new administrative rules, even if not contained in state statutes. State regulators may also impose rules that are generally adverse to our industry. Because the life insurance secondary market is relatively new and because of the history of certain abuses in the industry, we believe it is likely that state regulation will increase and grow more complex during the foreseeable future. We cannot, however, predict what any new regulation would specifically involve.

Any adverse change in present laws or regulations, or their interpretation, in one or more states in which we operate (or an aggregation of states in which we conduct a significant amount of business) could result in our curtailment or termination of operations in such jurisdictions, or cause us to modify our operations in a way that adversely affects our profitability. Any such action could have a corresponding material and negative impact on our results of operations and financial condition, primarily through a material decrease in revenues, and could also negatively affect our general business prospects.

Some states and the SEC have, on occasion, attempted to regulate the purchase of non-variable life insurance policies as transactions in securities under federal or state securities laws. In July 2010, the SEC issued a Staff Report of its Life Settlement Task Force. In that report, the Staff recommended that certain types of purchased life insurance policies be classified as securities. The SEC has not taken any position on the Staff Report, and there is no indication if the SEC will take or advocate for any action to implement the recommendations of the Staff Report. In addition, there have been several federal court cases in which transactions involving the purchase and fractionalization of life insurance contracts have been held to be transactions in securities under the federal Securities Act of 1933. We believe that the matters discussed in the Staff Report, and existing caselaw, do not impact our current business model since our purchases of life settlements are distinguishable from those cases that have been held by courts, and advocated by the Staff Report, to be transactions in securities. For example, we are not involved in fractionalization of any life insurance policies, and we do not purchase variable life insurance policies.

If federal law were to change, whether by action of the Congress or through the courts, with the result that purchases of non-fractionalized and non-variable life insurance policies would be considered transactions in securities, we would be in violation of existing covenants under our revolving credit facility requiring us to not be an "investment company" under the Investment Company Act of 1940. This could in the short or long term affect our liquidity and increase our cost of capital and operational expenses, all of which would adversely affect our operating results. It is possible that such an outcome could threaten the viability of our business and our ability to satisfy our obligations as they come due, including obligations under our debentures.

With respect to state securities laws, many of states currently treat the sale of a life insurance policy as a securities transaction under state laws, although most states exclude from the definition of security the original sale from the insured or the policy owner to the provider. To date, due to the manner in which we conduct and structure our activities and the availability, in certain instances, of exceptions and exemptions under securities laws, such laws have not adversely impacted our business model.

State Life Settlement License Requirements

State laws differ as to the extent to which purchasers of life insurance policies are required to be licensed by a state regulatory agency. We may elect to conduct the life insurance policy purchasing only in those states in which we are licensed or where no licensure is required. The licensing requirements differ from state to state, but where they exist, they typically require the payment of licensing fees, periodic reporting, and submission to audit by state regulators. We do not intend to purchase any life insurance policies in any states that require a license or similar qualification without first obtaining such license or qualification or purchasing through a licensed provider in that state.

The table below identifies all states (and the District of Columbia) in which we can do business directly with the seller of a life insurance policy. An asterisk (*) indicates that the state does not require licensing. In those states identified in the right-hand column, we can purchase policies through our provider relationships with Magna Administrative Services, Inc. and Lotus Life, LLC. If our relationships with either Magna Administrative Services or Lotus Life were to end, for any reason, we believe we would be able to replace that relationship quickly.

States Where We Conduct Business Directly	States Where We Conduct Business Through Other Licensed Providers
Alabama*	California
Arizona*	Colorado
Arkansas	Florida
Connecticut	Georgia
Delaware	Illinois
District of Columbia*	Kentucky
Hawaii*	Minnesota
Indiana	Nevada
Iowa	New Jersey
Kansas	New York
Louisiana	Ohio
Maine	Rhode Island
Maryland	Wisconsin
Massachusetts*	
Michigan*	
Mississippi	
Missouri*	
Nebraska	
New Mexico*	
North Carolina	
Oklahoma	
Pennsylvania	
South Carolina*	
South Dakota*	
Tennessee	
Texas	
Virginia	
Wyoming*	

We are not presently able to conduct business in the following states due to the fact that we neither have a license to operate in that state nor do we have a relationship with another licensed provider in that state: Alaska, Idaho, Montana, New Hampshire, North Dakota, Oregon, Utah, Vermont, Washington and West Virginia.

Health Insurance Portability and Accountability Act

HIPAA requires that holders of medical records maintain such records and implement procedures in ways designed to assure the privacy of patient records. HIPAA has precipitated widespread changes in record keeping, including patient consent forms and access restrictions in data processing software. In order to carry out the business, we receive medical records and obtain a release to share such records with a defined group of persons. We are entitled to have access to patient information, take on the responsibility for preserving the privacy of that information, and use the information only for purposes related to the life insurance policies.

Regulatory Matters

In 2007, the Florida Department of Insurance issued us an order to desist and refrain from further operating as a life settlement provider unless and until qualification had been made under the Florida law, or unless exempt. In April 2009, without admitting any wrongdoing, we settled the matter with the Department of Insurance. Furthermore, in April 2011, without admitting any wrongdoing, we entered into a settlement agreement with the Nevada Secretary of State, Securities Division, for alleged failures to register as a broker-dealer of life insurance settlement transactions and to file a notice of exempt offering for the sale of subsidiary secured notes to residents of that state in 2009-2010. We believe that we are in compliance with all applicable laws in Florida, Nevada, and elsewhere, and that neither the Company nor this offering is adversely impacted by the Florida or Nevada settlements.

Employees

We employ approximately 22 employees.

Properties

Our principal executive offices are located at 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota 55402. We lease 11,695 square feet of space for a lease term expiring in April 20, 2012. We believe that the existing facilities are adequate for our current needs and that suitable additional space will be available as needed.

Legal Proceedings

Our Chief Executive Officer, Jon R. Sabes and Chief Operating Officer, Steven F. Sabes, who together beneficially own approximately 95.6% of our common stock are subject to litigation relating to claims by a bankruptcy trustee for loan payments to an affiliate, Opportunity Finance, LLC, received, and such payments may ultimately be deemed to be avoidable transfers under preference or other legal theories. Case No. 08-45257 (U.S. Bankruptcy Court District of Minnesota). In addition, GWG Holdings invested $1 million in Opportunity Finance, LLC in 2006 and was repaid and received $176,948 of interest income from that investment in 2007. To date, no claim has been made against us.

While we believe there are numerous meritorious defenses to the claims made by the bankruptcy trustee, and we are advised that the defendants in that action will vigorously defend against the trustee’s claims, such defendants may not prevail in the litigation with the bankruptcy trustee. If the bankruptcy trustee sought to sell or transfer the equity interests of Jon R. Sabes or Steven F. Sabes as a result of the litigation, there could be a

change in control and our business together with all of our investors, including investors in our debentures could be materially and adversely impacted. Such adverse results would likely arise in connection with negative change-in-control covenants contained in our revolving credit facility agreements, the breach of those covenants and an ensuing event of default under such facility. In addition, if the bankruptcy trustee sought to sell or transfer the equity interests of Jon R. Sabes or Steven F. Sabes as a result of the litigation, such transfers would adversely affect debenture holders by reducing the number of shares of common stock of GWG Holdings that have been pledged as collateral security for our obligations under the debentures. Finally, regardless of the outcome of this litigation, these matters are likely to distract management and reduce the time and attention that they are able to devote to our business.

MANAGEMENT

Directors and Executive Officers

The name, age and positions of our current executive officers and directors are as follows:

Name	Age	Positions
Jon R. Sabes	44	Chief Executive Officer and Director
Paul A. Siegert	72	President and Director (Chairman of the Board)
Steven F. Sabes	42	Chief Operating Officer, Secretary and Director
Jon Gangelhoff	51	Chief Financial Officer
Brian Tyrell	50	Director
Laurence Zipkin	71	Director
Kenneth Chaim Fink	46	Director

Jon R. Sabes, co-founder and Chief Executive Officer of our company and GWG Life, is a financial professional with over 20 years of experience in the fields of law, finance, banking, venture capital, business development, managerial operations, and federal taxation. Since 1999, Mr. Sabes has served as Chief Executive Officer of Opportunity Finance, LLC, a family investment company specializing in structured finance. Over his career, Mr. Sabes has been active in receivable financing, life insurance financing, and casualty insurance financing, structuring over $900 million in financing commitments for his related businesses. Mr. Sabes' experience includes co-founding and leading the development of two leading insurance-related finance companies: GWG Life Settlements, LLC, a company in the life insurance finance industry founded in 2006, and MedFinance, an innovator in casualty insurance and healthcare finance founded in 2005. Through these companies, Mr. Sabes has developed and applied financial structuring techniques, underwriting algorithms, and business modeling aspects to the insurance industry. Mr. Sabes' education includes a Juris Doctor degree *cum laude* from the University of Minnesota Law School; and a Bachelor of Arts degree in Economics, from the University of Colorado. Over his career, Mr. Sabes has held several licenses and professional association memberships including FINRA Series 7, Series 63, Minnesota State Bar Association, and American Bar Association. In addition to being an active father of three, Mr. Sabes serves on the boards of several charities and foundations, including Saving Children and Building Families, and the Insurance Studies Institute. Mr. Sabes is the brother of Steven F. Sabes. Mr. Sabes has served as our Chief Executive Officer, and a director, since 2006.

Steven F. Sabes, co-founder and Chief Operating Officer and Secretary of our company and GWG Life, is responsible for various managerial aspects of our business, with a specific focus on treasury and financial operations, life insurance policy purchasing, and specialty finance operations. Since 1998, Mr. Sabes has served as a Managing Director of Opportunity Finance, LLC, a family investment company specializing in structured finance. Mr. Sabes holds a Master of Science and Doctor of Philosophy in organic chemistry from the University of Minnesota, as well as a Bachelor of Arts degree from The Colorado College. Mr. Sabes is the brother of Jon Sabes. Mr. Sabes has served as our Chief Operating Officer and Secretary, and a director, since 2006.

Paul A. Siegert, co-founder of our company and GWG Life, has over 50 years experience in national and international business with focus on general business, financial and investment strategies, management practices, fiscal controls, profit incentives, systems and corporate structuring and governance. Over his career, Mr. Siegert has consulted to Fortune 500 corporations, regional firms, emerging businesses, government and education, and has served as director, general partner and advisor to partnerships and corporations, including restructuring of economically troubled businesses. Mr. Siegert has provided written testimony to the Senate Finance Committee regarding SEC practices and created two companies registered under the Investment Advisors Act of 1940. Mr. Siegert was an active participant in the formation and direction of the Colorado Institute for Artificial Intelligence at the University of Colorado. Mr. Siegert's education includes studies toward a Master of Business Administration, University of Chicago; and Bachelor of Science and Industrial Management, Purdue University. His insurance-related experiences include the creation of one of the nation's first employer self-funded life, medical and disability insurance programs; designing medical, life insurance and social security opt-out

programs for educational institutions; incorporation of financial analysis disciplines in life insurance and estate planning; and strategizing of key-man insurance plans and life insurance in business continuation planning for corporations and senior executives. From 1979 to 1986, Mr. Siegert was nationally recognized as a tax and estate planning expert. In 1999 Mr. Siegert retired from active business to engage in various personal financial and investment endeavors. In 2004, he founded Great West Growth, LLC, a Nevada limited liability company and a predecessor to GWG Life, to purchase life insurance policies. In his capacities with GWG Life, he created an insurance policy valuation and pricing model, created life insurance policy purchase documentation, undertook state licensing and compliance and developed operating and marketing systems. Mr. Siegert currently serves as the President and Chief Executive Officer of the Insurance Studies Institute, which he founded in 2007. Mr. Siegert currently serves as President, Director and Chairman of the Board of GWG Holdings, Inc. He has been active in a variety of charities and foundations, including Rotary International.

Jon Gangelhoff has served rapidly growing businesses in several industries as chief financial officer with a strong focus on business operations since 1986. Prior to joining our company and GWG Life in 2009, he served as chief financial officer for Northern Metal Recycling, a metal recycling firm the sales of which exceeded $500 million annually, from 2006 to 2008. Mr. Gangelhoff's responsibilities at Northern Metal Recycling included acquisition and related integration operations focused on finance, information systems, and human resources functions. Prior to that, from 2003 to 2006, Mr. Gangelhoff served as the chief financial officer of Kuhlman Company, formerly a public reporting company, where he established corporate infrastructure, developed financial reporting and internal control systems, and managed the SEC reporting process. During his 25-year career, Mr. Gangelhoff has used an integrated hands-on and financial management approach to improve the performance of the companies he served in a variety of industries. Mr. Gangelhoff holds a bachelor of Bachelor of Arts degree from Mankato State University.

Brian Tyrell is a principal of Athena Securities Ltd. based in Dublin, Ireland where he has worked in the financial services industry specializing in structured investments and fund creation for over the past 19 years. Mr. Tyrrell has held directorships in a number of financial service companies with a particular focus on the life insurance finance industry for the past several years. Mr. Tyrrell is a Business Studies (Finance) graduate of Dublin City University. He completed postgraduate studies with the Society of Investment Analysts of Ireland and the Institute of Investment Management and Research UK. He is a member of the CFA Institute and a fellow of the Chartered Institute of Securities and Investment. Mr. Tyrell joined our Board of Directors in June 2011.

Laurence Zipkin is nationally recognized for his expertise in the gaming industry, restaurants, and emerging small growth companies. From 1996 to 2006, Mr. Zipkin owned Oakridge Securities, Inc. where, as an investment banker, he successfully raised capital for various early growth-stage companies and advising clients with regard to private placements, initial public offerings, mergers, debt offerings, bridge and bank financings, developing business plans and evaluating cash needs and resources. He has extensive experience in the merger and acquisition field and has represented companies on both the buy and sell side. Since 2006, Mr. Zipkin has been self-employed, engaging in various consulting activities, owning and operating two restaurant properties, and purchasing distressed real estate. Mr. Zipkin is a licensed insurance agent for both life and health insurance. Mr. Zipkin attended the University of Pennsylvania Wharton School of Finance. Mr. Zipkin joined our Board of Directors in June 2011.

Kenneth Chaim Fink is President and Chief Executive Officer of Tamar-Fink, Inc. and Family Wealth Counselors, LLC, representing family offices for estate and wealth counseling services. Since 1999, Mr. Fink has led Tamar-Fink, Inc. to become a leading life insurance agency, transacting over $1 billion of insurance sales transactions. Mr. Fink is a lifetime and qualifying member of the Million Dollar Round Table, the nation's leading life insurance sales organization. He is a member of the prestigious International Forum and Top of the Table organizations, which are limited to approximately 500 of the leading insurance agents in the world. Mr. Fink is also a member of the Planned Giving Counsel, Minnesota Life Underwriters, National Association of Insurance and Financial Advisors, and the Association for Advanced Life Underwriting. Mr. Fink is a member of the National Association of Family Wealth Counselors and was named the 1998 Family Wealth Counselor of the Year after creating and implementing plans that would generate more than $700 million dollars for charities. Recently,

Mr. Fink designed a plan that resulted in a $42 million dollar gift to the United Hospitals in Cleveland, the largest gift in their history. Mr. Fink is the recipient of the 2006 Preston Hotchkis Distinguished Achievement Award for his generous charitable and business contributions to the community. Mr. Fink has published numerous articles on tax, estate and charitable giving in leading national and regional publications. Mr. Fink is a co-contributor to the book *Getting to the Heart of the Matter*, which has received critical acclaim nationwide. Mr. Fink has been featured in Forbes magazine and quoted in many of the nation's newspapers as an expert in the field of insurance and charitable planned giving. Mr. Fink graduated Cum Laude from the University of Pennsylvania and received advanced certification as a Family Wealth Counselor in 1997. Mr. Fink joined our Board of Directors in June 2011.

When considering whether directors have the experience, qualifications, attributes and skills to enable the Board of Directors to satisfy its oversight responsibilities effectively in light of the Company's business and structure, the Board of Directors focuses primarily on the information discussed in each of the directors' individual biographies set forth above. With regard to Mr. Jon R. Sabes, the board considered his significant experience, expertise and background with regard to financial matters, and his demonstrated experience and skills in managing the Company's business. With regard to Mr. Steven F. Sabes, the board considered his background and experience with the Company and its business. With respect to Mr. Siegert, the board considered his significant experience in securities and finance, and his background in secondary life insurance market. With regard to Mr. Tyrell, the board considered his experience in global capital markets and his knowledge and experience with the secondary life insurance market. In the case of Mr. Zipkin, the board considered his knowledge, experience and skills in the finance, public securities and investment banking fields. With regard to Mr. Fink, the board considered his extensive background and knowledge of the insurance industry.

The Board of Directors periodically reviews relationships that directors have with the Company to determine whether the directors are independent. Directors are considered "independent" as long as they do not accept any consulting, advisory or other compensatory fee (other than director fees) from the Corporation, are not an affiliated person of the Company or its subsidiaries (e.g., an officer or a greater-than-ten-percent shareholder) and are independent within the meaning of applicable laws, regulations and the Nasdaq listing rules. In this latter regard, the Board of Directors uses the Nasdaq listing rules (specifically, Section 5605(a)(2) of such rules) as a benchmark for determining which, if any, of its directors are independent, solely in order to comply with applicable SEC disclosure rules. However, this is for disclosure purposes only. It should be understood that, as a corporation whose shares are not listed for trading on any securities exchange or listing service, the Company is not required to have any independent directors at all on its Board of Directors, or any independent directors serving on any particular committees of the Board of Directors.

The Board of Directors has determined that, of its current directors, Messrs. Tyrell, Zipkin and Fink are independent within the meaning of the Nasdaq listing rule cited above. In the case of Mr. Siegert, his position as an executive officer of the Company precludes him from being considered independent. In the case of both Messrs. Jon R. and Steven F. Sabes, their positions as executive officers of the Company, together with their beneficial ownership of more than ten percent of the common stock of the Company, similarly precludes them from being considered independent within the meaning of the cited Nasdaq listing rule.

If the Company had its shares listed for trading on the Nasdaq Stock Market, the composition of its Board of Directors would not meet the Nasdaq requirement that a majority of its directors be independent, and would not have met such requirement at any time during fiscal 2010. Similarly, the composition of the committees of our Board of Directors would not meet the Nasdaq requirements for either independence or minimum number of directors.

Indemnification of Directors and Executive Officers

Section 145 of the Delaware General Corporation Law provides for, under certain circumstances, the indemnification of our officers, directors, employees and agents against liabilities that they may incur in such capacities. A summary of the circumstances in which such indemnification provided for is contained herein, but that description is qualified in its entirety by reference to the relevant Section of the Delaware General Corporation Law.

In general, the statute provides that any director, officer, employee or agent of a corporation may be indemnified against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred in a proceeding (including any civil, criminal, administrative or investigative proceeding) to which the individual was a party by reason of such status. Such indemnity may be provided if the indemnified person's actions resulting in the liabilities: (i) were taken in good faith; (ii) were reasonably believed to have been in or not opposed to our best interest; and (iii) with respect to any criminal action, such person had no reasonable cause to believe the actions were unlawful. Unless ordered by a court, indemnification generally may be awarded only after a determination of independent members of the Board of Directors or a committee thereof, by independent legal counsel or by vote of the stockholders that the applicable standard of conduct was met by the individual to be indemnified.

The statutory provisions further provide that to the extent a director, officer, employee or agent is wholly successful on the merits or otherwise in defense of any proceeding to which he was a party, he is entitled to receive indemnification against expenses, including attorneys' fees, actually and reasonably incurred in connection with the proceeding.

Indemnification in connection with a proceeding by or in the right of GWG Holdings, Inc. in which the director, officer, employee or agent is successful is permitted only with respect to expenses, including attorneys' fees actually and reasonably incurred in connection with the defense. In such actions, the person to be indemnified must have acted in good faith, in a manner believed to have been in our best interest and must not have been adjudged liable to us unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expense which the Court of Chancery or such other court shall deem proper. Indemnification is otherwise prohibited in connection with a proceeding brought on behalf of GWG Holdings, Inc. in which a director is adjudged liable to us, or in connection with any proceeding charging improper personal benefit to the director in which the director is adjudged liable for receipt of an improper personal benefit.

Delaware law authorizes us to reimburse or pay reasonable expenses incurred by a director, officer, employee or agent in connection with a proceeding in advance of a final disposition of the matter. Such advances of expenses are permitted if the person furnishes to us a written agreement to repay such advances if it is determined that he is not entitled to be indemnified by us.

The statutory section cited above further specifies that any provisions for indemnification of or advances for expenses does not exclude other rights under our certificate of incorporation, corporate bylaws, resolutions of our stockholders or disinterested directors, or otherwise. These indemnification provisions continue for a person who has ceased to be a director, officer, employee or agent of the corporation and inure to the benefit of the heirs, executors and administrators of such persons.

The statutory provision cited above also grants the power to GWG Holdings, Inc. to purchase and maintain insurance policies that protect any director, officer, employee or agent against any liability asserted against or incurred by him in such capacity arising out of his status as such. Such policies may provide for indemnification whether or not the corporation would otherwise have the power to provide for it.

Article 6 of our corporate bylaws provides that we shall indemnify our directors, officers, employees and agents to the fullest extent permitted by the Delaware General Corporation Law. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling GWG Holdings, Inc. pursuant to the foregoing provisions, we understand that in the opinion of the SEC such indemnification is against public policy as expressed in that Act and is therefore unenforceable.

We have purchased directors' and officers' liability insurance through in order to limit the exposure to liability for indemnification of directors and officers, including liabilities under the 1933 Securities Act.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the cash and non-cash compensation awarded to or earned by: (i) each individual who served as the principal executive officer and principal financial officer of GWG Holdings during the year ended December 31, 2010; and (ii) each other individual that served as an executive officer of either GWG Holdings or GWG Life Settlements, Inc. at the conclusion of the year ended December 31, 2010 and who received more than $100,000 in the form of salary and bonus during such fiscal year. For purposes of this report, these individuals are collectively the "named executives" of the Company.

Name and Principal Position		Salary	Other Annual Compensation	Stock Option Awards	Total
Jon R. Sabes	2010	$ 0(1)	—	—	$ 0(1)
Chief Executive Officer	2009	$ 0(1)	—	—	$ 0(1)
Jon Gangelhoff	2010	$120,000	25,000	—	$145,000
Chief Financial Officer	2009	$120,000	2,500	—	$122,500

(1) Mr. Sabes received no salary during 2010 or 2009. Mr. Sabes did, however, receive loan advances, on which advances interest accrued at rates ranging from 4.2% to 5.0% per annum. The advances were repaid in full on July 27, 2011. This arrangement is more fully described in the narrative below. Total advances made under this arrangement during 2010 and 2009 were $162,500 and $137,500, respectively.

Employment Agreements and Change-in-Control Provisions

In June 2011, we entered into employment agreements with each of Messrs. Jon R. Sabes, Steven F. Sabes, Paul Siegert and Jon Gangelhoff. Mr. Jon R. Sabes is our Chief Executive Officer; Mr. Steven F. Sabes is our Chief Operating Officer and Secretary; Mr. Siegert is our President (and also our Chairman of the Board); and Mr. Gangelhoff is our Chief Financial Officer. These employment agreements establish key employment terms (including reporting responsibilities, base salary, discretionary and bonus opportunity and other benefits), provide for severance benefits in certain situations, and contain non-competition, non-solicitation and confidentiality covenants.

Under their respective employment agreements, Mr. Jon R. Sabes receives an annual base salary of $350,000, Messrs. Steven F. Sabes and Paul A. Siegert receive an annual base salary of $150,000, and Mr. Gangelhoff receives an annual base salary of $120,000. The employment agreements contain customary provisions prohibiting the executives from soliciting our employees for one year after any termination of employment, and from competing with the Company for either two years (if the executive is terminated for good cause or if he resigns without good reason) or one year (if we terminate the executive's employment without good cause or if he resigns with good reason). If an executive's employment is terminated by us without "good cause" or if the executive voluntarily resigns with "good reason," then the executive will be entitled to (i) severance pay for a period of 12 months and (ii) reimbursement for health insurance premiums for his family if he elects continued coverage under COBRA.

The employment agreements for Messrs. Jon Sabes, Steve Sabes and Paul Siegert also provide that we will reimburse them for any legal costs they incur in enforcing their rights under the employment agreement and, to the fullest extent permitted by applicable law, indemnify them for claims, costs and expenses arising in connection with their employment, regardless of the outcome of any such legal contest, as well as interest at the prime rate on any payments under the employment agreements that are determined to be past due, unless prohibited by law.

All of the executive employment agreements include a provision allowing us to reduce their severance payments and any other payments to which the executive becomes entitled as a result of our change in control to the extent needed for the executive to avoid paying an excise tax under Code Section 280G, unless, the named executive officer is better off, on an after-tax basis, receiving the full amount of such payments and paying the excise taxes due.

Prior to entering into the executive employments with Messrs. Jon R. Sabes, Paul A. Siegert and Steven F. Sabes, those individuals received loan advances that accrued interest at rates ranging from 4.2% to 5.0% per annum. Under this arrangement, made during the time when GWG Holdings was a limited liability company, these advance amounts were to be repaid upon or in connection with operating distributions made by us. Under the prior arrangements and through June 13, 2011, advances aggregating approximately $981,167 were made to Jon R. Sabes with cumulative interest owed of $114,496, $287,500 to Paul A. Siegert with cumulative interest owed of $22,708, and $861,976 to Steven F. Sabes with cumulative interest owed of $94,438. As indicated in footnote (1) to the Summary Compensation Table, Mr. Jon R. Sabes received $162,500 of these advances during 2010. In addition, each of Mr. Paul A. Siegert and Mr. Steven F. Sabes received $150,000 of advances during 2010. On July 27, 2011, Messrs. Jon R. Sabes, Steven F. Sabes and Paul A. Siegert repaid their loan balances.

Outstanding Equity Awards at Fiscal Year End

We had no outstanding equity awards as of December 31, 2010 for any named executives.

Compensation of Directors

Currently, our directors receive no compensation pursuant to any standard arrangement for their services as directors. Nevertheless, we may in the future determine to provide our directors with some form of compensation, either cash or options or contractually restricted securities.

Related-Party Transactions

As explained above under "—Employment Agreements and Change-in-Control Provisions," we were party to an arrangement with each of Jon R. Sabes, Paul A. Siegert and Steven F. Sabes whereby those individuals received loan advances that accrued interest at rates ranging from 4.2% to 5.0% per annum. Under this arrangement, made during the time when GWG Holdings was a limited liability company, these advance amounts were to be repaid upon or in connection with operating distributions made by us. From inception through June 13, 2011, advances aggregating approximately $981,167 were made to Jon R. Sabes with cumulative interest owed of $114,496, $287,500 to Paul A. Siegert with cumulative interest owed of $22,708, and $861,976 were made to Steven F. Sabes with cumulative interest owed of $94,438. As indicated in footnote (1) to the Summary Compensation Table above, Mr. Jon R. Sabes received $162,500 of these advances during 2010. In addition, each of Mr. Paul A. Siegert and Mr. Steven F. Sabes received $150,000 of advances during 2010. On July 27, 2011, Messrs. Jon R. Sabes, Steven F. Sabes and Paul A. Siegert repaid their loan balances.

In May 2008, our affiliate, Insurance Strategies Fund, LLC, a Delaware limited liability company beneficially owned by Mr. Jon R. Sabes, our Chief Executive Officer, agreed to make discretionary unsecured general working capital loans to GWG Holdings for short-term working capital needs. In 2010, GWG Holdings repaid a total of $1,446,825 outstanding in principal amount of earlier made working capital loans, together with a total of $90,900 of interest on such loans. Presently, we owe no amounts to Insurance Strategies Fund. Nevertheless, an Amended and Restated Investment Agreement with Insurance Strategies Fund, dated as of September 3, 2009, remains in place. That agreement permits Insurance Strategies Fund to make additional discretionary unsecured short-term work capital loans in the future.

Effective July 14, 2008, the Company entered into an Addendum No. 1 to Sub-Sublease Agreement with Opportunity Finance, LLC, a limited liability company of which Jon R. Sabes, our Chief Executive Officer, also

serves as Chief Executive Officer. Pursuant to the Addendum, Opportunity Finance, LLC assigned to the Company, and the Company assumed, all of Opportunity Finance's rights and obligations under a Sub-Sublease Agreement between Opportunity Finance and an unrelated third party. The Sub-Sublease Agreement relates to the facilities in which we conduct our business operations. Under the Sub-Sublease Agreement, as assigned, the Company assumed the obligation to make monthly payments of base rent that range from $7,310 (from the commencement date through July 31, 2009) to $8,770 (for the period from August 1, 2011 through the April 20, 2012 expiration of the Sub-Sublease Agreement). In addition, the Sub-Sublease Agreement, as assigned, requires that the Company pay additional monthly amounts in respect of operating costs as additional rent. The Company made aggregate payments under the Sub-Sublease Agreement of $168,000 and $149,000 for the calendar years ended December 31, 2010 and 2009, respectively.

On July 11, 2011, the Company entered into and consummated certain transactions contemplated by a Purchase and Sale Agreement with Athena Securities Group Ltd. In connection with the agreement, the Company sold 494,000 shares of common stock to Athena Securities Group, and purchased 5,940 ordinary shares of Athena Structured Funds PLC. As a result of these transactions, the Company owns approximately 9.9% of Athena Structured Funds, and Athena Securities Group owns approximately 9.9% of the common stock of the Company. The larger purpose of the transaction was to facilitate cooperation among the Company and the Athena entities in future financing efforts that may permit the Company to raise capital from global markets outside of the United States for the purpose of financing the acquisition of additional life insurance policies in the secondary market.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

As of the close of business on August 22, 2011, we had outstanding one class of voting securities—common stock, of which there were 4,500,000 shares issued and outstanding. Each share of capital stock is currently entitled to one vote on all matters put to a vote of our stockholders. The following table sets forth the number of common shares, and percentage of outstanding common shares, beneficially owned as of June 10, 2010, by:

- each person known by us to be the beneficial owner of more than five percent of our outstanding common stock
- each of our current directors
- each our current executive officers and any other persons identified as a "named executive" in the Summary Compensation Table above, and
- all current executive officers and directors as a group.

Unless otherwise indicated, the address of each of the following persons is 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota 55402, and each such person has sole voting and investment power with respect to the shares set forth opposite his, her or its name.

Name and Address	Common Shares Beneficially Owned (1)	Percentage of Common Shares
Jon R. Sabes (2)	4,365,704	43.7%
Steven F. Sabes (3)	4,233,408	42.4%
Paul A. Siegert (4)	400,088	4.0%
Jon Gangelhoff (5)	0	*
Brian Tyrell (6)	0	*
Laurence Zipkin (7)	0	*
Kenneth Chaim Fink (8)	0	*
All current directors and officers as a group (9)	8,999,200	90.1%
Athena Securities Group Ltd.	988,000	9.9%

* less than one percent.

(1) Beneficial ownership is determined in accordance with the rules of the SEC, and includes general voting power and/or investment power with respect to securities. Shares of common stock issuable upon exercise of options or warrants that are currently exercisable or exercisable within 60 days of the record rate, and shares of common stock issuable upon conversion of other securities currently convertible or convertible within 60 days, are deemed outstanding for computing the beneficial ownership percentage of the person holding such securities but are not deemed outstanding for computing the beneficial ownership percentage of any other person. Under the applicable SEC rules, each person's beneficial ownership is calculated by dividing the total number of shares with respect to which they possess beneficial ownership by the total number of outstanding shares of the Company. In any case where an individual has beneficial ownership over securities that are not outstanding, but are issuable upon the exercise of options or warrants or similar rights within the next 60 days, that same number of shares is added to the denominator in the calculation described above. Because the calculation of each person's beneficial ownership set forth in the "Percentage of Common Shares" column of the table may include shares that are not presently outstanding, the sum total of the percentages set forth in such column may exceed 100%.

(2) Mr. Sabes is our Chief Executive Officer and a director of the Company. Shares reflected in the table include 200,445 shares held individually, 1,737,863 shares held by Mokeson, LLC, a Minnesota limited liability company of which Mr. Sabes is a manager and member, and 489,087 shares held by Opportunity Finance, LLC, a Minnesota limited liability company of which Mr. Sabes is a manager and member.

(3) Mr. Sabes is our Chief Operating Officer, Secretary and a director of the Company. Shares reflected in the table include 799,777 shares held individually, 489,087 shares held by Opportunity Finance, LLC, a Minnesota limited liability company of which Mr. Sabes is a manager and member, 521,158 shares held by

SFS Trust 1982, a trust of which Mr. Sabes is the beneficiary, 350,780 shares held by SFS Trust 1982 Esther, a trust of which Mr. Sabes is a beneficiary, and 200,445 shares held by SFS Trust 1976, a trust of which Mr. Sabes is a beneficiary. The trustees of each of the trusts are Robert W. Sabes, Jon R. Sabes and Ross A. Sabes.

(4) Mr. Siegert is our President and a director of the Company.
(5) Mr. Gangelhoff is our Chief Financial Officer.
(6) Mr. Tyrell is a director of the Company.
(7) Mr. Zipkin is a director of the Company.
(8) Mr. Fink is a director of the Company.
(9) Includes the beneficial ownership of Messrs. Jon R. Sabes, Steven F. Sabes, Siegert, Gangelhoff, Tyrell, Zipkin and Fink.

DESCRIPTION OF THE DEBENTURES

General

The debentures will be secured obligations of GWG Holdings. The debentures will be issued under an indenture between us and Bank of Utah, National Association, as the indenture trustee. The terms and conditions of the debentures include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939. The following is a summary of the material provisions of the indenture. For a complete understanding of the debentures, you should review the definitive terms and conditions contained in the indenture, which include definitions of certain terms used below. A copy of the indenture has been filed with the SEC as an exhibit to the registration statement of which this prospectus is a part, and is available from us at no charge upon request.

The following is a summary of the material terms associated with the debentures:

- The debentures are general secured obligations of GWG Holdings, Inc. The obligations are secured by a grant of a security interest in all of the assets of GWG Holdings, which assets will serve as collateral for our obligations under the debentures. This grant of a security interest is effected pursuant to a pledge and security agreement attached to the indenture.
- The debentures are fully and unconditionally guaranteed by our wholly owned direct subsidiary, GWG Life, but otherwise are not guaranteed by any other person or entity. The guarantee is backed by a grant of a security interest in all of the assets of GWG Life, which assets will serve as additional collateral for our obligations under the debentures. Chief among these assets is GWG Life's ownership interest in DLP Funding II. This guarantee is effected pursuant to a subsidiary guarantee agreement attached to the indenture.
- The debentures are also secured by a pledge of the equity ownership interests in GWG Holdings, Inc. by its principal stockholders—Jon R. Sabes and Steven F. Sabes—which pledge will be effected pursuant to a pledge and security agreement attached to the indenture.
- The collateral granted for our obligations under the debentures (i.e., the security interest in all of the assets of GWG Holdings, and the guarantee by GWG Life and corresponding security interest in all of its assets including a pledge of the equity ownership interests in DLP Funding II), together with (i) certain covenants contained in the documents relating to our earlier issued series of subsidiary secured notes (of which approximately $60.6 million is presently outstanding), and (ii) an intercreditor agreement between the trustee (on behalf of the debenture holders) and Lord Securities Corporation (the collateral trustee for our subsidiary secured notes), make the debentures pari passu with the subsidiary secured notes with respect to payment, security and collateral. The intercreditor agreement is attached to the indenture. As of June 30, 2011, the collateral security granted by GWG Holdings and GWG Life for our debentures (i.e., all of the assets of such entities) was valued at $5,608,584 and $65,626,282, respectively. As of December 31, 2010, such collateral was valued at $(1,576,667) and $53,002,838, respectively.
- The debentures will be junior to the $100 million revolving credit facility of DLP Funding II with Autobahn/DZ Bank, which currently has an outstanding balance of approximately $42 million. The debentures will also be junior to any later senior lending facility we may obtain.
- The debentures are not savings accounts, certificates of deposit (CDs) or other forms of "deposits," and are not insured by the FDIC or any other governmental agency.
- The debentures are *not* directly secured by any life insurance policy assets that are not owned by GWG Life. Nearly all of our life insurance policy assets (94% of our policies, representing approximately 96% of the face value of policy benefits as of June 30, 2011) are held by our DLP Funding II subsidiary. Although GWG Life's equity ownership interests in DLP Funding II is an asset in which GWG Life has pursuant to its guarantee granted a security interest to serve as collateral for obligations

under the debentures, the payment on such equity interests will be subordinate to the interests of creditors of DLP Funding II, including our senior creditor Autobahn/DZ Bank.

- The debentures do not have the benefit of a "sinking fund" for the retirement of principal.
- The debentures are not convertible into our capital stock or other securities.
- We have the option to prepay the outstanding principal balance and accrued but unpaid interest of the debentures, in whole or in part, at any time without premium or penalty. If we elect to prepay your debentures, the redeemed debentures will cease to accrue interest after the prepayment date under the terms and subject to the conditions of the indenture.
- Except in limited circumstances (death, bankruptcy or total disability), debenture holders will have no right to require us to prepay any debenture prior to its maturity date. If we in our sole discretion nonetheless elect to accommodate a prepayment request, we will impose a prepayment fee of 6% against the outstanding principal balance of the debenture redeemed and this fee will be subtracted from the amount paid to you.

The debentures will be denominated in U.S. dollars and we intend to sell the debentures at 100% of their principal face amount. The minimum investment amount in the debentures will be $25,000. Above that minimum amount, debentures may be purchased in $1,000 increments. Subject to the minimum investment amount, you may select the principal amount and term (ranging from six months to 7 years) of the debentures you would like to purchase when you subscribe. The interest rate of your debenture will remain fixed until maturity. Depending our capital requirements, we may not, however, always offer debentures with the particular terms you seek. See "Description of the Debentures—Interest Rate and Maturity" below.

Upon acceptance of your purchase subscription, we will create an account in a book-entry registration and transfer system for you, and credit the principal amount of your subscription to your account. We will send you a purchase confirmation that will indicate our acceptance of your subscription. You will have five business days from the postmark date of your purchase confirmation to rescind your subscription. If your subscription is rejected, or if you rescind your subscription during the rescission period, all funds deposited will be promptly returned to you without any interest. See "—Book-Entry Registration and Exchange" and "—Limited Rescission Right" below.

Investors whose subscriptions for debentures have been accepted and anyone who subsequently acquires debentures in a qualified transfer are referred to as "holders" or "registered holders" in this prospectus. We may modify or supplement the terms of the debentures described in this prospectus from time to time in a supplement to the indenture and a supplement to this prospectus. Except as set forth under "—Amendment, Supplement and Waiver" below, any modification or amendment will not affect debentures outstanding at the time of such modification or amendment.

The debentures are not assignable without our prior consent. The debentures may be transferred or exchanged for other debentures of the same series and class of a like aggregate principal amount subject to limitations contained in the indenture. We will not charge a fee for any registration, transfer or exchange of debentures. However, we may require the holder to pay any tax, assessment fee, or other governmental charge required in connection with any registration, transfer or exchange of debentures. The registered holder of a debenture will be treated as its owner for all purposes.

Denomination

You may purchase debentures in the minimum principal amount of $25,000, and in whole increments of $1,000 above $25,000. You will determine the original principal amount of each debenture you purchase when you subscribe. You may not cumulate purchases of multiple debentures with principal amounts less than $25,000 to satisfy the minimum requirement. In our discretion, we may waive the $25,000 minimum purchase requirement for any investor.

Term

We may offer debentures with the following terms to maturity:

- six months
- one year
- two years
- three years
- four years
- five years
- seven years

You will select the term of each debenture you purchase when you subscribe. You may purchase multiple debentures with different terms by filling in investment amounts for more than one term on your subscription agreement. However, during this offering we may not always offer debentures with each of the terms outlined above.

The actual maturity date will be on the last day of the month in which the debenture matures (i.e., in which the debenture's term ends). For example, if you select a one-year term and your debenture becomes effective on January 15, 2011, the actual maturity date will be January 31, 2012. After actual maturity, we will pay the principal and all accrued but unpaid interest on the debenture on or prior to the tenth day of the calendar month next following its maturity (or the first business day following the tenth day of such month). So, in the case of a debenture with a maturity date of January 31, 2012, actual payment will be made on or prior to February 10, 2012 (unless such date is not a business day, in which case actual payment will be made on the next business day).

Should the original debenture holder (x) no longer be the holder of the debenture or (y) be unavailable, or a change in payee be necessary, such as in the case of a surviving estate, we may require a copy of the executed assignment agreement between the original debenture holder and any transferee along with our consent to such transfer, or an order from a court or probate commission, as the case may be, in order that we know the principal is returned to the rightful party.

Interest Rate

The rate of interest we will offer to pay on debentures at any particular time will vary based upon market conditions, and will be determined by the length of the term of the debentures, our capital requirements and other factors described below. The interest rate on a particular debenture will be determined at the time of subscription or renewal, and then remain fixed for the original or renewal term of the debenture. We will establish and may change the interest rates payable for debentures of various terms and at various investment levels in an interest rate supplement to this prospectus.

We may offer debentures that earn incrementally higher interest rates when, at the time they are purchased or renewed, the aggregate principal amount of the debenture portfolio of the holder increases. If applicable, the interest rates payable at each level of investment will be set forth in an interest rate supplement to this prospectus. We may change the interest rate for any or all maturities to reflect market conditions at any time by supplementing this prospectus. If we change the interest rates, the interest rate on debentures issued before the date of the change will not be affected.

Payments on the Debentures; Paying Agent and Registrar

Investors will have the opportunity to select whether interest on their debentures will be paid monthly, annually, or upon maturity. This selection opportunity will be presented in the Subscription Agreement.

Interest will accrue on the debentures at the stated rate from and including the effective date of the debenture until maturity. The effective date of a debenture will be: (a) if the debenture is paid for via wire transfer directly to us, the business day on which we receive the wire; (b) if the debenture is paid for by bank

draft, the business day after we receive the draft; and (c) if by personal check, five business days after we receive the check. For purposes of the foregoing, the date we receive the bank draft or personal check means the date on which GWG Holdings actually receives such draft or check either directly from an investor or from a broker-dealer. We will receive all Subscription Agreements, bank drafts, and personal checks, and will deposit the drafts and checks, together with information specifying the effective date, provided that no debentures will be issued or dated prior to our receipt and acceptance of a completed and executed related Subscription Agreement. The debentures generally do not earn interest after the maturity date or any date set for prepayment.

Interest payments on debentures, other than those debentures that pay interest only at maturity, will be paid 15 days immediately following the last day of the month. Interest will be paid without any compounding unless all interest is deferred by the holder and paid at maturity. The first payment of interest will include interest for the partial month in which the purchase occurred. Interest on debentures paying interest only at maturity will compound annually and be paid along with principal at the maturity date. The indenture provides that all interest will be calculated based on a year with twelve 30-day months.

We will pay the principal of, and interest on, debentures by direct deposit to the account you specify in your Subscription Agreement. We will not accept subscriptions from investors who are not willing to receive their interest payments via direct deposit. If the foregoing payment method is not available, principal and interest payments on the notes will be payable at our principal executive office or at such other place as we may designate for payment purposes.

We will withhold 28% of any interest payable to any investor who has not provided us with a social security number, employer identification number, or other satisfactory equivalent in the Subscription Agreement (or another document) or where the IRS has notified us that backup withholding is otherwise required. Please see “Material Federal Income Tax Considerations—Backup Withholding and Information Reporting.”

Book-Entry Registration and Exchange

The debentures will be issued in book-entry form, which means that no physical debenture is created. Evidence of your ownership is provided by written confirmation. Except under limited circumstances described below, holders will not receive or be entitled to receive any physical delivery of a certificated security or negotiable instrument that evidences their debentures. The issuance and transfer of debentures will be accomplished exclusively through the crediting and debiting of the appropriate accounts in our book-entry registration and transfer system.

The holders of the accounts established upon the purchase or transfer of debentures will be deemed to be the owners of the debentures under the indenture. The holder of the debentures must rely upon the procedures established by the trustee to exercise any rights of a holder of debentures under the indenture. We will regularly provide the trustee with information regarding the establishment of new accounts and the transfer of existing accounts.

On or prior to any interest payment date or upon redemption, we will also provide the trustee with information regarding the total amount of any principal and interest due to holders of debentures. On each interest payment date, we will credit interest due on each account and direct payments to the holders. We will determine the interest payments to be made to the book-entry accounts and maintain, supervise and review any records relating to book-entry beneficial interests in the debentures.

Book-entry notations in the accounts evidencing ownership of the debentures are exchangeable for certificated debentures in principal denominations of $1,000 and any amount in excess of $25,000 and fully registered in those names as we direct only if: (i) we, at our option, advise the trustee in writing of our election to terminate the book-entry system; or (ii) after the occurrence of an event of default under the indenture, holders of more than 50% of the aggregate outstanding principal amount of the debentures advise the trustee in writing that

the continuation of a book-entry system is no longer in the best interests of the holders of debentures and the trustee notifies all registered holders of the occurrence of any such event and the availability of certificated securities that evidence the debentures. Subject to these limited exceptions, the book-entry interests in these securities will not be exchangeable for fully registered certificated debentures.

Limited Rescission Right

If your Subscription Agreement is accepted at a time when we have determined that a post-effective amendment to the registration statement of which this prospectus is a part must be filed with the SEC, but such post-effective amendment has not yet been declared effective, we will send to you at your registered address a notice and a copy of the related prospectus once it has been declared effective. You will thereupon have the right to rescind your investment upon written request within five business days from the postmark date of the notice we send to you that the post-effective amendment has been declared effective (and containing the related prospectus). We will promptly return any funds sent with a Subscription Agreement that is properly rescinded without penalty, although any interest previously paid on a rescinded debenture will be deducted from the funds returned to you upon rescission. A written request for rescission, except in the case of a mailed rescission, must be postmarked on or before the fifth business day after our notice to (described above). If you notify us other than by mail, we must actually receive your rescission request on or before the fifth business day after our notice to you.

Renewal or Repayment on Maturity

At least 30 days prior to the maturity of your debenture, we will provide you with a notice indicating that your debenture is about to mature and whether we will allow automatic renewal of your debenture. If we allow you to renew your debenture, we will also provide to you the then-current form of prospectus, which will include an interest rate supplement and any other updates to the information contained in this prospectus. The interest rate supplement will set forth the interest rates then in effect. The notice will recommend that you review the then-current prospectus, including any prospectus supplements and the interest rate supplement, prior to exercising one of the below options. If we do not provide you a new prospectus because the prospectus has not changed since the delivery of this prospectus in connection with your original subscription or any prior renewal, we will nonetheless send you a new copy of the prospectus upon your request. Unless the election period is extended as described below, you will have until 15 days prior to the maturity date to exercise one of the following options:

- You can do nothing, in which case your debenture will automatically renew for a new term equal to the original term but at the interest rate in effect at the time of renewal. If your debenture pays interest only at maturity, all accrued interest will be added to the principal amount of your debenture upon renewal. For debentures with other interest payment schedules, interest will be paid on the renewed debenture on the same schedule as the original debenture.
- You can elect repayment of your debenture, in which case the principal amount will be repaid in full along with any accrued but unpaid interest. If you choose this option, your debenture will not earn interest on or after the maturity date.
- You can elect repayment of your debenture and use all or part of the proceeds to purchase a new debenture with a different term or principal amount. To exercise this option, you will need to complete a new Subscription Agreement for the new debenture and mail it along with your request. The issue date of the new debenture will be the maturity date of the old debenture. Any proceeds from the old debenture that are not applied to the new debenture will be sent to you.
- If your debenture pays interest only at maturity, you can receive the accrued interest that you have earned during the debenture term just ended while allowing the principal amount of your debenture to roll over and renew for the same term but at the interest rate then in effect. To exercise this option, you will need to call, fax or send a written request to us.

The foregoing options will be available to holders unless and until terminated under the indenture. Interest will accrue from the first day of each renewed term. Each renewed debenture will retain all its original provisions, including provisions relating to payment, except that the interest rate payable during any renewal term will be the interest rate that is being offered at that time to other holders with similar aggregate debenture portfolios for debentures of the same term as set forth in the interest rate supplement delivered with the maturity notice. If similar debentures are not then being offered, the interest rate upon renewal will be the rate specified by us on or before the maturity date, or the rate of the existing debenture if no such rate is specified.

If we notify the holder of our intention to repay a debenture at maturity, or if the holder timely request repayment, we will pay the principal and all accrued but unpaid interest on the debenture on or prior to the tenth day of the calendar month after the maturity date (or the first business day following the tenth day of such month). Thus, in the case of a debenture with a maturity date of January 31, 2012, actual payment will be made on or prior to February 10, 2012 (unless such date is not a business day, in which case actual payment will be made on the next business day). No interest will accrue after the maturity date. You should be aware that because payment is made by ACH transfer, funds may not be received in the holder's account for two to three business days.

We will be required from time to time to file post-effective amendments to the registration statement of which this prospectus is a part to update the information it contains. If you would otherwise be required to elect to have your debentures renewed or repaid following their stated maturity at a time when we have determined that a post-effective amendment must be filed with the SEC, but such post-effective amendment has not yet been declared effective, the period during which you can elect renewal or repayment will be automatically extended until ten days following the postmark date of our notice to you that the post-effective amendment has been declared effective, which notice shall contain a copy of the related prospectus. All other provisions relating to the renewal or redemption of debentures upon their stated maturity described above shall remain unchanged.

For any debentures offered hereby that mature on or after , 2013, we expect that the renewal of such debentures will require us to file a new registration statement. In such a case, the new registration statement must be declared effective before we can renew your debenture. In this event, if the new registration statement has not yet been filed or become effective, we will extend your election period until ten days following the date of our notice to you that the new registration statement has become effective, which notice will include a new prospectus.

Redemption or Repurchase Prior to Stated Maturity (Prepayment)

The debentures may be redeemed prior to stated maturity only as set forth in the indenture and described below. The holder has no right to require us to prepay or repurchase any debenture prior to its maturity date (as originally stated or as it may be extended), except as indicated in the indenture and described below.

Our Voluntary Redemption

We have the right to redeem any debenture at any time prior to its stated maturity upon 30 days written notice to the holder of the debenture. The holder of the debenture being redeemed will be paid a redemption price equal to the outstanding principal amount thereof plus accrued and unpaid interest up to but not including the date of redemption without any penalty or premium. We may use any criteria we choose to determine which debentures we will redeem if we choose to do so. We are not required to redeem debentures on a pro rata basis.

Repurchase Election Upon Death, Bankruptcy or Total Permanent Disability

Notes may be repurchased prior to maturity, in whole and not in part, at the election of a holder who is a natural person (including debentures held in an individual retirement account), by giving us written notice within 45 days following the holder's total permanent disability or bankruptcy, as established to our satisfaction, or at

the election of the holder's estate, by giving written notice within 45 days following his or her death. Subject to the limitations described below, we will repurchase the debentures on the tenth day of the month next following the month in which we establish to our satisfaction the holder's death, bankruptcy or total permanent disability. In the event that the tenth day of the month next following the month in which we so establish such facts is not a business day, we will repurchase the debentures on the next business day. The repurchase price, in the event of such a death, bankruptcy or total permanent disability, will be the principal amount of the debentures, plus interest accrued and not previously paid up to and through the last day of the calendar month preceding the repurchase date.

If spouses are joint registered holders of a debenture, the right to elect to have us repurchase will apply when either registered holder dies, files bankruptcy or suffers a total permanent disability. If the debenture is held jointly by two or more persons who are not legally married, none of these persons will have the right to request that we repurchase the debentures unless all joint holders have either died, filed bankruptcy or suffered a total permanent disability. If the debenture is held by a trust, partnership, corporation or other similar entity, the right to request repurchase upon death or total permanent disability does not apply.

Repurchase at Request of Holder

We have no obligation to repurchase any debentures other than upon maturity, or upon the death, bankruptcy or total permanent disability of a natural person holder. Nevertheless, we at our sole discretion may agree from time to time, at the written request of a holder, to repurchase a debenture, subject, however, to a repurchasing fee of 6.0% of the principal amount of such debenture. This repurchasing fee will be subtracted from the amount paid to you.

Transfers

The debentures are not negotiable debt instruments and, subject to certain exceptions, will be issued only in book-entry form. The purchase confirmation issued upon our acceptance of a subscription is not a certificated security or negotiable instrument, and no rights of record ownership can be transferred without our prior written consent. Ownership of debentures may be transferred on the debenture register only as follows:

- The holder must deliver us written notice requesting a transfer signed by the holder(s) or such holder's duly authorized representative on a form to be supplied by us.
- We must provide our written consent to the proposed transfer.
- We may require a legal opinion from counsel satisfactory to us that the proposed transfer will not violate any applicable federal or state securities laws.
- We may require a signature guarantee in connection with such transfer.

Upon transfer of a debenture, we will provide the new holder of the debenture with a purchase confirmation that will evidence the transfer of the account on our records. We may charge a reasonable service charge in connection with the transfer of any debenture.

Quarterly Statements

We will provide holders of the debentures with quarterly statements, which will indicate, among other things, the account balance at the end of the quarter, interest credited, redemptions or repurchases made, if any, and the interest rate paid during the quarter. These statements will be sent electronically on or prior to the 32nd day after the end of each calendar quarter. If a holder is unwilling or unable to receive quarterly statements electronically, we will mail the statements to the address of record on or prior to the 32nd day after the end of each calendar quarter. In such a case, we may charge such holders a reasonable fee to cover our expenses incurred in mailing the statements.

Ranking

The renewable secured debentures will constitute the senior secured debt of GWG Holdings. The payment of principal and interest on the debentures will be:

- pari passu with the approximately $60.6 million in principal amount of subsidiary secured notes previously issued by our subsidiary GWG Life (see the caption "—Collateral Security" below);
- structurally junior to the present and future obligations owed by our subsidiary DLP Funding II under the revolving credit facility with Autobahn/DZ Bank (including the approximately $48.2 million presently outstanding under such facility); and
- structurally junior to the present and future claims of creditors of our subsidiaries, other than GWG Life, including trade creditors.

The indenture will permit us to issue other forms of debt, including secured and senior debt, in the future.

Guarantee by GWG Life Subsidiary

The payment of principal and interest on the debentures is fully and unconditionally guaranteed by GWG Life. This guarantee, together with (i) the accompanying grant of a security interest in all of the assets of GWG Life, including GWG Life's entire ownership interest in DLP Funding II, (ii) the pledge of ownership interests in GWG Holdings, Inc. by our principal stockholders, and (iii) an intercreditor agreement between the trustee and Lord Securities Corporation (collateral trustee for our subsidiary secured notes), makes the debentures pari passu with respect to payment and the collateral securing the subsidiary secured notes previously issued by GWG Life. There was approximately $60.6 million in principal amount of subsidiary secured notes outstanding as of June 30, 2011.

Collateral Security

The debentures are secured by the assets of GWG Holdings, Inc. We will grant a security interest in all of the assets of GWG Holdings to the indenture trustee for the benefit of the debenture holders. Prior to this offering, the assets of GWG Holdings consist primarily of (i) any cash proceeds received from its subsidiaries as distributions derived from life insurance policy assets of subsidiaries, (ii) all other cash and investments held in various accounts, (iii) the equity ownership interests in subsidiaries of GWG Holdings, including the equity ownership interest in GWG Life, together with (iv) all proceeds from the foregoing. This collateral security granted by us is referred to as the "GWG Holdings Assets Collateral."

As indicated above, our direct and wholly owned subsidiary, GWG Life, will fully and unconditionally guarantee our obligations under the debentures. This guarantee will be supported by GWG Life's grant of a security interest in all of its assets. Prior to this offering, the assets of GWG Life consist primarily of (i) certain life insurance policy assets, (ii) any cash proceeds received from life insurance policy assets owned by GWG Life or received from its direct subsidiary DLP Funding II as distributions derived from life insurance policies owned by that subsidiary, (iii) all other cash and investments held by GWG Life in its various accounts, (iv) GWG Life's equity ownership interest in its direct subsidiary DLP Funding II, together with (v) all proceeds from the foregoing. The collateral security granted by GWG Life pursuant to its guarantee of our obligations under the debentures is referred to as the "GWG Life Assets Collateral."

In addition, Messrs. Jon R. Sabes and Steven F. Sabes, our principal stockholders beneficially holding approximately 95.6% of the outstanding shares of our common stock, have pledged all of the shares they beneficially own in GWG Holdings to further secure our obligations under the debentures. This collateral security granted by Messrs. Jon R. Sabes and Steven F. Sabes is referred to as the "GWG Holdings Equity Collateral."

Together, the GWG Holdings Assets Collateral, GWG Life Assets Collateral and GWG Holdings Equity Collateral comprise all of the collateral security for our obligations under the debentures. To the extent that we subsequently establish a one or more wholly owned subsidiaries of GWG Holdings or GWG Life, the debentures will have a security interest in the equity ownership interests of those subsidiaries if and to the extent owned by GWG Holdings or GWG Life.

The guarantee by GWG Life is contained in the indenture, and the grant of security interests in the GWG Holdings Assets Collateral, GWG Life Assets Collateral and GWG Holdings Equity Collateral is effected through a "Pledge and Security Agreement" that is an exhibit to the indenture. The grant of collateral security comprising the GWG Life Assets Collateral and GWG Holdings Equity Collateral is designed to afford the holders of debentures with rights to the same payment and collateral as that granted to holders of our subsidiary secured notes on a pari passu basis. To effect this arrangement, the trustee under the indenture, Bank of Utah, National Association (to whom the security grant is made under the Pledge and Security Agreement), will enter into an "Intercreditor Agreement" with GWG Holdings, GWG Life, and Wells Fargo Bank, N.A., the collateral trustee for our subsidiary secured notes. This Intercreditor Agreement is an exhibit to the indenture.

Nearly all of our life insurance policy assets (94% of our policies, representing approximately 96% of the face value of policy benefits as of June 30, 2011) are held in our subsidiary GWG DLP Funding II, LLC, which we refer to throughout this prospectus as "DLP Funding II." The debentures will not be directly secured by any security interest in the assets of DLP Funding II. Instead, the debentures will be secured by a pledge of the equity ownership interests in DLP Funding II owned by GWG Life by virtue of the guarantee provisions in the indenture and the Pledge and Security Agreement referenced above. An equity ownership interest is, by its very nature, subordinate to the interests of creditors. Therefore, although investors in the debentures will have a security interest in the ownership of DLP Funding II, any claim they may have to the assets owned by such entity will be subordinate to the interests of creditors of that entity, including (i) Autobahn/DZ Bank which is the lender to DLP Funding II under our revolving credit facility, and (ii) all other creditors of DLP Funding II, including trade creditors.

Subordination; Other Indebtedness

Our obligations under the debentures will be subordinate to all our senior debt. For this purpose, "our senior debt" presently includes all indebtedness of our subsidiaries with respect to which the debentures are not pari passu with respect to payment and collateral (i.e., other than our subsidiary secured notes). In this regard, our subsidiary DLP Funding II has, as of June 30, 2011, approximately $48.2 million of debt outstanding under our revolving credit facility. With respect to pari passu indebtedness, as of June 30, 2011 our subsidiary GWG Life has approximately $60.6 million of debt outstanding under our subsidiary secured notes.

The maximum amount of debt, including the debentures, we may issue pursuant to the indenture is an amount such that our debt coverage ratio does not exceed 90%. The indenture defines the debt coverage ratio as a percentage calculated by the ratio of (A) obligations owing by us and our subsidiaries on all outstanding debt for borrowed money (including the debentures), over (B) the net present asset value of all life insurance policy assets we own, directly or indirectly, plus any cash held in our accounts. For this purpose, the net present asset value of our life insurance assets is equal to the present value of the cash flows derived from the face value of policy benefit assets we own, discounted at a rate equal to the weighted average cost of capital for all our indebtedness for the prior month.

The indenture provides that for the first four years after our initial sale of debentures, our subordination ratio may not exceed 50%. The indenture defines the subordination ratio as a percentage calculated as a ratio of (A) the principal amount owing by us or any of our subsidiaries that is either senior in rank to the debentures or secured by the life insurance policy assets owned by us or our subsidiaries, over (B) the net present asset value of all life insurance policy assets we own, directly or indirectly, plus any cash held in our accounts. For this purpose, the net present asset value of our life insurance assets is equal to the present value of the cash flows derived from the face value of policy benefit assets we own, discounted at a rate equal to the weighted-average cost of capital for all our indebtedness for the prior month.

We are required to notify the indenture trustee in the event that we violate one of these restrictive covenants. An "event of default" will exist under the indenture if a violation persists for a period of 30 consecutive calendar days after our initial notice to the trustee. See "Risk Factors" page 15.

The debentures are guaranteed by GWG Life but otherwise are not guaranteed by any of our subsidiaries, affiliates or control persons. The indenture does not prevent holders of debt issued by our subsidiaries from disposing of, or exercising any other rights with respect to, any or all of the collateral securing that debt. Accordingly, in the event of a liquidation or dissolution of one of our subsidiaries (other than GWG Life), creditors of that subsidiary that are senior in rank will be paid in full, or provision for such payment will be made, from the assets of that subsidiary prior to distributing any remaining assets to us as an equity owner of that subsidiary.

The indenture also contains specific subordination provisions, benefitting lenders under senior credit facilities to our operating subsidiaries, restricting the right of debenture holders to enforce certain of their rights in certain circumstances, including:

- a prohibition on challenging any enforcement action taken by a senior lender or interfering with any legal action or suits undertaken by the senior lender against us and our affiliates;
- a 180-day standstill period during which there may not be brought any action to enforce an event of default against us or our affiliates unless our revolving credit facility has been repaid in full, which period may be extended if the credit facility provider takes action during such standstill period; and
- a prohibition on filing a bankruptcy or insolvency case against us or our affiliates for at least one year plus one day after the revolving credit facility lender has been paid in full.

We will not make any payment, direct or indirect (whether for interest, principal, as a result of any redemption or repurchase at maturity, on default, or otherwise), on the debentures and any other indebtedness, and neither the holders of the debentures nor the trustee will have the right, directly or indirectly, to sue to enforce the indenture or the debentures, if a default or event of default under any senior credit facility has occurred and is continuing, or if any default or event of default under any senior credit facility would result from such payment, in each case unless and until:

- the default and event of default has been cured or waived or has ceased to exist; and
- the end of the period commencing on the date the indenture trustee receives written notice of default from a holder of such credit facility and ending on the earlier of (i) the indenture trustee's receipt of a valid waiver of default from the holder of a credit facility; or (ii) the indenture trustee's receipt of a written notice from the holder of a credit facility terminating the payment blockage period.

Notwithstanding the foregoing, if any of the blockage events described above have occurred and 179 days have passed since the indenture trustee's receipt of the notice of default without the occurrence of the cure, waiver, termination, or extension of all blockage periods described above, the trustee may thereafter sue on and enforce the indenture and our obligations thereunder and under the debentures as long as any funds paid as a result of any such suit or enforcement action shall be paid toward the senior credit facility until it is indefeasibly paid in full before being applied to the debentures.

Both the indenture and the Subscription Agreements contain provisions whereby each investor in the debentures consents to the subordination provisions contained in the indenture and related agreements governing collateral security.

No Sinking Fund

The debentures are not associated with any sinking fund. A sinking fund is generally any account to which contributions will be made, from which payments of principal or interest owed on the debentures will be made. See "Risk Factors" page 19.

Restrictive Covenants

The indenture contains certain limited covenants that restrict us from certain actions as described below. In particular, the indenture provides that:

- we will not declare or pay any dividends or other payments of cash or other property solely in respect of our capital stock to our stockholders (other than a dividend paid in shares of our capital stock on a pro rata basis to all our stockholders) unless no default and no event of default with respect to the debentures exists or would exist immediately following the declaration or payment of the dividend or other payment;
- to the extent legally permissible, we will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of the indenture;
- our Board of Directors will not adopt a plan of liquidation that provides for, contemplates or the effectuation of which is preceded by (a) the sale, lease, conveyance or other disposition of all or substantially all of our assets, otherwise than (i) substantially as an entirety, or (ii) in a qualified sales and financing transaction, and (b) the distribution of all or substantially all of the proceeds of such sale, lease, conveyance or other disposition and of our remaining assets to the holders of our capital stock, unless, prior to making any liquidating distribution pursuant to such plan, we make provision for the satisfaction of our obligations under the renewable unsecured subordinated notes;
- our debt coverage ratio may not exceed 90%; and
- for the first four years after our initial sale of debentures, our subordination ratio may not exceed 50%.

The indenture defines the debt coverage ratio as a percentage calculated by the ratio of (A) obligations owing on all outstanding debt for borrowed money (including the debentures), over (B) the net present asset value of all life insurance policy assets we own, plus any cash held in our accounts. For this purpose, the net present asset value of our life insurance assets is equal to the present value of the face value of policy benefit assets we own, discounted at a rate equal to the weighted average cost of capital for all our indebtedness for the prior month. The indenture defines the subordination ratio as a percentage calculated as a ratio of (1) the principal amount owing by us or any of our subsidiaries that is either senior in rank to the debentures or secured by the life insurance policy assets owned by us or our subsidiaries, over (2) the principal amount of outstanding debentures and subsidiary secured notes.

Importantly, we are not restricted from entering into qualified sale and financing transactions or incurring additional indebtedness, including additional senior debt. See “Risk Factors” page 15.

Consolidation, Mergers or Sales

The indenture generally permits a consolidation or merger between us and another entity. It also permits the sale or transfer by us of all or substantially all of our property and assets. These transactions are permitted if:

- the resulting or acquiring entity, if other than us, is a United States corporation, limited liability company or limited partnership and assumes all of our responsibilities and liabilities under the indenture, including the payment of all amounts due on the notes and performance of the covenants in the indenture; and
- immediately after the transaction, and after giving effect to the transaction, no event of default shall exist under the indenture.

If we consolidate or merge with or into any other entity or sell or lease all or substantially all of our assets, according to the terms and conditions of the indenture, the resulting or acquiring entity will be substituted for us

in the indenture with the same effect as if it had been an original party to the indenture. As a result, the successor entity may exercise our rights and powers under the indenture in our name, and we (as an entity) will be released from all our liabilities and obligations under the indenture and under the debentures. Nevertheless, no such transaction will by itself eliminate or modify the collateral that we have provided as security for our obligations under the indenture.

Events of Default and Remedies

The indenture provides that each of the following constitutes an event of default:

- the failure to pay interest or principal on any debenture for a period of 30 days after it becomes due and payable
- a failure to observe or perform any material covenant, condition or agreement in the indenture, but only after notice of failure to the indenture trustee and such failure is not cured within 60 days
- our debt coverage ratio exceeds 90% for a period of 30 consecutive calendar days
- the subordination ratio exceeds 50% for a period of 30 consecutive calendar days during the four-year period after the commencement of the offering of the debentures
- certain events of bankruptcy, insolvency or reorganization with respect to us; or
- the cessation of our business.

In addition, the indenture provides that for so long as any subsidiary secured notes remain outstanding, an event of default under the borrowing agreements relating to the subsidiary secured notes (as the same may from time to time be amended) will constitute an event of default under the indenture. In this regard, a default under the subsidiary secured note borrowing agreements includes a default under our revolving credit facility. As explained in other parts of this prospectus, our revolving credit facility is currently provided by Autobahn Funding Company, LLC, as lender, and DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as agent, pursuant to a Credit and Security Agreement dated July 15, 2008. DLP Funding II and another special purpose (but presently inactive) subsidiary entity are borrowers under the line of credit, and GWG Holdings is a party to the facility as performance guarantor.

The maximum line of credit is $100 million subject to a borrowing base, which permits us to borrow between 60 and 70% of the amount of policies and loans purchased and held in our portfolio. As of March 31, 2011, approximately $42 million was outstanding under the line of credit. Proceeds of the line of credit may be used to purchase policies and loans. In addition to the borrowing base limitation set forth above, for the period from December 14, 2010 through December 14, 2011, the lenders are not required to fund more than an additional $30 million for the acquisition of additional assets unless certain conditions are met. One such condition is that the borrower’s legal counsel delivers a legal opinion to the effect that we are not an “investment company” within the meaning of the Investment Company Act of 1940. To the extent that the opinion is not delivered on or before December 14, 2011, the lenders have the right under the credit agreement to stop making advances for the acquisition of additional assets until such time as the opinion is delivered. The credit facility matures in July 2013. Advances under the line of credit bear interest based either at the commercial paper rates available to the lender at the time of funding or at LIBOR plus an applicable margin.

The line of credit is secured by a pledge of substantially all of each borrower’s assets and is subject to a performance guaranty by GWG Holdings. In addition, the borrowers are required to maintain a reserve account for the benefit of the lenders. If at any time the ratio of outstanding borrowings under the line of credit, together with accrued and unpaid interest and fees, exceeds 50% of the borrower’s net eligible receivables balance (as defined in the loan agreement), excess collections are required to be deposited in the reserve account.

The line of credit is subject to customary affirmative and negative covenants. In addition, we must maintain certain financial covenants, including a positive consolidated net income measured annually and, at all times, a tangible net worth in excess of $5,000,000 (calculated on a prescribed non-GAAP basis).

Finally, the line of credit is subject to certain customary events of default (e.g., payment defaults, covenant defaults, cross-defaults, material adverse change, changes in control and changes in management) and certain events of default specifically relating to our business, including but not limited to (i) portfolio defaults in excess of 10% on an annualized basis, (ii) failure to obtain an unqualified opinion on our annual consolidated financial statements, (iii) failure to maintain certain hedge transactions or replace hedge counterparties under any certain hedging transactions required under the credit agreement, (iv) any governmental authority directs that the purchase and/or servicing of loans be terminated or any law, rule or regulation makes it unlawful to originate, purchase and/or service loans, (v) the performance guaranty of GWG Holdings shall cease to be in full force and effect (vi) a deficiency in the borrowing base, as calculated under the credit agreement, or (vii) any default in the payment when due of other indebtedness in excess of $100,000.

The indenture requires that we give immediate notice to the indenture trustee upon the occurrence of an event of default, unless it has been cured or waived. The indenture trustee may then provide notice to the debenture holders or withhold the notice if the indenture trustee determines in good faith that withholding the notice is in your best interest, unless the default is a failure to pay principal or interest on any debenture.

If an event of default occurs, the indenture trustee or the holders of at least a majority in principal amount of the outstanding debentures, may by written notice to us declare the unpaid principal and all accrued but unpaid interest on the debentures to be immediately due and payable. Notwithstanding the foregoing, the indenture limits the ability of the debenture holders to enforce certain rights under the indenture in certain circumstances. These limitations are required subordination provisions under our revolving credit facility and are summarized above under “—Subordination; Other Indebtedness.”

Amendment, Supplement and Waiver

Except as provided in this prospectus or the indenture, the terms of the indenture or the debentures then outstanding may be amended, supplemented or waived with the consent of the holders of at least a majority in principal amount of the debentures then outstanding (which consent will be presumed if a holder does not object within 30 days of a request for consent), and any existing default or compliance with any provision of the indenture or the debentures may be waived with the affirmative consent of the holders of a majority in principal amount of the then outstanding debentures.

Notwithstanding the foregoing, an amendment or waiver will not be effective with respect to the debentures held by a holder who him, her or itself has not consented if such amendment or waiver has any of the following consequences:

- reduces the principal of or changes the fixed maturity of any debenture or alters the repurchase or redemption provisions or the price at which we shall offer to repurchase or redeem the debenture (other than as permitted under the indenture and described in the following paragraph);
- reduces the rate of or changes the time for payment of interest, including default interest, on any debenture;
- waives a default or event of default in the payment of principal or interest on the debentures, except for a rescission or withdrawal of acceleration of the debentures made by the holders of at least a majority in aggregate principal amount of the then-outstanding debentures and a waiver of the payment default that resulted from such acceleration;
- makes any debenture payable in money other than that stated in this prospectus;
- makes any change in the provisions of the indenture relating to waivers of past defaults or the rights of holders of debentures to receive payments of principal of or interest on the debentures; or
- makes any change to the subordination provisions of the indenture that has a material adverse effect on holders of debentures.

Notwithstanding the foregoing, the following kinds of amendments or supplements to the indenture may be effected by us and the trustee without any consent of any holder of the debentures:

- to cure any ambiguity, defect or inconsistency
- to provide for assumption of our obligations to holders of the debentures in the case of a merger, consolidation or sale of all or substantially all of our assets
- to provide for additional uncertificated or certificated debentures
- to make any change that does not materially and adversely affect the legal rights under the indenture of any holder of debentures, including but not limited to an increase in the aggregate dollar amount of debentures which may be outstanding under the indenture
- to modify or eliminate our policy regarding repurchases elected by a holder of debentures prior to maturity, including our obligation to repurchase debentures upon the death, bankruptcy or total permanent disability of any holder of the debentures, but only so long as such modifications do not materially and adversely affect any then-outstanding debentures; or
- to comply with requirements of the SEC in order to effect or maintain the qualification of the indenture under the Trust Indenture Act of 1939, or to comply with other applicable federal or state laws or regulations.

Rights of Debenture Holders

As a debenture holder, you have limited rights to vote on our actions. In general, you will have the right to vote on whether or not to approve some amendments to the indenture. For a description of these rights, see "—Amendment, Supplement and Waiver" above. You will also have the right to direct some actions that the trustee takes if there is an event of default with respect to the debentures. For a description of these rights, see above under the caption "—Events of Default." For a complete description of your rights as a debenture holder, we encourage you to read a copy of the indenture, which is filed as an exhibit to the registration statement of which this prospectus is a part. We will also provide you with a copy of the indenture upon your request.

The trustee and the debenture holders will have the right to direct the time, method and place of conducting any proceeding for some of the remedies available, except as otherwise provided in the indenture. The trustee may require reasonable indemnity, satisfactory to the trustee, from debenture holders before acting at their direction. You will not have any right to pursue any remedy with respect to the indenture or the debentures unless you satisfy the conditions contained in the indenture.

The Indenture Trustee

General

Bank of Utah, National Association, has agreed to be the trustee under the indenture. The indenture contains certain limitations on the rights of the trustee, should it become one of our creditors, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any claim as security or otherwise. The trustee will be permitted to engage in other transactions with us.

Subject to certain exceptions, the holders of a majority in principal amount of the then-outstanding debentures will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee. The indenture provides that if an event of default specified in the indenture shall occur and not be cured, the trustee will be required, in the exercise of its power, to use the degree of care of a reasonable person in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder of debentures, unless the holder shall have offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Resignation or Removal of the Trustee

The trustee may resign at any time, or may be removed by the holders of a majority of the aggregate principal amount of the outstanding debentures for certain failures in its duties, including the insolvency of the trustee or the trustee's ineligibility to serve as trustee under the Trust Indenture Act of 1939, we may remove the trustee. However, no resignation or removal of the trustee may become effective until a successor trustee has accepted the appointment as provided in the indenture.

Reports to Trustee

We will provide the trustee with (i) a calculation date report by the 15th day of each month containing a calculation of the debt coverage ratio that includes a summary of all cash, life insurance policy investments serving as collateral, as well as our total outstanding indebtedness including outstanding principal balances, interest credited and paid, transfers made, any redemption or repurchase and interest rate paid; (ii) copies of our audited annual financials, no earlier than when the same become a matter of public record; and (iii) any additional information reasonably requested by the trustee.

No Personal Liability of Our Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of ours or any servicing agent, will have any liability for any of our obligations under the debentures, the indenture or for any claim based on, in respect to, or by reason of, these obligations or their creation. Each holder of debentures waives and releases these persons from any liability, including any liability arising under applicable securities laws. The waiver and release are part of the consideration for issuance of the debentures. We have been advised that the waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Certain Charges

We and our servicing agents, if any, may assess service charges for changing the registration of any debenture to reflect a change in name of the holder, multiple changes in interest payment dates or transfers (whether by operation of law or otherwise) of a debenture by the holder to another person. The indenture permits us to set off, against amounts otherwise payable to you under the debentures, the amount of these charges.

Variations in Terms and Conditions

We may from time to time to vary the terms and conditions of the debentures offered by this prospectus, including but not limited to minimum initial principal investment amount requirements, maximum aggregate principal amount limits, interest rates, minimum denominations, service and other fees and charges, and redemption provisions. Terms and conditions may be varied by state, locality, principal amount, type of investor (for example, new or current investor) or as otherwise permitted under the indenture governing the securities offered by this prospectus. No change in terms, however, will apply to any debentures already issued and outstanding at the time of such change.

Satisfaction and Discharge of Indenture

The indenture shall cease to be of further effect upon the payment in full of all of the outstanding debentures and the delivery of an officer's certificate to the trustee stating that we do not intend to issue additional debentures under the indenture or, with certain limitations, upon deposit with the trustee of funds sufficient for the payment in full of all of the outstanding debentures.

Reports

We will publish annual reports containing financial statements and quarterly reports containing financial information for the first three quarters of each fiscal year. We will send copies of these reports, at no charge, to any holder of debentures who sends us a written request.

PLAN OF DISTRIBUTION

We are offering up to $250,000,000 in principal amount of debentures on a continuous basis. The debentures will be sold at their face value and in amounts of $25,000 or more in principal. There is no minimum amount of debentures that must be sold before we use the proceeds. The proceeds of new sales of debentures will be paid directly to us promptly following each sale and will not be placed in an escrow account. Even if we sell less than the $250,000,000 in debentures being offered, the debentures that we sell will be issued, and the proceeds of those debenture sales will be invested as described in this prospectus.

The debentures will be offered and sold on a best efforts basis by Arque Capital, Ltd. (our “dealer manager”) and any participating broker-dealers it engages for this purpose (together the “selling group”). Arque Capital will be an underwriter of the debentures for purposes of the Securities Act of 1933. We may also directly offer and sell debentures apart from the selling group. We and the selling group will offer the debentures to the public on the terms set forth in this prospectus and any prospectus supplements we may file from time to time. Both we and the selling group plan to market the debentures directly to the public primarily through seminar presentations, the internet, and personal contacts made by us and through the selling group. We may also sell debentures to registered investment advisors. Neither our dealer manager nor any other broker-dealer participating in our selling group will have any obligation to take or purchase any debentures. Our dealer manager and each broker-dealer member of our selling group is expected to assist in the offering as follows: (1) conducting informational meetings for subscribers and other qualified potential purchasers; (2) keeping records of all subscriptions; and (3) training and educating employees regarding the mechanics and regulatory requirements of the offering process.

Members of the selling group will receive sales commissions of up to 7.00% of the gross offering proceeds depending upon the maturity of the debenture sold. In addition, members of our selling group may receive up to 3.00% of the gross offering proceeds as additional underwriting compensation consisting of (i) a non-accountable expense allowance, (ii) a dealer manager fee (payable only to Arque Capital) for managing and coordinating the offering, and (iii) a wholesaling fee (payable only to wholesaling dealers), in each case depending upon the maturity of the debenture sold. We will not pay referral or similar fees to any accountants, attorneys or other persons in connection with the distribution of the debentures.

Our dealer manager will enter into participating dealer agreements with certain other broker-dealers which are members of FINRA, referred to as selling group members, to authorize such broker-dealers to sell our debentures. Upon sale of our debentures by such broker-dealers, the broker-dealer will receive selling commissions and additional underwriting compensation in connection with debenture sales made.

We expect to pay an additional amount of up to 1.50% of gross offering proceeds to our selling group members as reimbursements for bona fide and accountable due diligence expenses incurred by them. Expenses eligible for reimbursement may include travel, lodging, meals and other reasonable out-of-pocket expenses incurred by participating broker-dealers and their personnel when visiting our office to verify information relating to us and this offering and reimbursement of actual costs of third-party professionals retained to provide due diligence services to our dealer manager and selling group members. If such accountable due diligence expenses are not included on a detailed and itemized invoice presented to us or our dealer manager by a selling group member, any such expenses will be considered by FINRA to be a non-accountable expense and underwriting compensation, and will be included within the 10.00% compensation guideline under FINRA Rule 2310 and reflected on the participating broker-dealer’s books and records. Such amounts, when aggregated with all other non-accountable expenses, may not exceed 3.00% of gross offering proceeds. In no event will the total selling commissions, additional underwriting compensation and accountable due diligence and “issuer expenses organization and offering expenses” (described below) exceed 13.00% of the aggregate principal amount of debentures sold.

Our debentures will also be distributed through registered investment advisors who are generally compensated on a fee-for-service basis by the investor. In the event of the sale of debentures in our primary offering through an investment advisor compensated on a fee-for-service basis by the investor, our selling group member will waive its right to a commission.

In addition to the commissions, fees, allowances and expenses described above, the Company may pay an amount of up to 1.50% of the gross offering proceeds of the debentures sold for issuer organization and offering expenses related to the offering. This means that the Company may use this portion of gross proceeds to pay these expenses or be reimbursed for expenses earlier incurred. These kinds of expenses include all expenses to be paid by us in connection with the offering (other than sales commissions, additional underwriting compensation, and accountable expense reimbursement to our selling group members), including but not limited to legal, accounting, printing and mailing expenses, registration, qualification and associated securities filing fees, costs and expenses of conducting educational conferences and seminars, costs and expenses of attending broker-dealer sponsored conferences, marketing expenses, other direct expenses incurred by us in connection with the offering (e.g., salaries for employees involved in accounting and finance functions), and facilities and technology costs and fees.

The table below sets forth the maximum amount of sales commissions, additional underwriting compensation (the components of which are described in fn. 1 to the table), and accountable due diligence expenses and issuer organization and offering expenses we may pay (or be reimbursed for) in connection with this offering.

Debenture Term	Sales Commission	Additional Underwriting Compensation (1)	Accountable Due Diligence and Issuer Organization and Offering Expenses (2)	Total
6 Month	0.50%	1.00%	3.00%	4.50%
One Year	1.00%	2.00%	3.00%	6.00%
Two Year	3.25%	2.55%	3.00%	8.80%
Three Year	5.00%	2.70%	3.00%	10.70%
Five Year	6.50%	2.80%	3.00%	12.30%
Seven Year	7.00%	3.00%	3.00%	13.00%

(1) As described above, additional underwriting compensation includes (i) a non-accountable allowance of 0.5% of gross offering proceeds for a debenture with a term of six months and 1.0% for all other maturities; (ii) a dealer manager fee of 0.50% gross offering proceeds for a debenture with a term of six months and 1.00% for all other maturities; and (iii) a wholesaling fee ranging from 0.25% to 1.00% gross offering proceeds depending on the term of the debenture sold.

(2) Accountable due diligence expenses include up to 1.50% of gross offering proceeds for the accountable due diligence expenses incurred by the selling group members in verifying information relating to us and this offering, including reimbursement of actual costs of third-party professionals retained by them to provide due diligence services. Issuer organization and offering expenses include reimbursement to us for up to 1.50% of gross offering proceeds for those expenses described above.

The line items reflected in the table below are our current estimates of average sales commissions, additional underwriting compensation, and accountable due diligence expenses and issuer offering expenses that we will pay. Specifically, we estimate that the average sales commission will be 5.00%, the average additional underwriting compensation will be 2.80% (the components of which are described in fn. 1 below), and the average accountable due diligence and issuer organization and offering expense will be 3.00%. Actual costs may differ from the percentages and amounts shown in the table below, subject, however, to the 13.00% limitation noted above.

Debentures Sold	Sales Commission	Additional Underwriting Compensation (1)	Due Diligence and Issuer Organization and Offering Expenses	Total
$ 75,000,000	$ 3,750,000	$ 2,100,000	$ 2,250,000	10.80%
125,000,000	6,250,000	3,500,000	3,750,000	10.80%
250,000,000	12,500,000	7,000,000	7,500,000	10.80%

(1) Additional underwriting compensation consists of all selling compensation (other than sales commissions) paid in the form of a non-accountable expense allowance, a dealer manager fee, and wholesale commissions. We have assumed that an average non-accountable allowance expense of 1.00% of gross offering proceeds, dealer manager fees of 1.00% of gross offering proceeds, and wholesale commissions of 0.80% of gross offering proceeds will be paid by us in connection with the offering.

Our dealer manager holds the FINRA licenses for wholesalers employed by us, who attend local, regional and national conferences of the participating broker-dealers and who contact participating broker-dealers and their registered representatives to make presentations concerning us and this offering and to encourage them to sell our debentures. The wholesalers receive base salaries and bonuses as compensation for their efforts. Our dealer manager hosts training and education meetings for broker-dealers and their representatives. The other costs of the training and education meetings will be borne by us. Our estimated costs associated with these training and education meetings are included in our estimates of our organization and offering expenses.

In accordance with FINRA rules, in no event will our total underwriting compensation, including but not limited to sales commissions, the dealer manager fee and non-accountable expense reimbursements to our dealer manager and selling member broker-dealers, exceed 10.00% of our gross offering proceeds, in the aggregate. We expect to pay an additional amount of gross offering proceeds for bona fide accountable due diligence expenses; however, to the extent these due diligence expenses cannot be justified, any excess over actual due diligence expenses will be considered underwriting compensation subject to the above 10.00% limitation and, when aggregated with all other non-accountable expenses may not exceed 3.00% of gross offering proceeds. We may also reimburse our dealer manager and selling group member broker-dealers in connection with this offering and our organization. FINRA and many states also limit our total organization and offering expenses to 15.00% of gross offering proceeds.

We will indemnify the participating broker-dealers and our dealer manager against some civil liabilities, including certain liabilities under the Securities Act and liabilities arising from breaches of our representations and warranties contained in the participating dealer agreement. If we are unable to provide this indemnification, we may contribute to payments the indemnified parties may be required to make in respect of those liabilities.

The foregoing is a summary of the material terms relating to the plan of distribution of the debentures contained in the Managing Broker-Dealer Agreement. Any amendment to the Managing Broker-Dealer Agreement will be filed as an exhibit to an amendment to the registration statement of which this prospectus is a part.

MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of the material United States (“U.S.”) federal income tax considerations relating to the initial purchase, ownership and disposition of the debentures by U.S. and non-U.S. holders. This discussion is a summary only and is not a complete analysis of all the potential tax considerations relating to the purchase, ownership and disposition of the debentures. We have based this summary current provisions of the Code of 1986, as amended (the “Code”), applicable U.S. Treasury Regulations promulgated thereunder, judicial opinions, and published rulings of the Internal Revenue Service (the “IRS”), all as in effect on the date of this Private Placement prospectus. However, these laws and other guidance are subject to differing interpretations or change, possibly with retroactive effect. In addition, we have not sought, and will not seek, a

ruling from the U.S. Internal Revenue Service ("IRS") or an opinion of counsel with respect to any tax consequences of purchasing, owning or disposing of debentures. Thus, the IRS could challenge one or more of the tax consequences or matters described in this Private Placement prospectus; and there can be no assurance that any position taken by the IRS would not be sustained.

This discussion is limited to purchasers of debentures who acquire the debentures from us in this offering and hold the debentures as capital assets for federal income tax purposes. This discussion does not address all possible tax consequences that may be applicable to you in light of your specific circumstances. For instance, this discussion does not address the alternative minimum tax provisions of the Code, or special rules applicable to some categories of investors such as financial institutions, insurance companies, tax-exempt organizations, dealers in securities, real estate investment trusts, regulated investment companies, or persons who hold debentures as part of a hedge, conversion or constructive sale transaction, straddle or other risk reduction transaction that may be subject to special rules. This discussion also does not address the tax consequences arising under the laws of any foreign, state or local jurisdiction; or any U.S. estate or gift tax laws.

If you are considering the purchase of a debenture, you should consult your own tax advisors as to the particular tax consequences to you of acquiring, holding or otherwise disposing of the debentures, including the effect and applicability of state, local or foreign tax laws, or any U.S. estate and gift tax laws.

As used in this discussion, the term "U.S. holder" means a holder of a debenture that is:

(i) for United States federal income tax purposes, a citizen or resident of the United States;

(ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof or other entity characterized as a corporation or partnership for federal income tax purposes;

(iii) an estate, the income of which is subject to United States federal income taxation regardless of its source; or

(iv) a trust, the administration of which is subject to the primary supervision of a court within the United States and which has one or more United States persons with authority to control all substantial decisions, or if the trust was in existence on August 20, 1996, and has elected to continue to be treated as a United States trust.

For the purposes of this discussion, a "non-U.S. holder" means any holder of debentures other than a U.S. holder. Any debenture purchaser who is not a U.S. citizen will be required to furnish documentation, on IRS Form W-8BEN, that clearly states whether it is subject to U.S. withholding taxes, in accordance with applicable requirements of the United States taxing authority.

Characterization of the Debentures

The federal income tax consequences of owning debentures depend on characterization of the debentures as debt for federal income tax purposes, rather than as equity interests or a partnership among the holders of the debentures. We believe that the debentures have been structured in a manner that will allow the debentures to be characterized as debt for federal income tax purposes. However, this is only our belief; and no ruling from the IRS or an opinion of counsel has been sought in this regard. Thus, the IRS could successfully challenge this characterization.

If the debentures were treated as equity interests, there could be adverse effects on some holders. For example, payments on the debentures could (1) if paid to non-U.S. holders, be subject to federal income tax withholding; (2) constitute unrelated business taxable income to some tax-exempt entities, including pension funds and some retirement accounts (if the relationship were characterized as a partnership for tax purposes); and

(3) cause the timing and amount of income that accrues to holders of debentures to be different from that described below.

Because of these potential adverse effects, you are urged to consult your own tax advisors as to the tax consequences that may apply to your particular situation in the event the debentures are re-characterized as equity interests; and as to the likelihood that the debentures could be so re-characterized. The remainder of this discussion assumes that the debentures are characterized as debt.

Taxation of U.S. Holders

Stated Interest

Under general federal income tax principles, you must include stated interest in income in accordance with the method of accounting you use for federal income tax purposes. Accordingly, if you are using the accrual method of tax accounting, you must include stated interest in income as it accrues. If you are using the cash method of tax accounting, you must include stated interest in income as it is actually or constructively received. Payments of interest to taxable holders of debentures will constitute portfolio income, and not passive activity income, for the purposes of the passive loss limitations of the Code. Accordingly, income arising from payments on the debentures will not be subject to reduction by losses from passive activities of a holder.

Income attributable to interest payments on the debentures may be offset by investment expense deductions, subject to the limitation that individual investors may only deduct miscellaneous itemized deductions, including investment expenses other than interest, to the extent these deductions exceed 2% of the investor's adjusted gross income.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds debentures, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership purchasing debentures, we urge you to consult your tax advisor.

Disposition of Debentures

In general, a U.S. holder will recognize gain or loss upon the sale, exchange or other taxable disposition of a debenture measured by the difference between (1) the sum of the cash and the fair market value of all other property received on such disposition, excluding any portion of the payment that is attributable to accrued interest on the debentures; and (2) your adjusted tax basis in the debenture. A U.S. holder's adjusted tax basis in a debenture generally will be equal to the price the U.S. holder paid for the debenture. Any of this gain or loss generally will be long-term capital gain or loss if, at the time of any such taxable disposition, the debenture was a capital asset in the hands of the holder and was held for more than one year. Under current law, net long-term capital gain recognized by individual U.S. holders in tax years beginning before January 1, 2013, is eligible for a reduced rate of taxation. The deductibility of capital losses is subject to annual limitations.

The terms of the debentures may be modified upon the consent of a specified percentage of holders and, in some cases, without consent of the holders. In addition, the debentures may be assumed upon the occurrence of specific transactions. The modification or assumption of a debenture could, in some instances, give rise to a deemed exchange of a debenture for a new debt instrument for federal income tax purposes. If an exchange is deemed to occur by reason of a modification or assumption, you could realize gain or loss without receiving any cash.

Additional Tax on Net Investment Income

For taxable years beginning after December 31, 2012, if you are a U.S. holder other than a corporation, you generally will be subject to a 3.8% additional tax (the "Medicare tax") on the lesser of (1) your "net investment

income" for the taxable year, and (2) the excess of your modified adjusted gross income for the taxable year over a certain threshold. Your net investment income generally will include any income or gain recognized by you with respect to our debentures, unless such income or gain is derived in the ordinary course of the conduct of your trade or business (other than a trade or business that consists of certain passive or trading activities).

Considerations for Tax-Exempt Holders of Debentures

Tax-exempt entities, including charitable corporations, pension plans, profit sharing or stock bonus plans, individual retirement accounts and some other employee benefit plans are subject to federal income tax on unrelated business taxable income. For example, net income derived from the conduct of a trade or business regularly carried on by a tax-exempt entity or by a partnership in which it is a partner is treated as unrelated business taxable income.

A $1,000 special deduction is allowed in determining the amount of unrelated business taxable income subject to tax. Tax-exempt entities taxed on their unrelated business taxable income are also subject to the alternative minimum tax for items of tax preference which enter into the computation of unrelated business taxable income.

In general, interest income does not constitute unrelated business taxable income. However, under the debt-financed property rules, if tax-exempt holders of debentures finance the acquisition or holding of debentures with debt, interest on the debentures will be taxable as unrelated business taxable income. The debentures will be treated as debt-financed property if the debt was incurred to acquire the debentures or was incurred after the acquisition of the debentures, so long as the debt would not have been incurred but for the acquisition and, at the time of the acquisition, the incurrence of the debt has already occurred or was foreseeable.

Non-U.S. Holders

The following discussion is a summary of the principal U.S. federal income consequences resulting from the ownership of the debentures by non-U.S. holders. However, application of the U.S. federal income tax rules associated with non-U.S. holders is complex and factually sensitive. Thus, if you could be considered to be a non-U.S. holder, you are urged to consult your own tax advisors with respect to the application of the federal income tax rules for your particular situation.

Payments of Interest to Non-U.S. Holders

Subject to the discussion below under "Backup Withholding and Information Reporting," payments of interest received by a non-U.S. holder generally will not be subject to U.S. federal withholding tax, provided (1) that (a) the non-U.S. holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote; (b) the non-U.S. holder is not a controlled foreign corporation, actually or constructively, through stock ownership; and (c) the beneficial owner of the debenture complies with the certification requirements, including delivery of a statement, signed by the holder under penalties of perjury, certifying that the holder is a foreign person and provides its name and address; or (2) that the non-U.S. holder is entitled to the benefits of an income tax treaty under which the interest is exempt from U.S. withholding tax and the non-U.S. holder complies with the reporting requirements. If a debenture is held through a securities clearing organization or other specified financial institutions (an "Intermediary"), the Intermediary may provide the relevant signed statement and, unless the Intermediary is a "qualified" intermediary as defined under the Code, the signed statement provided by the Intermediary must be accompanied by a copy of a valid Form W-8BEN provided by the non-U.S. beneficial holder of the debenture.

Payments of interest not exempt from United States federal withholding tax as described above will be subject to a withholding tax at the rate of 30%, subject to reduction under an applicable income tax treaty. Payments of interest on a debenture to a non-U.S. holder generally will not be subject to U.S. federal income tax,

as opposed to withholding tax, unless the income is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States. To claim the benefit of a lower treaty withholding rate, a Non-U.S. holder must provide a properly executed IRS Form W-8BEN to us or our paying agent before the payment of stated interest; and may be required to obtain a U.S. taxpayer identification number and provide documentary evidence issued by foreign governmental authorities to prove residence in the foreign country. You should consult your own tax advisor to determine the effects of the application of the U.S. federal withholding tax to your particular situation.

Disposition of the Debentures by Non-U.S. Holders

Subject to the discussion below under "Backup Withholding and Information Reporting," a non-U.S. holder generally will not be subject to United States federal income tax, and generally no tax will be withheld with respect to gains realized on the disposition of a debenture, unless (a) the gain is effectively connected with a United States trade or business conducted by the non-U.S. holder or (b) the non-U.S. holder is an individual who is present in the United States for 183 or more days during the taxable year of the disposition and other requirements are satisfied.

Non-U.S. Holders Subject to U.S. Income Taxation

If interest and other payments received by a non-U.S. holder with respect to the debentures, including proceeds from the disposition of the debentures, are effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States, or the non-U.S. holder is otherwise subject to United States federal income taxation on a net basis with respect to the holder's ownership of the debentures, or are individuals that have by operation of law become residents in the United States for federal income tax purposes, the non-U.S. holder generally will be subject to the rules described above applicable to U.S. holders of debentures, subject to any modification provided under an applicable income tax treaty. If any of these non-U.S. holders is a corporation, it may also be subject to a U.S. "branch profits tax" at a 30% rate.

Backup Withholding and Information Reporting

Non-corporate U.S. holders may be subject to backup withholding at a rate of 31% on payments of principal, premium, and interest on, and the proceeds of the disposition of, the debentures. In general, backup withholding will be imposed only if the U.S. holder (1) fails to furnish its taxpayer identification number ("TIN"), which for an individual would be his or her Social Security number; (2) furnishes an incorrect TIN; (3) is notified by the IRS that it has failed to report payments of interest or dividends; or (4) under some circumstances, fails to certify under penalty of perjury that it has furnished a correct TIN and has been notified by the IRS that it is subject to backup withholding tax for failure to report interest or dividend payments. In addition, the payments of principal and interest to U.S. holders generally will be subject to information reporting. You should consult your tax advisors regarding your qualification for exemption from backup withholding and the procedure for obtaining an exemption, if applicable.

Backup withholding generally will not apply to payments made to a non-U.S. holder of a debenture who provides the certification that it is a non-U.S. holder, and the payor does not have actual knowledge that a certificate is false, or otherwise establishes an exemption from backup withholding. Payments by United States office of a broker of the proceeds of a disposition of the debentures generally will be subject to backup withholding at a rate of 31% unless the non-U.S. holder certifies it is a non-U.S. holder under penalties of perjury or otherwise establishes an exemption. In addition, if a foreign office of a foreign custodian, foreign nominee or other foreign agent of the beneficial owner, or if a foreign office of a foreign "broker" pays the proceeds of the sale of a debenture to the seller, backup withholding and information reporting will not apply; provided that the nominee, custodian, agent or broker is not a "United States related person," or a person which derives more than 50% of its gross income for some periods from the conduct of a trade or business in the United States or is a controlled foreign corporation. The payment by a foreign office of a broker that is a United States person or a

United States related person of the proceeds of the sale of debentures will not be subject to backup withholding, but will be subject to information reporting unless the broker has documentary evidence in its records that the beneficial owner is not a United States person for purposes of the backup withholding and information reporting requirements and other conditions are met, or the beneficial owner otherwise establishes an exemption.

The amount of any backup withholding imposed on a payment to a holder of a debenture will be allowed as a credit against the holder's United States federal income tax liability and may entitle the holder to a refund; provided that the required information is furnished to the IRS.

STATE, LOCAL AND FOREIGN TAXES

We make no representations regarding the tax consequences of the purchase, ownership or disposition of the debentures under the tax laws of any state, locality or foreign country. You should consult your own tax advisors regarding these state and foreign tax consequences.

ERISA CONSIDERATIONS

General

Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the Code impose restrictions on employee benefit plans that are subject to ERISA, or plans or arrangements that are subject to Code Section 4975, and on persons who are parties in interest or disqualified persons with respect to those plans or arrangements. Some employee benefit plans, like governmental plans and church plans (if no election has been made under Section 410(d) of the Code), are not subject to the restrictions of Title I of ERISA or Code Section 4975, and assets of these plans may be invested in the debentures without regard to the ERISA considerations described below, subject to the Code and other applicable federal and state laws affecting tax-exempt organizations generally. Any plan fiduciary that proposes to cause a plan to acquire any of the debentures should consult with its counsel with respect to the potential consequences under ERISA and the Code of the plan's acquisition and ownership of the debentures. Investments by plans are also subject to ERISA's and the Code's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that a plan's investments be made in accordance with the documents governing the plan.

Prohibited Transactions

General

Section 406 of ERISA and Section 4975 of the Code prohibits certain "parties in interest" and "disqualified persons" with respect to a plan from engaging in select transactions involving a plan and its assets unless a statutory, regulatory or administrative exemption applies to the transaction. Section 4975 of the Code imposes excise taxes, or in some cases a civil penalty may be assessed under Section 502(i) of ERISA, on parties in interest that engage in non-exempt "prohibited transactions." Section 502(i) of ERISA requires the Secretary of the U.S. Department of Labor ("Labor") to assess a civil penalty against a fiduciary who breaches any fiduciary responsibility under, or commits any other violation of, part 4 of Title I of ERISA, or any other person who knowingly participates in a breach or violation.

Plan Asset Regulations

Labor has issued regulations concerning the definition of what constitutes the assets of a plan for purposes of ERISA and the prohibited transaction provisions of the Code. The plan asset regulations describe the circumstances where the assets of an entity in which a plan invests will be considered to be "plan assets," so that any person who exercises control over the assets would be subject to ERISA's fiduciary standards. Generally, under the plan asset regulation, when a plan invests in another entity, the plan's assets do not include, solely by reason of the investment, any of the underlying assets of the entity. However, the plain asset regulation provides that, if a plan acquires an "equity interest" in an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940 the assets of the entity will be treated as assets of the plan investor unless exceptions apply. Under the plan asset regulation the term "equity interest" is defined as any interest in an entity other than an instrument that is treated as indebtedness under "applicable local law" and that has no "substantial equity features." Although the plan asset regulation is silent with respect to the question of which law constitutes "applicable local law" for this purpose, Labor has stated that these determinations should be made under the state law governing interpretation of the instrument in question. In the preamble to the plan asset regulation, Labor declined to provide a precise definition of what features are equity features or the circumstances under which the features would be considered "substantial," noting that the question of whether a plan's interest has substantial equity features is an inherently factual one, but that in making that determination it would be appropriate to take into account whether the equity features are such that a plan's investment would be a practical vehicle for the indirect provision of investment management services. We believe that the debentures will be classified as indebtedness without substantial equity features for ERISA purposes. Each investor who purchases a debenture will be required to represent and warrant, in the subscription agreement for the investment, whether or not the assets being invested constitute "plan assets" for purposes of ERISA.

If the debentures were deemed to be equity interests for this purpose and no statutory, regulatory, or administrative exception applies, we could be considered to hold plan assets by reason of a plan's investment in the debentures. These plan assets would include an undivided interest in all of our assets. In this case, we may be considered a fiduciary with respect to the investing plans. We would be subject to the fiduciary responsibility provisions of Title I of ERISA, including the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, and to Section 4975 of the Code with respect to transactions involving any of our assets. The ERISA fiduciary standards could affect the way we conduct the business, which would have consequences for all investors, not just those that are employee benefit plans.

Depending on the relevant facts and circumstances, prohibited transaction exemptions may apply to the purchase or holding of the debentures. See, for example, Prohibited Transaction Class Exemption ("PTE") 96-23, which exempts some transactions effected on behalf of a plan or by an "in-house asset manager;" PTE 95-60, which exempts some transactions between insurance company general accounts and parties in interest; PTE 91-38, which exempts some transactions between bank collective investment funds and parties in interest; PTE 90-1, which exempts some transactions between insurance company pooled separate accounts and parties in interest; or PTE 84-14, which exempts some transactions effected on behalf of a plan by a "qualified professional asset manager." However, there can be no assurance that any of these exemptions will apply with respect to any plan's investment in the debentures, or that the exemption, if it did apply, would apply to all prohibited transactions that may occur in connection with the investment.

Any plan fiduciary considering whether to purchase debentures on behalf of a plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code. Before purchasing any debentures, a fiduciary of a plan should make its own determination as to (1) whether GWG Life, as borrower on the debentures, is a "party in interest" under ERISA or a "disqualified person" under the Code with respect to the plan; (2) the availability of the relief provided in the plan asset regulation and (3) the availability of any other prohibited transaction exemptions. In addition, purchasers that are insurance companies should consult their own ERISA counsel with respect to their fiduciary responsibilities associated with their purchase and ownership of the debentures, including any responsibility under the Supreme Court case *John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank*.

LEGAL MATTERS

Certain legal matters in connection with the debentures will be passed upon for us by Maslon Edelman Borman & Brand, LLP, of Minneapolis, Minnesota.

EXPERTS

The consolidated financial statements of GWG Holdings, Inc. and its subsidiaries as of and for the years ending December 31, 2009 and 2010, included in this prospectus and in the related registration statement, have been audited by Mayer Hoffman McCann P.C., an independent registered public accounting firm. As indicated in their report with respect thereto, these consolidated financial statements are included in this prospectus in reliance upon the authority of such firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the debentures to be offered and sold pursuant to the prospectus which is a part of that registration statement. This prospectus does not contain all the information contained in the registration statement. For further information with respect to us and the debentures to be sold in this offering, we refer you to the registration statement, including the agreements, other documents and schedules filed as exhibits to the registration statement.

We file annual, quarterly and current reports, and other information with the SEC. We intend to make these filings available on our website at www.gwglife.com. Information on our website is not incorporated by reference in this prospectus. We maintain an office at 220 South Sixth Street, Suite 1200, Minneapolis, MN 55402 where all records concerning the debentures are to be retained. Debenture holders and their representatives can request information regarding the debentures by contacting our office by mail at our address or by telephone at (612) 746-1944 or by fax at (612) 746-0445. Upon request, we will provide copies of our filings with the SEC free of charge to our investors. Our SEC filings, including the registration statement of which this prospectus is a part, will also be available on the SEC's Internet site at http://www.sec.gov. You may read and copy all or any portion of the registration statement or any reports, statements or other information we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. In addition, you may call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. You may receive copies of these documents upon payment of a duplicating fee by writing to the SEC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members and Board of Directors of
GWG Holdings, LLC and Subsidiaries:

We have audited the accompanying consolidated balance sheets of GWG Holdings, LLC and Subsidiaries (the Company) as of December 31, 2010 and 2009, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of GWG Holdings, LLC and Subsidiaries as of December 31, 2010 and 2009 and the consolidated results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Mayer Hoffman McCann P.C.

Minneapolis, Minnesota
June 14, 2011

GWG HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2010	December 31, 2009	June 30, 2011 (unaudited)
ASSETS			
Cash and cash equivalents	$ 1,758,230	$ 1,180,850	$ 349,170
Restricted cash	5,219,009	5,751,115	3,571,451
Bridge loans, net	—	3,226,274	—
Due from related parties	2,415	—	38,435
Investment in life settlements	82,717,562	12,908,172	108,479,885
Deferred financing costs	562,834	795,730	446,385
Other assets	790,708	228,473	1,306,694
TOTAL ASSETS	$ 91,050,758	$ 24,090,614	$ 114,192,020
LIABILITIES & EQUITY			
LIABILITIES			
Revolving credit facility	$ 37,085,452	$ 4,987,425	$ 48,175,000
Series I Secured notes payable	51,798,992	13,570,983	58,854,268
Accounts payable	710,547	761,859	85,634
Due to related parties	—	2,301,055	202,967
Accrued expenses			
Interest	975,817	147,089	1,235,820
Other	318,603	597,127	285,703
Deferred tax liability, net	—	—	3,779,000
TOTAL LIABILITIES	90,889,411	22,365,538	112,618,392
REDEEMABLE MEMBER'S INTEREST	(509,126)	(470,436)	—
EQUITY			
Members' capital	2,976,541	3,806,061	—
Common stock (par value $0.001: shares authorized 210,000,000; shares issued 4,500,000)			4,500
Additional paid-in capital			6,866,984
Retained earnings			(2,991,788)
Notes receivable from related parties	(2,306,068)	(1,761,134)	(2,306,068)
Total equity attributable to controlling interest	670,473	2,044,927	1,573,628
Noncontrolling interest	—	150,585	—
TOTAL EQUITY	670,473	2,195,512	1,573,628
TOTAL LIABILITIES & EQUITY	$ 91,050,758	$ 24,090,614	$ 114,192,020

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements

GWG HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended		Six Months Ended	
	December 31, 2010	December 31, 2009	June 30, 2011 (unaudited)	June 30, 2010 (unaudited)
REVENUE				
Contract servicing fees	$ 142,982	$ 84,775	$ —	$ 30,300
Gain (loss) on life settlements, net	8,658,874	808,944	10,294,109	(4,689,860)
Broker fees	—	19,500	—	—
Interest on bridge loans	—	165,538	—	—
Interest and other income	97,091	268,366	31,970	27,036
TOTAL REVENUE	8,898,947	1,347,123	10,326,079	(4,632,524)
EXPENSES				
Employee compensation and benefits	2,230,106	1,910,801	942,020	1,195,056
Legal and professional fees	1,109,013	1,108,989	263,852	605,639
Interest expense	3,683,733	593,101	2,414,672	1,394,007
Recovery of losses on related-party notes receivable	(20,425)	(151,520)	—	—
Amortization of deferred financing and issuance costs	743,635	232,896	896,540	116,448
Other expenses	1,383,280	2,486,269	615,214	626,698
TOTAL EXPENSES	9,129,342	6,180,536	5,132,298	3,937,848
INCOME (LOSS) BEFORE TAXES	(230,395)	(4,833,413)	5,193,781	(8,570,372)
INCOME TAX EXPENSE	—	—	3,781,500	—
NET INCOME (LOSS)	(230,395)	(4,833,413)	1,412,281	(8,570,372)
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1,277,682	2,059,200	—	1,277,682
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTERESTS	1,047,287	(2,774,213)	1,412,281	(7,292,690)
NET (INCOME) LOSS ATTRIBUTABLE TO REDEEMABLE INTERESTS	(46,671)	499,524	—	451,678
NET INCOME (LOSS) AVAILABLE TO NONREDEEMABLE INTERESTS	$ 1,000,616	$ (2,274,689)	$ 1,412,281	$ (6,841,012)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO CONTROLLING INTERESTS	$ 0.23	$ (1.39)	$ 0.31	$ (1.62)
BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	4,500,000	1,989,785	4,500,000	4,500,000
PROFORMA INFORMATION AS IF THE COMPANY HAD BEEN A CORPORATION FOR ALL PERIODS (unaudited) (see note 12)				
PROFORMA BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO CONTROLLING INTERESTS	$ 0.14	$ (0.90)	$ 0.71	$ (1.03)
PROFORMA BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	4,500,000	1,989,785	4,500,000	4,500,000

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements

GWG HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Members' Capital		Common Shares	Common Stock (par)	Additional Paid in Capital	Retained Earnings	Notes Receivable From Related Parties	Total Equity Attributable to Controlling Interest	Noncontrolling Interest	Total Equity
	Units	Dollars								
Balance, January 1, 2009	**344**	**$ 660,523**	**$ —**	**$ —**	**$ —**	**$ —**	**$ (1,408,299)**	**$ (747,776)**	**$ 6,235,813**	**$ 5,488,037**
Net loss	—	(2,774,213)	—	—	—	—	—	(2,774,213)	(2,059,200)	(4,833,413)
Net loss allocated to the redeemable member units	—	499,524	—	—	—	—	—	499,524	—	499,524
Capital contributions	1,800	4,796,587	—	—	—	—	—	4,796,587	850,636	5,647,223
Capital distribution (declared) forgiven	—	623,640	—	—	—	—	—	623,640	(4,876,664)	(4,253,024)
Advances to related parties	—	—	—	—	—	—	(352,835)	(352,835)	—	(352,835)
Balance, December 31, 2009	**2,144**	**3,806,061**	**—**	**—**	**—**	**—**	**(1,761,134)**	**2,044,927**	**150,585**	**2,195,512**
Net income (loss)	—	1,047,287	—	—	—	—	—	1,047,287	(1,277,682)	(230,395)
Net income allocated to the redeemable member units	—	(46,671)	—	—	—	—	—	(46,671)	—	(46,671)
Capital contributions	—	—	—	—	—	—	—	—	680,388	680,388
Redemption of noncontrolling interest in GWG Life Settlements, LLC	—	(1,830,136)	—	—	—	—	—	(1,830,136)	1,915,497	85,361
Sale of membership interest in Opportunity Bridge Funding, LLC	—	—	—	—	—	—	—	—	(1,468,788)	(1,468,788)
Advances to related parties	—	—	—	—	—	—	(544,934)	(544,934)	—	(544,934)
Balance, December 31, 2010	**2,144**	**2,976,541**	**—**	**—**	**—**	**—**	**(2,306,068)**	**670,473**	**—**	**670,473**
Net income through June 10 (unaudited)	—	4,404,069	—	—	—	—	—	4,404,069	—	4,404,069
Net income allocated to the redeemable member units	—	(143,948)	—	—	—	—	—	(143,948)	—	(143,948)
Restructuring of redeemable member's interest (unaudited)	100	(365,178)	—	—	—	—	—	(365,178)	—	(365,178)
Conversion from LLC to corporation (unaudited)	(2,244)	$(6,871,484)	4,500,000	4,500	6,866,984	—	—	—	—	—
Net income June 11 through June 30 (unaudited)	—	—	—	—	—	(2,991,788)	—	(2,991,788)	—	(2,991,788)
Balance, June 30, 2011 (unaudited)	**—**	**$ —**	**4,500,000**	**$ 4,500**	**$6,866,984**	**$(2,991,788)**	**$ (2,306,068)**	**$ 1,573,628**	**$ —**	**$ 1,573,628**

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements

GWG HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended		Six Months Ended	
	December 31, 2010	December 31, 2009	June 30, 2011 (unaudited)	June 30, 2010 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	$ (230,395)	$ (4,833,413)	$ 7,412,281	$ (8,570,372)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:				
(Gain) loss on life settlements	(16,985,394)	(1,283,444)	(16,638,593)	2,183,679
Recovery of losses on notes receivable from related parties	(20,425)	(151,520)	—	—
Capitalized interest on notes receivable from related parties	(82,435)	(65,335)	—	(18,658)
Amortization of deferred financing and issuance costs	746,635	232,896	116,448	116,448
Deferred income taxes	—	—	3,779,000	—
(Increase) decrease in operating assets:				
Due from related parties	(2,415)	—	(36,020)	(131,095)
Other assets	(178,465)	155,300	(515,985)	4,006
Increase (decrease) in operating liabilities:				
Due to related party	(610,888)	503,397	202,967	70,081
Accounts payable and accrued expenses	602,866	1,157,453	(397,810)	13,906
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(16,760,916)	(4,284,666)	(12,077,712)	(6,332,005)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net decrease in bridge loans	—	(869,275)	—	—
Investment in life settlements	(53,223,996)	(11,624,728)	(9,123,730)	(38,200,491)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(53,223,996)	(12,494,003)	(9,123,730)	(38,200,491)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from revolving credit facility	32,098,027	4,987,425	11,089,548	15,373,978
Proceeds from issuance of Series I Secured notes payable	43,494,690	13,972,508	11,342,855	32,100,900
Payments for redemption of Series I Secured notes payable	(5,780,420)	(401,525)	(4,287,579)	(1,276,147)
Proceeds (payments) from restricted cash	532,106	(5,751,115)	1,647,558	(2,937,186)
Issuance of member capital	—	4,796,587	—	—
Distributions to preferred member	—	(764,620)	—	—
Advances on notes to related parties	(462,499)	(287,500)	—	(200,000)
Issuance of non-controlling interest member capital	680,388	850,636	—	680,388
Redemption of non-controlling interest member capital	—	(4,767,025)	—	—
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	70,562,292	12,635,371	19,792,382	43,741,933
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	577,380	(4,143,298)	(1,409,060)	(790,563)
CASH AND CASH EQUIVALENTS				
BEGINNING OF YEAR	1,180,850	5,324,148	1,758,230	1,180,850
END OF YEAR	$ 1,758,230	$ 1,180,850	$ 349,170	$ 390,287

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements

GWG HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS-CONTINUED

	Year Ended		Six Months Ended	
	December 31, 2010	December 31, 2009	June 30, 2011 (unaudited)	June 30, 2010 (unaudited)
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Interest paid	$ 2,904,000	$ 745,000	$ 2,155,000	$ 940,000
NON-CASH INVESTING AND FINANCING ACTIVITIES				
Redemption of non-controlling interest	$ 1,916,000	$ —	$ —	$ 1,916,000
Distributions payable—forgiven (including redeemable member's interest)	$ —	$ 653,000	$ —	$ —
Interest income receivable added to balance of notes receivable from related parties	$ 82,000	$ 65,000	$ —	$ 19,000
Sale of membership interest in Opportunity Bridge Funding, LLC to Insurance Strategies Fund, LLC:				
Prepaid expenses	$ 16,000	$ —	$ —	$ 16,000
Bridge loans receivable	$ 3,226,000	$ —	$ —	$ 3,226,000
Accounts payable	$ (84,000)	$ —	$ —	$ (84,000)
Due to related parties	$ (1,690,000)	$ —	$ —	$ (1,690,000)
Noncontrolling interest	$ (1,469,000)	$ —	$ —	$ (1,469,000)
Conversion of member's equity to common stock and additional paid in capital	$ —	$ —	$ 6,871,000	$ —

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of business and summary of significant accounting policies

Nature of business—GWG Holdings, Inc. (Holdings) (previously GWG Holdings, LLC) and Subsidiaries, located in Minneapolis, Minnesota, facilitates the purchase of life insurance policies for its own investment portfolio through its wholly owned subsidiary, GWG Life Settlements, LLC (GWG Life), and its subsidiaries, GWG DLP Funding, LLC (DLP) and its wholly owned subsidiary, GWG DLP Master Trust (the Trust) prior to its sale on November 1, 2010 as described in note 4; and GWG DLP Funding II, LLC (DLP II) and its wholly owned subsidiary, GWG DLP Master Trust II (the Trust II). The Company converted from a limited liability company into a corporation effective June 10, 2011 and as a result of this change all member units were converted into common stock. Holdings finances the acquisition of life insurance policies, premiums and policy loan repayments through its wholly owned subsidiary, United Lending, LLC (United Lending). Holdings also financed policy premiums and policy loan repayments through its wholly owned subsidiary Opportunity Bridge Funding, LLC (Opportunity Bridge Funding) prior to its sale on January 1, 2010 as described in note 10. Holdings earns fees for brokering policy transactions between market participants through its wholly owned subsidiary, GWG Broker Services, LLC (Broker Services). GWG Member, LLC a wholly owned subsidiary formed November 2010 to facilitate the acquisition of policies has not commenced operations as of June 30, 2011. The entities were legally organized in Delaware and are collectively referred herein to as GWG, or the Company.

Principles of consolidation—The accompanying consolidated financial statements include the accounts of Holdings and its subsidiaries. The Company operates in a single segment. All significant intercompany balances have been eliminated in consolidation.

Insurance Strategies Fund, LLC (ISF), a related party with common ownership to the Company, held a non-controlling interest in both GWG Life and Opportunity Bridge Funding at December 31, 2009. During 2010 GWG Life acquired the non-controlling interest as a result of DLPI's sale of its insurance policy portfolio and assumption of the related debt by the purchaser. Additionally, GWG Holdings sold its controlling interest in Opportunity Bridge Funding to ISF (see note 10 for further information on the transactions). The operations of each subsidiary has been consolidated for its period of ownership and ISF's non-controlling interest is included in equity.

GWG Life, through December 31, 2008, sold 100 percent of the investments in life insurance policies acquired to a wholly owned subsidiary, DLP and the related Trust. DLP was considered a variable interest entity as defined by Financial Accounting Standards Board (FASB) ASC Topic 810-10. Despite a 100 percent equity interest, GWG Life was not the primary beneficiary of DLP, and therefore did not consolidate DLP, rather accounted for its investment in DLP under the equity method with a carrying value of zero at December 31, 2009 and June 30, 2010 (unaudited). Effective November 1, 2010 DLP sold its portfolio of insurance policies to Life Assets Trust S.A. resulting in a triggering event in which GWG Life was determined to be the primary beneficiary. As of and since the transaction date GWG Life has consolidated DLP. DLP did not have any operations or net assets as of or from November 1, 2010 (immediately subsequent to the transaction) to June 30, 2011. See note 4 regarding the transaction.

Unaudited interim financial information—The accompanying unaudited consolidated financial statements as of June 30, 2011 and for the six months ended June 30, 2011 and 2010 have been prepared in accordance with the U.S. generally accepted accounting principles, ("GAAP") for interim financial information and pursuant to the instructions to Form S-1 and Article 8 of Regulation S-X of the Securities and Exchange Commission ("SEC") and on the same basis as the annual audited financial statements. The unaudited balance sheet as of June 30, 2011, and statements of operations and cash flow for the six months ended on June 30, 2011 and 2010, are unaudited, but include all adjustments, consisting only of normal recurring adjustments, which the Company considers necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The results for the six months ended

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of business and summary of significant accounting policies (continued)

June 30, 2011 are not necessarily indicative of results to be expected for the year ending December 31, 2011 or for any other interim period or for any other future year.

Use of estimates—The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. The most significant estimate with regard to these consolidated financial statements relates to the determination of the assumptions used in estimating the fair value of life insurance policies.

Operating agreement—Prior to the conversion to a corporation in 2011, the Amended and Restated Operating Agreement (Operating Agreement) dated September 29, 2009, specified the members' obligations and rights relating to contributions, income, gains, losses, deductions, credits and distributions. The Company had issued 2,044 Class A units and 200 Class B units to members. The Operating Agreement provided for the allocation of income, losses and distribution to unit holders on a prorata basis for all Class A and Class B members.

One Class B member held a put right to cause the Company to purchase the member's 100 units at fair market value. This put option was exercisable five years from the date of the Operating Agreement (March 19, 2013) or at any time at which voting control over the remaining unit holders is relinquished. The Operating Agreement also gave the Company the right to purchase, at fair market value, the 100 units of the Class B member aforementioned. This call right became exercisable on February 10, 2011. The redemption value of the Class B units subject to the put and call provisions have been excluded from member's equity in accordance with the guidance in Accounting Series Release 268 "*Presentation in Financial Statements of Redeemable Preferred Stocks*" through March 31, 2011.

The Company's Operating Agreement, with the consent of its unit holders, was amended effective March 31, 2011 to eliminate the put and call option held by the Class B unit holder and the Company, respectively.

Effective June 10, 2011 the Company filed a certificate of conversion from a limited liability company into a corporation, registered in the state of Delaware. With this registration, the Company is authorized to issue 210,000,000 shares of common stock, par value $.001, and 40,000,000 shares of preferred stock, par value $.001. In connection with the conversion, the outstanding member units were converted to 4,500,000 shares of common stock.

Effective July 29, 2011 the Company filed a certificate of amendment of certificate of incorporation to affect a two-for-one forward stock split of its common stock.

Cash and cash equivalents—The Company considers cash in demand deposit accounts and temporary investments purchased with an original maturity of three months or less to be cash equivalents. The Company maintains its cash and cash equivalents with highly rated financial institutions. From time to time, the Company's balances in its bank accounts exceed Federal Deposit Insurance Corporation limits. The Company periodically evaluates the risk of exceeding insured levels and may transfer funds as it deems appropriate. The Company has not experienced any losses with regards to balances in excess of insured limits or as a result of other concentrations of credit risk.

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of business and summary of significant accounting policies (continued)

Bridge loans—Bridge loans represent loans to insurance policy holders to cover the carrying cost of their policy until they can sell the policy as a life settlement. Management had the intent and ability to hold these loans for the foreseeable future or until maturity or payoff. Bridge loans were reported at their outstanding principal balances, net of the allowance for loan losses. The allowance was calculated on one bridge loan as 10% of the loan amount. Estimated loan losses were not recovered upon the sale of Opportunity Bridge Funding. Interest income was recognized on the loans outstanding when earned using the simple interest method. The Company made its last bridge loan in 2009 and does not intend to make any additional bridge loans due to the sale of its subsidiary Opportunity Bridge Funding as discussed in note.

Allowance for bridge loan losses—The allowance for loan losses is established as losses are estimated to have occurred through a provision for bridge loan losses charged to income. Specific loans are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance for loan losses. The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Management had established an allowance for loan losses of $120,000 at December 31, 2009. No bridge loans were held by the Company at December 31, 2010 or June 30, 2010 (unaudited).

Life settlements—ASC 325-30, *Investments in Insurance Contracts* allows an investor the election to account for its investments in life settlements using either the investment method or the fair value method. The election shall be made on an instrument-by-instrument basis and is irrevocable. Under the investment method, an investor shall recognize the initial investment at the purchase price plus all initial direct costs. Continuing costs (policy premiums and direct external costs, if any) to keep the policy in force shall be capitalized. Under the fair value method, an investor shall recognize the initial investment at the purchase price. In subsequent periods, the investor shall re-measure the investment at fair value in its entirety at each reporting period and shall recognize the change in fair value in current period income net of premiums paid. The Company uses the fair value method to account for all life settlements.

The Company recognizes the difference between the death benefits and the carrying value of the policy when the Company determines that settlement and ultimate collection is realizable and reasonably assured. Revenue from a transaction must meet both criteria in order to be recognized. The Company recognizes realized gains (revenue) from life settlement contracts upon one of the two following events:

1) Receipt of death notice or verified obituary of insured
2) Sale of policy and filing of change of ownership forms and receipt of payment

Deposits and initial direct costs advanced on policies to be purchased are recorded as other assets until policy ownership has been transferred to the Company

Deferred financing and issuance costs—Financing costs incurred to obtain financing under the revolving credit facility have been capitalized and are amortized using the straight-line method over the term of the revolving credit facility. The Series I Secured note obligations, as described in note 9, are reported net of issuance costs, sales commissions and other direct expenses, which are amortized using the interest method over the term of the borrowings.

Related party income from life insurance policies—Through the date of the sale of DLP's policy portfolio, GWG Life received origination and servicing fees from DLP as consideration for providing life insurance-related services. These fees were recognized as income in the period the services were performed.

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of business and summary of significant accounting policies (continued)

Income taxes—The Company was a pass through entity for federal income tax purposes through June 10, 2011. No income tax provision has been included through that date in these consolidated financial statements as income or loss of the Company was required to be reported by the respective members on their individual income tax returns.

As a result of the Company's change in legal structure from a limited liability company (filing tax returns as a pass through entity) to a corporation effective June 10, 2011, the Company will file and pay taxes based on its reported income.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary difference and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company applies the accounting guidance on accounting for uncertainty in income taxes. The Company reviews and assesses its tax positions taken or expected to be taken in tax returns, including its previous status as a tax-exempt entity. Based on this assessment the Company determines whether it is more likely than not that the position would be sustained upon examination by tax authorities. The Company's assessment has not identified any significant positions that it believes would not be sustained under examination.

The Company files tax returns in the United States (U.S.) federal jurisdiction and in various state jurisdictions. Uncertain tax positions include those related to tax years that remain subject to examination. U.S. tax returns for fiscal years ended December 31, 2007 through 2010, remain subject to examination by federal tax authorities. Tax returns for state and local jurisdictions for fiscal years ended December 31, 2007 through 2010, remain subject to examination by state and local tax authorities.

Earnings (loss) per share—The Company converted from a limited liability company into a corporation effective June 10, 2011 and as a result of this change all member units were converted into common stock. The earnings (loss) attributable to controlling interests per ownership interest has been restated to reflect the equivalent common stock per share amounts as of the earliest period reported. Per share earnings (loss) attributable to controlling interests is calculated using the weighted average number of shares outstanding during the period. Basic and fully diluted per share earnings (loss) attributable to controlling interests are the same, as the Company has not issued any dilutive shares, membership units or other unit equivalents.

Subsequent events—Subsequent events are events or transactions that occur after the balance sheet date but before consolidated financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. The Company's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before the financial statements are available to be issued. The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the consolidated financial statements are filed for potential recognition or disclosure.

Recently adopted pronouncements—In December 2009, the FASB issued ASU No. 2009-17, Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities", which was effective for the Company beginning January 1, 2010. This ASU amends Subtopic 810-10, for

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of business and summary of significant accounting policies (continued)

consolidations of variable interest entities to require revised evaluation of whether entities represent variable interest entities, determining the primary beneficiary, ongoing assessments of control over such entities, and additional disclosures for variable interests. The adoption of this pronouncement did not have an impact on the Company's consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-02, "Accounting and Reporting for Decreases in Ownership of a subsidiary"—a Scope Clarification (Topic 810), which clarifies the scope of Subtopic 810-10 and expands the disclosure requirements related to the accounting and reporting by an entity that experiences a decrease in ownership in a subsidiary or exchanges a group of assets (business) for an equity interest in another entity. The guidance became effective for the reporting period beginning January 1, 2010. The adoption of this new guidance has been applied to the equity transactions involving the Company's subsidiaries in the consolidated financial statements.

In January 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements" ("ASC 2010-06"), which amends the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires additional disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. The guidance also clarifies certain existing disclosure requirements. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). This pronouncement became effective for the Company with the reporting period beginning January 1, 2011.

The FASB has issued Accounting Standards Update (ASU) No. 2010-15. *Financial Services—Insurance (Topic 944): How Investments Held through Separate Accounts Affect an Insurer's Analysis of Those Investments.* This ASU codifies the consensus reached in EITF Issue No. 09-B, "Consideration of an Insurer's Accounting for Majority-Owned Investments When the Ownership Is through a Separate Account." The amendments clarify that an insurance entity generally should not consider any separate account interests held for the benefit of policy holders in an investment to be the insurer's interests and should not combine those interests with its general account interest in the same investment when assessing the investment for consolidation. The general guidance does not apply in instances where the separate account interests are held for the benefit of a related party policy holder as defined in the Variable Interest Entities Subsection of Codification Topic 810, *Consolidation*, Subtopic 810-10, as those Subsections require the consideration of related parties. ASU 2010-15 was effective on January 1, 2011. The adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to the Company.

(2) Restrictions on cash

The Company is required by its lenders to maintain collection and escrow accounts. These accounts are used to fund purchases and premiums of insurance policies and to pay interest and other charges under its revolving credit facility. DZ Bank AG as agent for Autobahn Funding Company, LLC, the lender for the revolving credit facility as described in note 8, authorizes the disbursements from these accounts. The Company also maintains a separate cash account for the deposit of Series I Secured note proceeds as described in note 9. An account control agreement is in place with the Series I Trustee, Lord Securities Corporation, who must authorize disbursements from this account for uses identified in note 9. At

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(2) Restrictions on cash (continued)

December 31, 2010, December 31 2009 and June 30, 2011 (unaudited) there was a balance of $5,219,000, $5,751,000 and $3,571,000 respectively, maintained in these restricted cash accounts.

(3) Investment in life insurance policies

The life insurance policies (level 3 financial instruments) are valued based on inputs that are unobservable and significant to the overall fair value measurement. Changes in the fair value of these instruments are recorded in gain or loss on life insurance policies in our consolidated statements of operations (net of the cash premiums paid on the policies). The fair value is determined on a discounted cash flow basis that incorporates current life expectancy assumptions. Life expectancy reports have been obtained from widely accepted life expectancy providers. The discount rate incorporates current information about market interest rates, the credit exposure to the insurance company that issued the life insurance policy and our estimate of the risk of premium an investor in the policy would require. As a result of management's analysis, discount rates of 13.36%, 14.24% and 13.38% were applied to the portfolio as of December 31, 2010, December 31, 2009 and June 30, 2011 (unaudited), respectively.

Summaries of policy maturities, accounted for under the fair value method, based on remaining life expectancy is as follows:

As of December 31, 2010

Years Ending December 31,	Number of Contracts	Estimated Fair Value	Face Value
2011	—	$ —	$ —
2012	—	—	—
2013	—	—	—
2014	2	1,419,000	3,000,000
2015	5	4,146,000	9,329,000
2016	8	9,194,000	27,600,000
Thereafter	125	67,959,000	339,514,000
Totals	140	$ 82,718,000	$379,443,000

As of June 30, 2011 (unaudited)

Years Ending December 31,	Number of Contracts	Estimated Fair Value	Face Value
2011	—	$ —	$ —
2012	—	—	—
2013	—	—	—
2014	1	511,000	1,000,000
2015	6	5,363,000	11,329,000
2016	10	11,617,000	34,835,000
Thereafter	149	90,989,000	405,314,000
Totals	166	$ 108,480,000	$452,478,000

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) Investment in life insurance policies (continued)

The estimated expected premium payments to maintain the above life insurance policies in force for the next five years, assuming no mortalities, are as follows:

Years Ending December 31,	As of December 31, 2010	As of June 30, 2011 (unaudited)
2011	$ 12,303,000	$ 7,186,000
2012	12,519,000	14,485,000
2013	12,938,000	15,407,000
2014	13,837,000	16,477,000
2015	14,695,000	17,628,000
	$ 66,292,000	$71,183,000

Management anticipates funding the estimated premium payments as noted above with proceeds from the DZ Bank revolving credit facility and through additional debt and equity financing. The proceeds of these capital sources are also intended to be used for the purchase, financing, and maintenance of additional life insurance policies.

From January 1, 2010 through November 1, 2010 and the year ended December 31, 2009 the Company purchased life insurance policies from its affiliate DLP at DLP's amortized cost of the specific contracts for $20,521,000 and $5,108,000, respectively. The amortized costs of these contracts were in excess of their fair value and as a result the Company recorded losses on the purchases of $2,530,000 and $586,000 during 2010 and 2009 respectively.

(4) Investment in unconsolidated company

DLP was considered a variable interest entity as defined by FASB ASC Topic 810-10. GWG Life was not the primary beneficiary and therefore did not consolidate DLP. Effective November 1, 2010 an agreement was reached where Life Assets Trust S.A. purchased DLP's portfolio of life insurance policies for the $257,470,000 due on DLP's credit facility. This transaction with Life Assets Trust S.A. included the transfer and assumption of all of DLP's assets and liabilities as of the date of the transaction to Life Assets Trust S.A. DLP's gain on the sale of the portfolio of policies was recognized by the primary beneficiary, its lender, WestLB AG. Subsequent to the transaction, WestLB AG was no longer the primary beneficiary of DLP. As a result DLP is consolidated as a subsidiary of GWG Life as of the transaction date, as GWG Life holds all equity interest and there are no other variable interests. GWG Life's investment in DLP had a carrying value of $0 at December 31, 2009 and as of the date of the transaction. DLP did not have any operations or net assets as of or from November 1, 2010 (immediately subsequent to the transaction) to June 30, 2011. See note 1 "Principles of consolidation," and note 3 "Investment in life policies" for additional information regarding DLP.

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(4) Investment in unconsolidated company (continued)

A summary of the assets and liabilities of DLP on November 1, 2010 (as transferred and assumed) and December 31, 2009, and revenues, expenses and net income (loss) for the period January 1, 2010 to November 1, 2010 and the year ended December 31, 2009 are as follows:

	November 1, 2010	December 31, 2009
ASSETS		
Cash and cash equivalents	$ 100,594	$ 128,618
Investment in life settlements	257,245,651	168,315,569
Deferred financing costs	119,050	238,100
TOTAL ASSETS	$ 257,465,295	$ 168,682,287
LIABILITIES		
Revolving credit facility	$ 257,148,907	$ 247,243,433
Due to member	—	680,607
Accrued interest payable and other accrued expenses	316,388	294,378
TOTAL LIABILITIES	257,465,295	248,218,418
MEMBERS' DEFICIT	—	(79,536,131)
TOTAL LIABILITIES & MEMBERS' DEFICIT	$ 257,465,295	$ 168,682,287

	January 1 to November 1, 2010	Year Ended December 31, 2009
REVENUE		
Gain on life settlements	$ 84,903,535	$ 10,124,889
Interest and other income	8	946
TOTAL REVENUE	84,903,543	10,125,835
EXPENSES		
Interest expense	5,799,008	4,236,817
Origination and servicing fees paid to Company's member	37,825	84,775
Amortization of deferred financing costs	119,050	142,860
Legal and professional fees	71,421	128,820
Other expenses	290	18,850
TOTAL EXPENSES	6,027,594	4,612,122
NET INCOME	$ 78,875,949	$ 5,513,713

(5) Fair value definition and hierarchy

ASC Topic 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring assets and liabilities at fair value. Market price observability is affected by a number of factors, including the type of investment, the characteristics specific to the investment and the state of the marketplace including the existence and transparency of transactions between market participants. Assets and liabilities with readily available active quoted prices or for which fair value can be measured from actively quoted prices in an orderly market generally will have a higher

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(5) Fair value definition and hierarchy (continued)

degree of market price observability and a lesser degree of judgment used in measuring fair value. ASC Topic 820 establishes a three-level valuation hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

- Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2—Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary by types of assets and liabilities and is affected by a wide variety of factors, including, for example, whether the investment is established in the marketplace, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for assets and liabilities categorized in Level 3.

Life insurance policies represent the only financial instrument recorded at fair value on a recurring basis. The following tables reconcile the beginning and ending fair value of the Company's Level 3 investments in life insurance policies for the years ended December 31, 2010 and 2009 and six months ended June 30, 2011 (unaudited):

	Level 3
Balance at January 1, 2009	$ —
Purchases	11,625,000
Maturities	—
Net change in unrealized gain	1,283,000
Balance at December 31, 2009	12,908,000
Purchases	53,224,000
Maturities	(242,000)
Net change in unrealized gain	16,828,000
Balance at December 31, 2010	$ 82,718,000
Purchases (unaudited)	9,124,000
Maturities (unaudited)	—
Net change in unrealized gain (unaudited)	16,638,000
Balance at June 30, 2011 (unaudited)	$ 108,480,000

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(5) Fair value definition and hierarchy (continued)

The fair value of a portfolio of life insurance policies is based on information available to the Company at the reporting date. Fair value is based upon a discounted cash flow basis that incorporates current life expectancy assumptions. Life expectancy reports have been obtained from independent, third-party widely accepted life expectancy providers. The discount rate incorporates current information about market interest rates, the credit exposure to the insurance company that issued the life insurance policy and management's estimate of the risk of premium an investor in the portfolio of policies would require.

The fair value of life insurance policies is estimated using present value calculations based on the data specific to each individual life insurance policy. The following summarizes data utilized in estimating the fair value of the portfolio of life insurance policies:

	December 31,		June 30,	
	2010	2009	2011	2010
			(unaudited)	
Average age of insured	80.33	81.12	80.5	80.15
Average life expectancy, months	102	103	97	109
Average maturity value	2,710,310	2,855,044	2,725,774	2,501,623
Discount rate	13.36%	14.24%	13.38%	14.11%

Mortality rates: Standard life expectancy as adjusted for insured's specific circumstances.

These assumptions are, by their nature, inherently uncertain and the effect of changes in estimates may be significant. The fair value measurements used in estimating the present value calculation are derived from valuation techniques generally used in the industry that include inputs for the asset that are not based on observable market data. The extent to which the fair value could reasonable vary in the near term has been quantified by evaluating the effect of changes in significant underlying assumptions used to estimate the fair value amount. If the life expectancies were increased or decreased by 4 months and the discount factors were increased or decreased by 1% while all other variables are held constant, the carrying value of the investment in life insurance policies would increase or (decrease) by the unaudited amounts summarized below:

	Change in life expectancy	
	plus 4 months	minus 4 months
Investment in life policies		
December 31, 2010	$(7,047,000)	$ 7,278,000
June 30, 2011 (unaudited)	$(8,902,000)	$ 9,179,000

	Change in discount rate	
	plus 1%	minus 1%
Investment in life policies		
December 31, 2010	$(5,283,000)	$ 5,785,000
June 30, 2011 (unaudited)	$(6,324,000)	$ 6,900,000

Carrying value of receivables, prepaid expenses, accounts payable and accrued expenses approximate fair value due to their short term maturities. Carrying amounts of the Company's Series I Secured notes payable and revolving credit facility approximate fair value as the interest rates on these instruments were issued primarily based on current market rates of interest.

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(6) Notes receivable from related parties

Notes receivable from related parties consist of various unsecured notes receivable totaling $2,306,000, $1,761,000 and $2,306,000 at December 31, 2010, December 31, 2009 and June 30, 2011 (unaudited), respectively. These notes are due from shareholders of the Company, with interest rates ranging from 4.2% to 5%, payable annually and maturing between July 31, 2011, and October 17, 2011. Interest income from related parties totaled $82,000, $65,000, $0 and $19,000 during the year ended December 31, 2010 and 2009 and the six months ended June 30, 2011 (unaudited) and June 30, 2010 (unaudited), respectively. As a part of the Company's compensation plan effective January 1, 2011, interest income due from related parties for the six months ended June 30, 2011 was considered non-cash compensation to members and included in employee compensation and benefits in the statement of operations for the corresponding time period.

On July 27, 2011 the Company made distributions to the shareholders in the amount of their respective note receivable balances. They immediately repaid their note balances and the related accrued interest in full.

As of December 31, 2010, December 31, 2009 and June 30, 2011 (unaudited), the Company had receivables totaling $5,000,000, $5,680,600 and $5,000,000, respectively, due from related parties which were fully reserved. During 2009, $300,000 of the losses recognized in 2008 were collected and are reported as recovery of loss. During 2010, $20,000 of the losses recognized in 2009 were collected and are reported as recovery of loss.

(7) Due to related parties

The Company had various amounts due to related companies, as follows:

	December 31, 2010	December 31, 2009	June 30, 2011 (unaudited)
Due to Insurance Strategies Fund (see note 10), unsecured, bearing interest at 8.0%	$ —	$2,300,000	$ 203,000
Due to Opportunity Finance, LLC, unsecured, and noninterest-bearing	—	1,000	—
	$ —	$2,301,000	$ 203,000

(8) Revolving credit facility

On July 15, 2008, DLP II and United Lending entered into a revolving credit facility pursuant to a Credit and Security Agreement (Agreement) with Autobahn Funding Company LLC (Autobahn), providing the Company with a maximum borrowing amount of $100,000,000. Autobahn is a commercial paper conduit that issues commercial paper to investors in order to provide funding to DLP II and United Lending. DZ Bank AG acts as the agent for Autobahn. The Agreement expires on July 15, 2013. The amount outstanding under this facility as of December 31, 2010, December 31, 2009 and June 30, 2011 (unaudited) was $37,085,000, $4,987,000 and $48,175,000 respectively.

The Agreement requires DLP II or United Lending to pay, on a monthly basis, interest at the commercial paper rate plus an applicable margin, as defined in the Agreement. The effective rate was 2.14% and 2.03% at December 31, 2010 and June 30, 2011 (unaudited), respectively. The Agreement also requires payment of an unused line fee on the amount unused under the revolving credit facility. The note is secured by a security agreement covering substantially all of DLP II and United Lending assets. The Company anticipates making all required principal and interest payments under the Agreement.

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(8) Revolving credit facility (continued)

The Agreement has certain financial and nonfinancial covenants. The Company is in compliance with these covenants at December 31, 2010 and June 30, 2011. In addition, advances under the Agreement are subject to a borrowing base formula, which limits the availability of advances. Total funds available for borrowing under the borrowing base formula criteria at December 31, 2010 and June 30, 2011 (unaudited) were $11,063,000, and $11,460,000 respectively.

Holdings is not obligated to guarantee loan or interest payments on the revolving credit facility with Autobahn. Holdings is obligated under a performance guaranty in connection with the revolving credit facility to provide servicing obligations for policies held by GWG DLP Master Trust II.

(9) Series I Secured notes payable

Series I Secured notes payable have been issued in conjunction with the GWG Series I Secured notes private placement memorandums dated August 25, 2009 (last revised November 15, 2010). Series I Secured notes have maturity dates ranging from six months to seven years with fixed interest rates varying from 7.0% to 9.55% depending on the term of the note. Interest is payable monthly, quarterly, annually or at maturity depending on the terms of the note. At December 31, 2010, December 31, 2009 and June 30, 2011 (unaudited) the weighted average interest rates of Series I Secured notes was 7.90%, 7.62% and 8.01%, respectively. The notes are secured by assets of GWG Life. The amount outstanding under these Series I Secured notes was $53,293,000, $13,600,000 and $60,621,000 at December 31, 2010, December 31, 2009 and June 30, 2011 (unaudited), respectively.

Since inception, the Company has raised approximately $60.6 million (net of redemptions) through the issuance of Series I Secured notes. The Company plans to acquire and maintain life insurance policies with Series I Secured note proceeds plus borrowings from the Autobahn revolving credit facility. Management estimates that these contract acquisitions should generate sufficient origination and servicing fees in 2011, to result in positive cash flow from operations of approximately $900,000. On June 14, 2011, the Company closed the offering.

On November 15, 2010, the owners pledged their ownership interests in the Company to the Series I Trust as security for advances under the Series I Trust arrangement.

The use of proceeds from the issuances of Series I Secured notes is limited to the following:

1. Payment of commissions of Series I Secured note sales
2. Purchase life insurance policies
3. Pay premiums of life insurance policies
4. Pay principal and interest to Senior Liquidity Provider (DZ Bank)
5. Pay portfolio or note operating fees or costs
6. Pay trustee (Wells Fargo Bank, N.A.)
7. Pay servicer and collateral fees
8. Pay principal and interest on Series I Secured notes
9. Make distributions to equity holders for tax liability related to portfolio
10. Purchase interest rate caps, swaps, or hedging instruments
11. Pay GWG Series I Trustee fees
12. Pay offering expenses

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(9) Series I Secured notes payable (continued)

Future maturities of Series I Secured notes payable at December 31, 2010 and June 30, 2011 (unaudited) are as follows:

As of December 31, 2010 Years Ending December 31,	
2011	$ 26,012,000
2012	12,157,000
2013	3,486,000
2014	892,000
2015	5,181,000
Thereafter	5,565,000
Totals	$ 53,293,000

As of June 30, 2011 Years Ending December 31,	(unaudited)
2011	16,981,000
2012	19,698,000
2013	8,811,000
2014	1,790,000
2015	5,005,000
2016	2,002,000
Thereafter	6,334,000
	60,621,000

(10) Noncontrolling interest

Opportunity Bridge Funding—The Company's subsidiary, Opportunity Bridge Funding, issued a preferred membership interest to a related party, Insurance Strategies Fund, LLC. Under the terms of a preferred membership investment certificate and the amended Operating Agreement, the preferred membership investment entitled the preferred membership investors to all of the economic benefits of Opportunity Bridge Funding, LLC during which time the preferred membership was invested. The preferred membership interest in Opportunity Bridge Funding has been reflected as noncontrolling interest in the accompanying consolidated financial statements through December 31, 2009. Effective January 1, 2010, the preferred member of Opportunity Bridge Funding, Insurance Strategies Fund, LLC (a related party controlled by members of the Company) purchased Holding's membership interest in Opportunity Bridge Funding for $1. Opportunity Bridge Funding was no longer consolidated as of that date. No gain or loss was recognized as a result of the transaction. Net assets and noncontrolling interest of $1,469,000 were deconsolidated.

GWG Life—On September 3, 2009 the Company amended and restated its operating agreement authorizing the issuance of non-voting preferred Series I Units (Series I Units) redeemable at the Company's option for an amount equal to the tax basis of the Series I Units at the date of redemption. The Series I Units were entitled to receive all the remaining economic benefits, including cash flow, proceeds and distributions of or from current assets owned or hereafter acquired, directly or indirectly by the Company, including those of DLP and DLPII after amounts to be paid to senior lenders and Series I Secured note holders. Effective September 3, 2009 a related party, Insurance Strategies Fund, LLC (ISF), was issued one Series I Unit. ISF contributed $851,000 of capital to the Company. A tax loss of $2,169,000 was allocated to ISF for the period September 3, 2009 to December 31, 2009. During January 2010, ISF contributed an additional $680,000 of capital to the Company. Through February 28, 2010, additional tax losses of $1,278,000 were

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(10) Noncontrolling interest (continued)

allocated to ISF, reducing the Series I Units' tax basis to $0. The $1,915,000 of loss allocation over total contribution of $1,531,000 is a result of non-deductible expenses for tax purposes. The terms of the operating agreement provided that the Series I Units were redeemable when the tax basis of their investment was $0. On March 1, 2010, the Board of Managers of the Company elected to redeem the Series I Units for no consideration. As the remaining member in GWG Life, Holdings recorded a decrease in member's capital of $1,830,000 and a decrease in redeemable member's interest of $85,000 representing the noncontrolling interests' cumulative deficit on the redemption date. The $1,915,000 of loss allocation over the capital contribution of $1,531,000 is a result of non-deductible expenses for tax purposes. The Series I Units were redeemed when the tax basis of their interest was $0.

(11) Income taxes

The Company was a pass through entity for federal income tax purposes through June 10, 2011. No income tax provision has been included in these consolidated financial statements through June 10, 2011 as the related income or loss of the Company is required to be reported by the respective members on their income tax returns.

The Company, as provided by Delaware state regulations, has changed its legal structure from a limited liability company to a corporation effective June 10, 2011. Subsequent to the conversion, the Company will report its income or loss on its own tax return and be responsible for any related taxes.

Deferred tax assets and liabilities and the related tax expense will be recorded effective the date of the Company's change in tax status thereby reflecting the income tax effect of temporary differences between the tax basis and the financial reporting basis of assets and liabilities. The Company's tax provision for the period ended June 30, 2011 includes both the income tax expense related to the entity's conversion and operations for the period June 11 to June 30, 2011.

Significant differences between the recorded amounts of assets and liabilities for financial reporting purposes and such amounts reported under tax laws and regulations are as follows:

	December 31,		June 30,	
	2010	2009	2011	2010
			(unaudited)	
Tax basis greater (less) than financial reporting basis				
Life insurance policies	$ (6,315,000)	$ (504,000)	$ (13,348,000)	$ (14,514,000)
Related party receivables	$ 4,787,000	$ 4,869,000	$ 4,787,000	$ 4,787,000

The Company's net deferred tax liability and deferred tax expense was $3,464,000 on the date of the change in tax status. This net deferred liability consisted of a gross deferred asset of $1,977,000 and a deferred liability of $5,441,000.

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(11) Income taxes (continued)

The provision for income taxes consists of the following:

	Years Ended December 31,		Six months Ended June 30,	
	2010	2009	2011	2010
Current income taxes				
Federal income taxes	$ —	$ —	$ —	$ —
State and local income taxes	—	—	2,500	—
Utilization of net operating loss	—	—	—	—
Total current income tax expense	—	—	2,500	—
Deferred income taxes	—	—		
Temporary differences	—	—	3,779,000	—
Total deferred income tax expense	—	—	3,779,000	—
Total income tax expense (credit)	$ —	$ —	$ 3,781,500	$ —

(12) Proforma information

The following summarizes the proforma effect on the Company's net income (loss) attributable to controlling interests to reflect a tax expense (benefit) as if it had been a taxable corporate entity for all periods reported.

	Year Ended		Six Months Ended	
	December 31, 2010	December 31, 2009	June 30, 2011	June 30, 2010
		(unaudited)		(unaudited)
INCOME (LOSS) BEFORE TAXES	$ (230,395)	$(4,833,413)	$5,193,781	$(8,570,372)
INCOME TAX EXPENSE (BENEFIT)	(53,000)	(1,718,000)	2,013,000	(3,104,000)
NET INCOME (LOSS)	(177,395)	(3,115,413)	3,180,781	(5,466,372)
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(814,934)	(1,327,273)	—	(814,934)
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTERESTS	637,539	(1,788,140)	3,180,781	(4,651,438)
NET (INCOME) LOSS ATTRIBUTABLE TO REDEEMABLE INTERESTS	(30,015)	321,972	—	288,090
NET INCOME (LOSS) AVAILABLE TO NONREDEEMABLE INTERESTS	$ 607,524	$(1,466,168)	$3,180,781	$(4,363,348)

Proforma per share earnings (loss) attributable to controlling interests as reported on the statement of operations is calculated using the weighted average number of shares outstanding during the period including redeemable interests.

(13) Commitments

The Company conducts its operations in facilities sublet from a related party. The non-cancelable lease agreement provides for monthly rental payments over the lease term. Rent expensed under this arrangement was $168,000, $149,000, $73,000 and $49,000 during the years ended December 31, 2010 and 2009 and the six months ended June 30, 2011 (unaudited) and June 30, 2010 (unaudited), respectively. This agreement expires in April 2012. Future minimum lease payments which must be made under this agreement are $75,000 in 2011 and $50,000 in 2012.

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(14) Contingencies

Litigation—In the normal course of business, the Company is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Contingency matter—An affiliate of the Company is subject to litigation, clawback claims by the bankruptcy trustee for third party matters in which our affiliates received payments that may have been deemed preference payments. If the affiliate subject to litigation is unsuccessful in defending against these claims, the affiliate is an owner of the Company's equity, and thus that equity ownership may be sold or transferred to other parties to satisfy such claims.

In addition, the Company invested $1,000,000 in the affiliate, and was repaid in full plus interest of $177,000. This investment amount may also be subject to clawback claims by the bankruptcy court. These matters may also distract management and reduce the time and attention that they are able to devote to the Company's operations.

(15) Guarantees of secured debentures

Holdings will file with the Securities and Exchange Commission to offer for sale $250,000,000 of secured debentures. The secured debentures are secured by the assets of Holdings and a pledge of all the common stock by the largest shareholders. Obligations under the debentures will also be guaranteed by Holding's subsidiary GWG Life. This guarantee will involve the grant of a security interest in all the assets of GWG Life. GWG Life is a wholly owned subsidiary of Holdings and the payment of principal and interest on the secured debentures is fully and unconditionally guaranteed by GWG Life. The majority of the life insurance policies are held by DLP II. The policies held by DLP II will not be collateral for the debenture obligations.

The consolidating financial statements are presented in lieu of separate financial statements and other related disclosures of the subsidiary guarantors and issuer because management does not believe that separate financial statements and related disclosures would be material to investors. There are currently no significant restrictions on the ability of Holdings or GWG Life, the guarantor subsidiary, to obtain funds from its subsidiaries by dividend or loan, except as follows. DLP II is a borrower under a credit agreement with Autobahn, with DZ Bank AG as agent, as described in note 8. The significant majority of insurance policies owned by the Company are subject to a collateral arrangement with DZ Bank AG described in note 2. Under this arrangement, collection and escrow accounts are used to fund purchases and premiums of the insurance policies and to pay interest and other charges under its revolving credit facility. DZ Bank AG and Autobahn must authorize all disbursements from these accounts, including any distributions to GWG Life. Distributions are limited to an amount that would result in the borrowers realizing an annualized rate of return on the equity funded amount for such assets of not more than 18%, as determined by DZ Bank AG. After such amount is reached, the credit agreement requires that excess funds be used to fund repayments or a reserve account in certain amount, before any additional distributions may be made.

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

The following represents consolidating financial information as of December 31, 2010 and 2009 and June 30, 2011 (unaudited) and 2010 (unaudited), with respect to the financial position as of December 31, 2010 and 2009 and June 30, 2011 (unaudited), and results of operations and cash flows of Holdings and its subsidiaries for the years ended December 31, 2010 and 2009 and the six months ended June 30, 2011 (unaudited) and 2010 (unaudited). The parent column presents the financial information of Holdings, the primary obligor of the secured debentures. The guarantor subsidiary column presents the financial information of GWG Life, the guarantor subsidiary of the secured debentures, presenting its investment in DLP II under the equity method The non-guarantor subsidiaries column presents the financial information of all non-guarantor subsidiaries including DLP II.

Consolidating Balance Sheets

December 31, 2010	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
ASSETS					
Cash and cash equivalents	$ —	$ 189,842	$ 1,568,388	$ —	$ 1,758,230
Restricted cash	—	4,585,069	633,940	—	5,219,009
Due from related parties	—	30,353,176	—	(30,350,761)	2,415
Investment in life settlements	—	3,454,861	79,262,701	—	82,717,562
Deferred financing costs	—	—	562,834	—	562,834
Other assets	—	79,213	711,495	—	790,708
Investment in subsidiaries	(1,576,667)	14,340,677	—	(12,764,010)	—
TOTAL ASSETS	$ (1,576,667)	$ 53,002,838	$ 82,739,358	$ (43,114,771)	$ 91,050,758
LIABILITIES & EQUITY (DEFICIT)					
LIABILITIES					
Revolving credit facility	$ —	$ —	$ 37,085,452	$ —	$ 37,085,452
Series I Secured notes payable	—	51,798,992	—	—	51,798,992
Accounts payable	—	85,547	625,000	—	710,547
Due to related parties	30,000	—	30,320,761	(30,350,761)	—
Accrued expenses					
Interest	—	924,848	50,969	—	975,817
Other	—	283,521	35,082	—	318,603
TOTAL LIABILITIES	30,000	53,092,908	68,117,264	(30,350,761)	90,889,411
REDEEMABLE MEMBER'S INTEREST	(509,126)	—	—	—	(509,126)
EQUITY (DEFICIT)					
Members' capital	(1,097,541)	2,215,998	14,622,094	(12,764,010)	2,976,541
Notes receivable from related parties	—	(2,306,068)	—	—	(2,306,068)
TOTAL EQUITY (DEFICIT)	(1,097,541)	(90,070)	14,622,094	(12,764,010)	670,473
TOTAL LIABILITIES & EQUITY (DEFICIT)	$ (1,576,667)	$ 53,002,838	$ 82,739,358	$ (43,114,771)	$ 91,050,758

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Balance Sheets (continued)

December 31, 2009	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
ASSETS					
Cash and cash equivalents	$ —	$ 199,168	$ 981,682	$ —	$ 1,180,850
Restricted cash	—	5,751,115	—	—	5,751,115
Bridge loans, net	—	—	3,226,274	—	3,226,274
Due from related parties	4,965,754	6,937,356	—	(11,903,110)	—
Investment in life settlements	—	1,592,834	11,315,338	—	12,908,172
Deferred financing costs	—	—	795,730	—	795,730
Other assets	29,976	172,956	25,541	—	228,473
Investment in subsidiaries	(2,365,220)	134,267	—	2,230,953	—
TOTAL ASSETS	$ 2,630,510	$14,787,696	$16,344,565	$ (9,672,157)	$24,090,614
LIABILITIES & EQUITY (DEFICIT)					
LIABILITIES					
Revolving credit facility	$ —	$ —	$ 4,987,425	$ —	$ 4,987,425
Series I Secured notes payable	—	13,570,983	—	—	13,570,983
Accounts payable	—	83,729	678,130	—	761,859
Due to related parties	613,087	2,862,279	10,728,799	(11,903,110)	2,301,055
Accrued expenses					
Interest	—	114,500	32,589	—	147,089
Other	—	588,327	8,800	—	597,127
TOTAL LIABILITIES	613,087	17,219,818	16,435,743	(11,903,110)	22,365,538
REDEEMABLE MEMBER'S INTEREST	(470,436)	—	—	—	(470,436)
EQUITY (DEFICIT)					
Members' capital	2,487,859	647,215	(1,559,966)	2,230,953	3,806,061
Notes receivable from related parties	—	(1,761,134)	—	—	(1,761,134)
Noncontrolling interest	—	(1,318,203)	1,468,788	—	150,585
TOTAL EQUITY (DEFICIT)	2,487,859	(2,432,122)	(91,178)	2,230,953	2,195,512
TOTAL LIABILITIES & EQUITY (DEFICIT)	$ 2,630,510	$14,787,696	$16,344,565	$ (9,672,157)	$24,090,614

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Balance Sheets (continued)

June 30, 2011 (unaudited)	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
ASSETS					
Cash and cash equivalents	$ 66,831	$ 282,339	$ —	$ —	$ 349,170
Restricted cash	—	1,975,844	1,595,607	—	3,571,451
Due from related parties	81,000	37,436,793	—	(37,479,358)	38,435
Investment in life settlements	—	3,642,884	104,837,001	—	108,479,885
Deferred financing costs	—	—	446,385	—	446,385
Other assets	—	209,959	1,096,735	—	1,306,694
Deferred tax asset, net	46,800	1,062,100	—	(1,108,900)	—
Investment in subsidiaries	3,941,021	17,190,543	—	(21,131,564)	—
TOTAL ASSETS	$ 4,135,652	$ 61,800,462	$ 107,975,728	$ (59,719,822)	$ 114,192,020
LIABILITIES & MEMBERS' EQUITY (DEFICIT)					
LIABILITIES					
Revolving credit facility	$ —	$ —	$ 48,175,000	$ —	$ 48,175,000
Series I Secured notes payable	—	58,854,268	—	—	58,854,268
Accounts payable	50,489	35,145	—	—	85,634
Due to related parties	202,967	81,000	37,398,358	(37,479,358)	202,967
Accrued expenses					
Interest	—	1,147,252	88,568	—	1,235,820
Other	2,500	271,037	12,166	—	285,703
Deferred tax liability, net	—	—	4,887,900	(1,108,900)	3,779,000
TOTAL LIABILITIES	255,956	60,388,702	90,561,992	(38,588,258)	112,618,392
MEMBERS' EQUITY (DEFICIT)					
Members' capital	—	3,717,828	17,413,736	(21,131,564)	—
Common stock (par value $0.001; shares authorized 210,000,000; shares issued 4,500,000	4,500	—	—	—	4,500
Additional paid-in capital	6,866,984	—	—	—	6,866,984
Retained earnings	(2,991,788)	—	—	—	(2,991,788)
Notes receivable from related parties	—	(2,306,068)	—	—	(2,306,068)
TOTAL MEMBERS' EQUITY (DEFICIT)	3,879,696	1,411,760	17,413,736	(21,131,564)	1,573,628
TOTAL LIABILITIES EQUITY (DEFICIT)	$ 4,135,652	$ 61,800,462	$ 107,975,728	$ (59,719,822)	$ 114,192,020

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Statements of Operations

For the year ended December 31, 2010	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
REVENUE					
Contract servicing fees	$ —	$6,153,650	$ —	$(6,010,668)	$ 142,982
Gain on life settlements	—	1,003,257	7,655,617	—	8,658,874
Interest and other income	1,268	94,468	1,355	—	97,091
TOTAL REVENUE	1,268	7,251,375	7,656,972	(6,010,668)	8,898,947
EXPENSES					
Origination and servicing fees	—	200,100	5,810,568	(6,010,668)	—
Employee compensation and benefits	9,800	2,220,306	—	—	2,230,106
Legal and professional fees	30,000	957,847	121,166	—	1,109,013
Interest expense	57,166	2,969,067	657,500	—	3,683,733
Recovery of losses on related-party notes	—	(20,425)	—	—	(20,425)
Amortization of deferred financing and issuance costs	—	510,739	232,896	—	743,635
Other expenses	14,758	1,305,521	63,001	—	1,383,280
TOTAL EXPENSES	111,724	8,143,155	6,885,131	(6,010,668)	9,129,342
INCOME (LOSS) BEFORE EQUITY IN LOSS OF SUBSIDIARIES	(110,456)	(891,780)	771,841	—	(230,395)
EQUITY IN LOSS OF SUBSIDIARY	(2,916,340)	896,734	—	2,019,606	—
NET INCOME (LOSS)	(3,026,796)	4,954	771,841	2,019,606	(230,395)
NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	1,277,682	—	—	1,277,682
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST	(3,026,796)	1,282,636	771,841	2,019,606	1,047,287
NET (INCOME) LOSS ATTRIBUTABLE TO REDEEMABLE MEMBER'S INTEREST	134,692	(57,077)	(34,347)	(89,939)	(46,671)
NET INCOME (LOSS) AVAILABLE TO NONREDEEMABLE MEMBER'S INTERESTS	$(2,892,104)	$1,225,559	$ 737,494	$ 1,929,667	$1,000,616

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Statements of Operations (continued)

For the year ended December 31, 2009	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
REVENUE					
Contract servicing fees	$ —	$ 1,133,562	$ —	$(1,048,787)	$ 84,775
Gain on life settlements	—	(131,296)	940,240		808,944
Broker fees	—	—	19,500	—	19,500
Interest on bridge loans	—	—	165,538	—	165,538
Interest and other income	26	265,592	2,748	—	268,366
TOTAL REVENUE	26	1,267,858	1,128,026	(1,048,787)	1,347,123
EXPENSES					
Origination and servicing fees	—	—	1,048,787	(1,048,787)	—
Employee compensation and benefits	32,252	1,732,004	146,545	—	1,910,801
Legal and professional fees	49,200	1,033,795	25,994	—	1,108,989
Interest expense	280,275	266,033	46,793	—	593,101
Recovery of losses on related-party notes	—	(151,520)	—	—	(151,520)
Amortization of deferred financing and issuance costs	—	—	232,896	—	232,896
Other expenses	34,058	1,968,672	483,539	—	2,486,269
TOTAL EXPENSES	395,785	4,848,984	1,984,554	(1,048,787)	6,180,536
INCOME (LOSS) BEFORE EQUITY IN LOSS OF SUBSIDIARIES	(395,759)	(3,581,126)	(856,528)	—	(4,833,413)
EQUITY IN LOSS OF SUBSIDIARY	(4,437,654)	(625,892)	—	5,063,546	—
NET INCOME (LOSS)	(4,833,413)	(4,207,018)	(856,528)	5,063,546	(4,833,413)
NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	2,168,839	(109,639)	—	2,059,200
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST	(4,833,413)	(2,038,179)	(966,167)	5,063,546	(2,774,213)
NET (INCOME) LOSS ATTRIBUTABLE TO REDEEMABLE MEMBER'S INTEREST	870,014	366,872	173,910	(911,272)	499,524
NET INCOME (LOSS) AVAILABLE TO NONREDEEMABLE MEMBER'S INTERESTS	$(3,963,399)	(1,671,307)	$ (792,257)	$ 4,152,274	$(2,274,689)

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Statements of Operations (continued)

For the six months ended June 30, 2011 (unaudited)	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
REVENUE					
Contract servicing fees	$ —	$ 1,999,925	$ —	$ (1,999,925)	$ —
Gain (loss) on life settlements	—	(45,327)	10,339,436	—	10,294,109
Interest and other income	—	28,384	3,586	—	31,970
TOTAL REVENUE	—	1,982,982	10,343,022	(1,999,925)	10,326,079
EXPENSES					
Origination and servicing fees	—	6,000	1,993,925	(1,999,925)	—
Employee compensation and benefits	—	942,020	—	—	942,020
Legal and professional fees	31,210	229,642	3,000	—	263,852
Interest expense	—	1,890,065	524,607	—	2,414,672
Amortization of deferred financing and issuance costs	—	780,092	116,448	—	896,540
Other expenses	94,412	495,302	25,500	—	615,214
TOTAL EXPENSES	125,622	4,343,121	2,663,480	(1,999,925)	5,132,298
INCOME (LOSS) BEFORE EQUITY IN LOSS OF SUBSIDIARIES	(125,622)	(2,360,139)	7,679,542	—	5,193,781
EQUITY IN INCOME (LOSS) OF SUBSIDIARY	5,319,403	7,737,767	—	(13,057,170)	—
NET INCOME (LOSS) BEFORE TAXES	5,193,781	5,377,628	7,679,542	(13,057,170)	5,193,781
INCOME TAX EXPENSE (CREDIT)	(46,800)	(1,062,100)	4,890,400	—	3,781,500
NET INCOME (LOSS)	5,240,581	6,439,728	2,789,142	(13,057,170)	1,412,281
NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	—	—
NET (INCOME) LOSS ATTRIBUTABLE TO CONTROLLING INTEREST	5,240,581	6,439,728	2,789,142	(13,057,170)	1,412,281
NET (INCOME) LOSS ATTRIBUTABLE TO REDEEMABLE INTERESTS	—	—	—	—	—
NET INCOME (LOSS) ATTRIBUTABLE TO NONREDEMABLE INTERESTS	$5,240,581	6,439,728	2,789,142	(13,057,170)	1,412,281

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Statements of Operations (continued)

For the six months ended June 30, 2010 (unaudited)	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
REVENUE					
Contract servicing fees	$ —	$ 2,968,862	$ —	$ (2,938,562)	$ 30,300
Gain (loss) on life settlements	—	(919,975)	(3,769,885)	—	(4,689,860)
Interest and other income	1,267	24,537	1,232	—	27,036
TOTAL REVENUE	1,267	2,073,424	(3,768,653)	(2,938,562)	(4,632,524)
EXPENSES					
Origination and servicing fees	—	16,300	2,922,262	(2,938,562)	—
Employee compensation and benefits	—	1,195,056	—	—	1,195,056
Legal and professional fees	—	605,639	—	—	605,639
Interest expense	60,765	1,068,273	264,969		1,394,007
Amortization of deferred financing and issuance costs	—	—	116,448	—	116,448
Other expenses	11,565	586,721	28,412	—	626,698
TOTAL EXPENSES	72,330	3,471,989	3,332,091	(2,938,562)	3,937,848
INCOME (LOSS) BEFORE EQUITY IN LOSS OF SUBSIDIARIES	(71,063)	(1,398,565)	(7,100,744)	—	(8,570,372)
EQUITY IN LOSS OF SUBSIDIARY	(8,499,309)	(7,040,244)	—	15,539,553	—
NET INCOME (LOSS)	(8,570,372)	(8,438,809)	(7,100,744)	15,539,553	(8,570,372)
NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	1,277,682	—	—	1,277,682
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST	(8,570,372)	(7,161,127)	(7,100,744)	15,539,553	(7,292,690)
NET (INCOME) LOSS ATTRIBUTABLE TO REDEEMABLE MEMBER'S INTEREST	530,812	443,529	439,790	(962,453)	451,678
NET INCOME (LOSS) AVAILABLE TO NONREDEMABLE MEMBER'S INTERESTS	$ (8,039,560)	$ (6,717,598)	$ (6,660,954)	$ 14,577,100	$ (6,841,012)

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Statements of Cash Flows

For the year ended December 31, 2010	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES	$	$	$	$	$
Net income (loss)	(230,395)	142,055	834,842	(976,897)	(230,395)
Adjustments to reconcile net loss to net cash flows from operating activities:					
(Gain) loss on life settlements	—	(1,003,257)	(15,982,137)	—	(16,985,394)
Recovery of losses on notes receivable from related parties	—	(20,425)	—	—	(20,425)
Capitalized interest on balance of notes receivable from related parties	—	(82,435)	—	—	(82,435)
Amortization of deferred financing and issuance costs	—	513,739	232,896	—	746,635
(Increase) decrease in operating assets:					
Due from related parties	(2,415)	—	—	—	(2,415)
Other assets	842,464	(37,166,317)	35,168,491	976,897	(178,465)
Increase (decrease) in operating liabilities:					
Due to related party	(610,888)	—	—	—	(610,888)
Accounts payable and accrued expenses	1,234	1,819	599,813	—	602,866
NET CASH FLOWS USED IN OPERATING ACTIVITIES	—	(37,614,821)	20,853,905	—	(16,760,916)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in life settlements	—	(858,770)	(52,365,226)	—	(53,223,996)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	—	(858,770)	(52,365,226)	—	(53,223,996)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from revolving credit facility	—	—	32,098,027	—	32,098,027
Proceeds from issuance of Series I Secured notes payable	—	43,494,690	—	—	43,494,690
Payments for redemption of Series I Secured notes payable	—	(5,780,420)	—	—	(5,780,420)
Proceeds (payments) from restricted cash	—	532,106	—	—	532,106
Advances on notes to related parties	—	(462,499)	—	—	(462,499)
Issuance of non-controlling interest member capital	—	680,388	—	—	680,388
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	—	38,464,265	32,098,027	—	70,562,292
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	(9,326)	586,706	—	577,380
CASH AND CASH EQUIVALENTS					
BEGINNING OF YEAR	—	199,168	981,682	—	1,180,850
END OF YEAR	$ —	$ 189,842	$ 1,568,388	$ —	$ 1,758,230

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Statements of Cash Flows (continued)

For the year ended December 31, 2009	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss)	$(4,833,413)	$ (4,207,018)	$ (968,621)	$ 5,175,639	$ (4,833,413)
Adjustments to reconcile net loss to net cash flows from operating activities:					
(Gain) loss on life settlements	—	(343,204)	(940,240)	—	(1,283,444)
Recovery of losses on notes receivable from related parties	—	(151,520)	—	—	(151,520)
Capitalized interest on balance of notes receivable from related parties	—	(65,335)	—	—	(65,335)
Amortization of deferred financing and issuance costs	—	—	232,896	—	232,896
(Increase) decrease in operating assets:					
Other assets	(254,072)	2,216,267	3,368,744	(5,175,639)	155,300
Increase (decrease) in operating liabilities:					
Due to related party	290,898	212,499	—	—	503,397
Accounts payable and accrued expenses	—	643,143	514,310	—	1,157,453
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(4,796,587)	(1,695,168)	2,207,089	—	(4,284,666)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net increase (decrease) in bridge loans	—	—	(869,275)	—	(869,275)
Investment in life settlements	—	(1,249,630)	(10,375,098)	—	(11,624,728)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	—	(1,249,630)	(11,244,373)	—	(12,494,003)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from revolving credit facility	—	—	4,987,425	—	4,987,425
Proceeds from issuance of Series I Secured notes payable	—	13,972,508	—	—	13,972,508
Payments for redemption of Series I Secured notes payable	—	(401,525)	—	—	(401,525)
Proceeds (payments) from restricted cash	—	(5,751,115)	—	—	(5,751,115)
Issuance of member capital	4,796,587	—	—	—	4,796,587
Distributions to preferred member	—	(764,620)	—	—	(764,620)
Advances on notes to related parties	—	(287,500)	—	—	(287,500)
Issuance of non-controlling interest member capital	—	850,636	—	—	850,636
Redemption of non-controlling interest member capital	—	(4,767,025)	—	—	(4,767,025)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	4,796,587	2,851,359	4,987,425	—	12,635,371
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	(93,439)	(4,049,859)	—	(4,143,298)
CASH AND CASH EQUIVALENTS					
BEGINNING OF YEAR	—	292,607	5,031,541		5,324,148
END OF YEAR	$ —	$ 199,168	$ 981,682	$	$ 1,180,850

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Statements of Cash Flows (continued)

For the six months ended June 30, 2011 (unaudited)	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss)	$ 5,240,581	$ 6,439,728	$ 2,789,142	$(13,057,170)	$ 1,412,281
Adjustments to reconcile net loss to net cash flows from operating activities:					
(Gain) loss on life settlements	—	(171,873)	(16,466,720)	—	(16,638,593)
Amortization of deferred and issuance financing costs	—	—	116,448	—	116,448
Deferred income taxes	(49,300)	(1,062,100)	4,890,400	—	3,779,000
(Increase) decrease in operating assets:					
Due from related parties	(81,000)	(193,920)	—	238,900	(36,020)
Other assets	(5,269,405)	(14,808,207)	(385,239)	19,946,866	(515,985)
Increase (decrease) in operating liabilities:					
Due to related parties	172,967	81,000	7,077,596	(7,128,596)	202,967
Accounts payable and accrued expenses	52,988	159,519	(610,317)	—	(397,810)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	66,831	(9,555,853)	(2,588,690)	—	(12,077,712)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in life settlements	—	(16,150)	(9,107,580)	—	(9,123,730)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	—	(16,150)	(9,107,580)	—	(9,123,730)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from revolving credit facility	—	—	11,089,548	—	11,089,548
Proceeds from issuance of Series I Secured notes payable	—	11,342,855	—	—	11,342,855
Payments for redemption of Series I Secured notes payable	—	(4,287,579)	—	—	(4,287,579)
Proceeds (payments) from restricted cash	—	2,609,224	(961,666)	—	1,647,558
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	—	9,664,500	10,127,882	—	19,792,382
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	66,831	92,497	(1,568,388)	—	(1,409,060)
CASH AND CASH EQUIVALENTS					
BEGINNING OF PERIOD	—	189,842	1,568,388	—	1,758,230
END OF PERIOD	$ 66,831	$ 282,339	$ —	$ —	$ 349,170

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) Guarantees of secured debentures (continued)

Consolidating Statements of Cash Flows (continued)

For the six months ended June 30, 2010 (unaudited)	Parent	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss)	$(8,570,372)	$ (8,438,809)	$ (7,100,744)	$ 15,539,553	$ (8,570,372)
Adjustments to reconcile net loss to net cash flows from operating activities:					
(Gain) loss on life settlements	—	797,875	1,385,804	—	2,183,679
Capitalized interest on balance of notes receivable from related parties	—	(18,658)		—	(18,658)
Amortization of deferred financing and issuance costs	—	—	116,448		116,448
(Increase) decrease in operating assets:					
Due from related parties	3,742,406	(5,716,608)	(1,116)	1,844,223	(131,095)
Other assets	4,015,771	(20,716,739)	2,355,491	14,349,483	4,006
Increase (decrease) in operating liabilities:					
Due to related party	753,288	(2,862,279)	27,626,847	(25,447,775)	70,081
Accounts payable and accrued expenses	58,907	639,430	(684,431)	—	13,906
NET CASH FLOWS USED IN OPERATING ACTIVITIES	—	(36,315,788)	23,698,299	6,285,484	(6,332,005)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net increase (decrease) in bridge loans					
Investment in life settlements	—	(2,772,076)	(35,428,415)		(38,200,491)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	—	(2,772,076)	(35,428,415)	—	(38,200,491)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from revolving credit facility	—	—	15,373,978	—	15,373,978
Proceeds from operating loans					
Proceeds from issuance of Series I Secured notes payable	—	32,100,900	—	—	32,100,900
Payments for redemption of Series I Secured notes payable		(1,276,147)			(1,276,147)
Distributions to preferred member					
Proceeds (payments) from restricted cash	—	7,973,842	(4,625,544)	(6,285,484)	(2,937,186)
Advances on notes to related parties	—	(200,000)		—	(200,000)
Issuance of non-controlling interest member capital		680,388			680,388
Redemption of non-controlling interest member capital					
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	—	39,278,983	10,748,434	(6,285,484)	43,741,933
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	191,119	(981,682)	—	(790,563)
CASH AND CASH EQUIVALENTS					
BEGINNING OF PERIOD	—	199,168	981,682	—	1,180,850
END OF PERIOD	$ —	$ 390,287	$ —	$ —	$ 390,287

GWG HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(16) Concentration

GWG restricts its purchases of life insurance policies to policies written by life insurance companies receiving top ratings by independent rating agencies. As a result there may be certain concentrations of contracts with life insurance companies. The following summarizes the face value of insurance contracts with specific life insurance companies exceeding 10% of the total face value held by the Company.

Life insurance company	December 31, 2010 %	December 31, 2009 %	June 30, 2011 (unaudited) %
Company A	17.93	—	17.91
Company B	15.61	—	15.86
Company C	10.27	12.29	11.42
Company D	—	14.31	—
Company E	—	13.09	—

The following summarizes the face value of insurance contracts held in specific states exceeding 10% of the total face value held by the Company:

State of residence	December 31, 2010 %	December 31, 2009 %	June 30, 2011 (unaudited) %
California	30.00	30.69	31.93
New York	12.86	11.88	12.05
Florida	10.00	11.22	9.64

(17) Subsequent event (unaudited)

On July 11, 2011 the Company entered into a Purchase and Sale Agreement with Athena Securities Group LTD (“Athena Securities”), whereby the Company sold 494,500 shares of its stock to Athena Securities. As part of this transaction the Company purchased 5,940 shares of Athena Structured Funds PLC (“Athena Funds”) from Athena Securities. After this agreement was executed, the Company owned 9.9% of Athena Funds, and Athena Securities owned 9.9% of GWG Holdings. The resulting structure will enable GWG Holdings to raise capital from global markets outside the USA for the exclusive purpose of purchasing and financing life insurance policies acquired in the secondary market in the United States.

Effective July 29, 2011 the Company filed a certificate of amendment to its certificate of incorporation to affect a two-for-one forward stock split of its common stock.

On July 27, 2011 the Company made distributions to the shareholders in the amount of their respective loan advance balances. They immediately repaid their loans.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Set forth below are expenses (other than the selling agent's commissions, dealer manager fees and allowance expenses) we expect to be incurred in connection with the issuance and distribution of the securities registered hereby. With the exception of the Securities and Exchange Commission registration fee, the amounts set forth below are estimates and actual expenses may vary considerably from these estimates depending upon how long the notes are offered and other factors:

Securities and Exchange Commission registration fee	$ 29,025
Accounting fees and expenses	$ 50,000
Legal fees and expenses	$150,000
Blue sky fees and expenses	$ 50,000
Printing expenses	$ 75,000
Trustee fees and expenses	$100,000
Miscellaneous	$ 15,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law provides for, under certain circumstances, the indemnification of our officers, directors, employees and agents against liabilities that they may incur in such capacities. A summary of the circumstances in which such indemnification provided for is contained herein, but that description is qualified in its entirety by reference to the relevant Section of the Delaware General Corporation Law.

In general, the statute provides that any director, officer, employee or agent of a corporation may be indemnified against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred in a proceeding (including any civil, criminal, administrative or investigative proceeding) to which the individual was a party by reason of such status. Such indemnity may be provided if the indemnified person's actions resulting in the liabilities: (i) were taken in good faith; (ii) were reasonably believed to have been in or not opposed to our best interest; and (iii) with respect to any criminal action, such person had no reasonable cause to believe the actions were unlawful. Unless ordered by a court, indemnification generally may be awarded only after a determination of independent members of the Board of Directors or a committee thereof, by independent legal counsel or by vote of the stockholders that the applicable standard of conduct was met by the individual to be indemnified.

The statutory provisions further provide that to the extent a director, officer, employee or agent is wholly successful on the merits or otherwise in defense of any proceeding to which he was a party, he is entitled to receive indemnification against expenses, including attorneys' fees, actually and reasonably incurred in connection with the proceeding.

Indemnification in connection with a proceeding by or in the right of GWG Holdings, Inc. in which the director, officer, employee or agent is successful is permitted only with respect to expenses, including attorneys' fees actually and reasonably incurred in connection with the defense. In such actions, the person to be indemnified must have acted in good faith, in a manner believed to have been in our best interest and must not have been adjudged liable to us unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expense which the Court of Chancery or such other court shall deem proper. Indemnification is otherwise prohibited in connection with a proceeding brought on behalf of GWG Holdings, Inc. in which a director is adjudged liable to us, or in connection with any proceeding charging improper personal benefit to the director in which the director is adjudged liable for receipt of an improper personal benefit.

Delaware law authorizes us to reimburse or pay reasonable expenses incurred by a director, officer, employee or agent in connection with a proceeding in advance of a final disposition of the matter. Such advances of expenses are permitted if the person furnishes to us a written agreement to repay such advances if it is determined that he is not entitled to be indemnified by us.

The statutory section cited above further specifies that any provisions for indemnification of or advances for expenses does not exclude other rights under our certificate of incorporation, corporate bylaws, resolutions of our stockholders or disinterested directors, or otherwise. These indemnification provisions continue for a person who has ceased to be a director, officer, employee or agent of the corporation and inure to the benefit of the heirs, executors and administrators of such persons.

The statutory provision cited above also grants the power to GWG Holdings, Inc. to purchase and maintain insurance policies that protect any director, officer, employee or agent against any liability asserted against or incurred by him in such capacity arising out of his status as such. Such policies may provide for indemnification whether or not the corporation would otherwise have the power to provide for it.

Article 6 of our corporate bylaws provides that we shall indemnify our directors, officers, employees and agents to the fullest extent permitted by the Delaware General Corporation Law. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling GWG Holdings, Inc. pursuant to the foregoing provisions, we understand that in the opinion of the SEC such indemnification is against public policy as expressed in that Act and is therefore unenforceable.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

From August 2009 through June 14, 2011, GWG Life Settlements, LLC, our wholly owned subsidiary, offered and sold approximately $60.6 million (net of redemptions) in principal amount of subsidiary secured notes (referred to as “Series I Secured notes” in the notes to our consolidated financial statements, and marketed under the name “LifeNotes”). These offers and sales were made in reliance on Section 4(2) of the Securities Act of 1933, and Rule 506 thereunder, on the basis that only accredited investors were offered and sold the debt securities involved.

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ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits. The exhibits listed below are filed as a part of this registration statement.

Exhibit No.	Description
3.1	Articles of Incorporation**
3.2	Bylaws**
3.3	Certificate of Amendment of Certificate of Incorporation (filed herewith)
3.4	Certificate of Designation of Series A Convertible Preferred Stock (filed herewith)
4.1	Form of Indenture with Bank of Utah, National Association (filed herewith)
4.2	Form of Debenture (filed herewith)
4.3	Form of Subscription Agreement (for use with debentures) (filed herewith)
4.4	Form of Pledge and Security Agreement by and among GWG Holdings, Inc., GWG Life Settlements, LLC, Jon R. Sabes, Steven F. Sabes, and Bank of Utah, National Association (filed herewith)
4.5	Form of Intercreditor Agreement by and among Bank of Utah, National Association, and Lord Securities Corporation (filed herewith)
5.1	Opinion of Maslon Edelman Borman & Brand, LLP (with regarding to legality of securities offered) *
10.1	Credit and Security Agreement with DZ Bank AG Deutsche Zentral-Genossenschaftsbank (as agent), and Autobahn Funding Company LLC (as lender), dated July 15, 2008 (filed herewith)
10.2	Consent and Amendment No. 1 to Credit and Security Agreement with DZ Bank AG Deutsche Zentral-Genossenschaftsbank (as agent), and Autobahn Funding Company LLC (as lender), dated December 14, 2010 (filed herewith)
10.3	Consent and Amendment No. 2 to Credit and Security Agreement with DZ Bank AG Deutsche Zentral-Genossenschaftsbank (as agent), and Autobahn Funding Company LLC (as lender), dated June 10, 2011 (filed herewith)
10.4	Performance Guaranty dated July 15, 2008, delivered in favor of DZ Bank AG Deutsche Zentral-Genossenschaftsbank (as agent), and Autobahn Funding Company LLC (as lender) (filed herewith)
10.5	Amended and Restated Note Issuance and Security Agreement dated November 15, 2010, with Lord Securities Corporation (as trustee), GWG LifeNotes Trust (as secured party), and noteholders (filed herewith)
10.6	Pledge Agreement dated November 15, 2010, among Jon R. Sabes, Steven F. Sabes, Opportunity Finance, LLC, SFS Trust 1976, SFS Trust 1992 Esther, SFS Trust 1982, Mokeson, LLC (collectively as pledgors), and Lord Securities Corporation (as trustee and pledgee) (filed herewith)
10.7	Reaffirmation of Guaranty dated June 10, 2011 in favor of with DZ Bank AG Deutsche Zentral-Genossenschaftsbank (as agent), and Autobahn Funding Company LLC (as lender) (filed herewith)
10.8	Form of Managing Broker-Dealer Agreement with Arque Capital (filed herewith)
10.9	Amended and Restated Investment Agreement with Insurance Strategies Fund, LLC, dated as of September 3, 2009 (filed herewith)
10.10	Addendum No. 1 to Sub-Sublease Agreement effective as of July 14, 2008 by Opportunity Finance, LLC and GWG Life, LLC**
10.11	Employment Agreement with Jon R. Sabes, dated June 14, 2011 *
10.12	Employment Agreement with Steven F. Sabes, dated June 14, 2011 *
10.13	Employment Agreement with Paul A. Siegert, dated June 14, 2011 *
10.14	Purchase and Sale Agreement with Athena Securities Group Ltd. and Athena Structured Funds PLC, dated July 11, 2011 (filed herewith).
10.15	Shareholders' Agreement with respect to Athena Structured Funds PLC, dated July 11, 2011 (filed herewith)
21	List of Subsidiaries**
23.1	Consent of Mayer Hoffman McCann P.C. (filed herewith)
23.2	Consent of Maslon Edelman Borman & Brand, LLP (included in exhibit 5.1)*
25	Statement of Eligibility of Trustee *

* to be filed by amendment

** previously filed

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, an increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) [intentionally omitted]

(5) For the purpose of determining any liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(6) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a

primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minneapolis, State of Minnesota, on August 22, 2011.

GWG HOLDINGS, INC.

By: /s/ Jon R. Sabes
Chief Executive Officer
Dated: August 22, 2011

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to registration statement has been signed by the following persons in the capacities and on the dates indicated below.

Signature	Title	Date
/s/ Jon R. Sabes Jon R. Sabes	Director, Chief Executive Officer	August 22, 2011
* /s/ Paul A. Siegert Paul A. Siegert	President, Chairman of the Board	August 22, 2011
/s/ Jon Gangelhoff Jon Gangelhoff	Chief Financial Officer (principal financial and accounting officer)	August 22, 2011
* /s/ Steven F. Sabes Steven F. Sabes	Director, Chief Operating Officer and Secretary	August 22, 2011
* /s/ Laurence Zipkin Laurence Zipkin	Director	August 22, 2011
* /s/ Bryan Tyrell Bryan Tyrell	Director	August 22, 2011
 Kenneth Chaim Fink	Director	August , 2011

*By: /s/ Jon R. Sabes
Jon R. Sabes
Attorney-in-Fact

Exhibit 3.3

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:03 PM 08/09/2011
FILED 04:03 PM 08/09/2011
SRV 110904009 - 4521680 FILE

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
GWG HOLDINGS, INC.

I, Jon R. Sabes, as the Chief Executive Officer of GWG Holdings, Inc. a Delaware corporation (the "Corporation"), do hereby certify that by resolutions in lieu of a special meeting of the stockholders and directors of said Corporation effective as of July 29, 2011, the following resolution was adopted in writing by the stockholders and directors, pursuant to Sections 242 and 228 of the General Corporation Law of the State of Delaware:

Article 4 of the Certificate of Incorporation is hereby amended by adding the following new paragraph immediately following the first paragraph:

Upon the filing and effectiveness (the "Effective Time") pursuant to the Delaware General Corporation Law of this Certificate of Amendment to the Certificate of Incorporation of the Corporation, each one share of Common Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be split and divided into two (2) shares of Common Stock (the "Forward Stock Split"). No fractional shares shall be issued in connection with the Forward Stock Split. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("Old Certificates"), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been split.

IN WITNESS WHEREOF, I have hereto set my hand this 29 day of July 2011.

By /s/ Jon R. Sabes
Jon R. Sabes, Chief Executive Officer

Exhibit 3.4

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:03 PM 08/09/2011
FILED 04:04 PM 08/09/2011
SRV 110904014 - 4521680 FILE

CERTIFICATE OF DESIGNATION

OF

SERIES A CONVERTIBLE PREFERRED STOCK

GWG HOLDINGS, INC.

(PURSUANT TO SECTION 151(G) OF THE DELAWARE GENERAL CORPORATION LAW)

GWG Holdings, Inc. a corporation organized and existing under the laws of the State of Delaware (the "**Company**"), hereby certifies as of August 1, 2011 (the "**Filing Date**") that the following resolution was duly adopted pursuant to a unanimous written consent of the board of directors of the Company (the "Board of Directors"), dated as of July 29, 2011. pursuant to Section 151(g) of the Delaware General Corporation Law:

RESOLVED, that pursuant to the authority vested in the Board of Directors (the **"Board of Directors"** or, the **"Board"**) of GWG Holdings, Inc. (the **"Company"**) by the Company's Certificate of Incorporation, and in accordance with the Delaware General Corporation Law (the **"DGCL"**). Section 151, the Board of Directors hereby amends and restates the terms of the Series A Convertible Preferred Stock of the Company and hereby slates the number of shares, and fixes the powers, designations, preferences and relative, participating, optional and other rights, and the qualifications, limitations and restrictions thereof, of such series of shares as follows:

1. Designation and Amount. The shares of such series shall be designated as **"Series A Convertible Preferred Stock"** (the **"Series A Stock"**), and the number of shares constituting the Series A Stock shall be 10,000,000. Such number of shares may be decreased by resolution of the Board of Directors adopted and filed pursuant to the DGCL, Section 151(g), or any successor provision; *provided*, that no such decrease shall reduce the number of authorized shares of Series A Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, warrants, convertible or exchangeable securities or other rights to acquire shares of Series A Stock.

2. Ranking. The Series A Stock shall rank, as to the payment of dividends and the distribution of the assets upon liquidation, dissolution or winding up of the Company: (a) senior to the Common Stock, and (b) senior to or on parity with all other classes and series of the Company's preferred stock.

3. Dividends.

a. The Series A Stock is entitled to receive, out of legally available funds, preferential cumulative dividends from the issuance date thereof at the annual rate often percent (10%) (the "Preferred Dividends") of the Original Issue Price, payable when and if declared by the Board of Directors in quarterly installments. The **"Original Issue Price"** shall be $7.50 per share of Series A Stock, subject to adjustments for stock splits or combinations. Preferred Dividends shall cease to accrue on shares of Series A Stock

on any Redemption Date (as defined in Section 6(a)) or on the date of their earlier conversion.

b. Preferred Dividends shall begin to accrue on outstanding shares of Series A Stock and to accumulate from the Issuance Date until paid whether or not declared. Preferred Dividends shall accrue whether or not there shall be (at the time such dividend becomes payable or at any other time) profits, surplus or other funds of the Company legally available for the payment of dividends. If at such time as Preferred Dividends are due and payable, the holder has delivered written notice to the Company of the holder's election to participate in a distribution reinvestment plan, the cumulative amount of such holder's portion of the accrued but unpaid Preferred Dividends may be converted into Series A Stock, with each converted share having a value equal to the $7.00 per share, subject to adjustment for stock splits. In order to exercise such option, the holder shall deliver written notice to the Company, provided that such notice is given before such Preferred Dividends are paid.

c. No dividend shall be declared on any other series or class or classes of stock as to which the Series A Stock ranks on a parity or prior as to dividends or liquidation, including without limitation shares of Common Stock, in respect of any period, nor shall any shares of any such series or class be redeemed, purchased or otherwise acquired for any consideration (or any money to be paid into any sinking fund or otherwise set apart for the purchase of any such shares), unless there shall have been or contemporaneously are declared and paid on all shares of the Series A Stock at the time outstanding all (whether or not earned or declared) accrued and unpaid dividends for all periods coinciding with or ending before such dividend, redemption, purchase, acquisition or payment. Preferred Dividends shall also be payable upon any Redemption Date, upon the final distribution date relating to the dissolution, liquidation or winding up of the Company and a QPO (as defined below).

4. Liquidation Preference.

a. In the event of (a) the sale, conveyance, exchange, exclusive license, lease or other disposition of all or substantially all of the intellectual property or assets of the Company, (b) any acquisition of the Company by means of a consolidation, stock exchange, stock sale, merger or other form of corporate reorganization of the Company with any other entity in which the Company's stockholders prior to the consolidation or merger own less than a majority of the voting securities of the surviving entity, or (c) the winding up or dissolution of the Company, whether voluntary or involuntary (each such event in clause (a), (b) or (c), a **"Liquidation Event"**), the Board shall determine in good faith the amount legally available for distribution to stockholders after taking into account the distribution of assets among, or payment thereof over to, creditors of the Company (the **"Net Assets Available for Distribution"**). The holders of the Series A Stock then outstanding shall be entitled to be paid out of the Net Assets Available for Distribution (or the consideration received in such transaction) before any payment or distribution shall be made to the holders of any class of preferred stock ranking junior to the Series A Stock or to the Common Stock, an amount for each share of Series A Stock equal to all accrued and unpaid Preferred Dividends plus the Original Issue Price, as adjusted (the

"Series A Liquidation Amount"). A transaction shall not constitute a Liquidation Event if its sole purpose is (y) to change the state of the Company's incorporation or (z) to create a holding company that will have substantially similar series and classes of shares with the same terms as existed immediately prior to the transaction and be owned in the same proportions by the persons or entities who held this Company's securities immediately prior to such transaction, provided such transaction is approved by the Board. The holders of a majority of the shares of Series A Stock, voting as a single class on an as-converted basis, may vole to determine that any transaction listed above as a Liquidation Event shall not constitute a Liquidation Event for purpose of this Section 4.

b. If the Net Assets Available for Distribution to holders of shares of the Series A Stock upon such Liquidation Event shall be insufficient to pay the Series A Liquidation Amount to the holders of shares of the Series A Stock, then such Net Assets Available for Distribution shall be distributed among the holders of shares of the Series A Stock ratably in proportion to the respective amounts to which they otherwise would be entitled.

c. After distribution, if any. of proceeds to the holders of shares of Series A Stock pursuant to the foregoing, all remaining funds or other property of the Company, if any, shall be distributed *pro rata* among the holders of the Common Stock and the holders of all preferred stock of the Company on an as-if-converted basis.

d. Whenever any distribution provided for in this Section 4 shall be payable in securities or property other than cash, then the value of such distribution shall be the fair market value of such distribution as determined in good faith by the Board of Directors, except that any publicly-traded securities to be distributed to stockholders will be valued as follows:

(i) Securities not subject to an investment letter or other similar restrictions on free marketability:

(A) If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30)-day period ending three (3) calendar days prior to the closing; and

(B) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever are applicable) over the thirty (30)-day period ending three (3) calendar days prior to the closing.

(ii) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in Sections 4(d)(i)(A) and (B) to reflect the approximate fair market value thereof, as determined in good faith by the Board.

5. Voting.

a. General. On any matter presented to the stockholders of the Company for their action or consideration at any meeting of stockholders of the Company (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series A Stock shall be entitled to voting rights and powers equal to the number of whole shares of Common Stock into which the shares of Series A Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Each share of Series A Stock (including fractional shares) shall be entitled to one vote for each whole share of Common Stock that would be issuable upon conversion of such share on the record date for determining eligibility to participate in the action being taken. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Series A Stock held by each holder could be converted) shall be rounded down to the nearest whole number. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Series A Stock shall vote together with the holders of Common Stock as a single class.

b. Series A Stock Protective Provisions. In addition to any other vote or consent required herein or by law, the vote or written consent of holders of at least a majority of the then-outstanding shares of Series A Stock, voting together as a single class on an as-converted basis, in the aggregate and given in writing or by vote at a meeting, shall be required for the Company to:

(i) amend, modify, add, repeal or waive any provision of this Certificate of Designations or otherwise take any action that modifies any powers, rights, preferences, privileges or restrictions of the Series A Stock;

(ii) authorize, create or issue shares of any class of stock having rights, preferences or privileges superior to the Series A Stock; or

(iii) amend the Certificate of Incorporation of the Company in a manner that adversely and materially affects the rights of the Series A Stock.

6. Redemption.

a. Redemption at Option of Series A Stock.

(i) The holders of Series A Stock may deliver written notice to the Company (the “Redemption Notice”) requesting that the Company redeem (i) up to 33% of such holder’s Series A Stock if the Redemption Notice is provided after the first anniversary of the issuance of such Series A Stock but prior to the second anniversary of the issuance of such Series A Stock, (ii) up to 66% of such holder’s Series A Stock if the Redemption Notice is provided after the second anniversary of the issuance of such Series A Stock but prior to the third anniversary of the issuance of such Series A Stock, and (iii) up to 100% of such holder’s Series A Stock if the Redemption Notice is provided after the second anniversary of the issuance of such Series A Stock but prior to the third anniversary of the issuance

of such Series A Stock. After the Company's receipt of the Redemption Notice, it shall promptly notify such requesting holder of Series A Stock that all or a portion of the Series A Stock will be redeemed on the date that is 60 days following receipt of the Redemption Notice (such date, the "Redemption Date"). On the Redemption Date and in accordance with this Section 6(a), the Company will, to the extent it may lawfully do so and to the extent it has a share redemption program in place and such payment is permitted under its then existing financing agreements or the financing agreements of its subsidiaries and to the extent permitted by the liquidity position of the Company at the time of the request, in connection with the surrender by such holders of the certificates representing such shares, redeem the shares specified in such request by paying in cash therefor a sum per share equal to the Series A Liquidation Amount per share (the "Redemption Price"). The holders right to request redemption under this Section 6(a) shall terminate upon the Company completing a registration of its common stock with the Securities and Exchange Commission. Any redemption effected pursuant to this Subsection 6(a) pursuant to which multiple holders of Series A Stock participate shall be made on a pro rata basis among the holders of the Series A Stock in proportion to the number of shares of Series A Stock then held by such holders.

(ii) On or before the Redemption Date, each holder of shares of Series A Stock shall surrender the certificate or certificates representing such shares to the Company, duly endorsed, in the manner and at the place designated in the notice of redemption, and, upon the Redemption Date, the Redemption Price for such shares shall be payable by wire transfer of immediately available funds to an account designated in writing by the person whose name appears on such certificate, and such certificate shall be cancelled and retired. In the event that less than all of the shares of Series A Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Series A Stock shall be issued forthwith.

(iii) Notice of redemption having been given as provided in Section 6(a)(i) above, upon surrender to the Company of any certificates for such shares for cancellation (or delivery to the Company by the registered holder of an affidavit as to the loss, theft, destruction or mutilation of such certificates), unless the Company defaults in the payment in full of the applicable Redemption Price, from and after the Redemption Date designated in the notice of redemption (i) the shares represented thereby shall no longer be deemed outstanding, (ii) the rights to receive dividends thereon shall cease to accrue and (iii) all rights of the holders of shares of Series A Stock to be redeemed shall cease and terminate, excepting only the right to receive the Redemption Price therefor.

(iv) If the Company is legally unable or unable, without causing a default under any of the notes, bonds, debentures, indentures, credit or loan agreements, or any other agreement, document or instrument pertaining to any indebtedness related to borrowed money to which the Company is a party or to which its assets are subject, to discharge its obligation to redeem all outstanding

shares of the Series A Preferred Stock pursuant lo Section 6(a) on the Redemption Date, such redemption obligation shall be discharged as soon as the Company is able to discharge such redemption obligation. If the Company fails to discharge its obligation to redeem all shares of the Series A Stock requested to be redeemed pursuant to Section 6(a) on the Redemption Date, the shares of Series A Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein, including the accrual and payment of dividends. If and so long as the redemption obligation with respect to the Series A Stock shall not be fully discharged, the Company shall not declare or make any dividend or other distribution or, directly or indirectly, redeem, purchase, or otherwise acquire for any consideration any other series or class or classes of stock or discharge any mandatory or optional redemption, sinking fund or other similar obligation in respect of any such securities.

b. Redemption at Option of Company.

(i) At any time after December 15, 2012. the Company shall have the right (but not the obligation) to redeem all or part of the issued and outstanding Series A Stock at a price per share equal to 110% of the Original Issue Price, plus (2) an amount equal to all Preferred Dividends (whether or not declared) accrued and unpaid on each such share up to and including the redemption date. In the event the Company decides to exercise the redemption right provided in this Section 6(b), the Company shall deliver written notice to each holder of Series A Stock that all or part of the Series A Stock will be redeemed (the “Company Redemption Notice”) on the date that is 60 days following the date of the Company Redemption Notice (such date, the “Company Redemption Date”). On the Company Redemption Date and in accordance with this Section 6(b), the Company will, at its option, (i) to the extent it may lawfully do so, in connection with the surrender by such holders of the certificates representing such shares, redeem the shares specified in such request by paying in cash therefor a sum per share equal to the Company Redemption Price. If the Company elects to redeem part of the Series A Stock shall do so pro rata based on all outstanding shares of Series A Stock.

(ii) On or before the Company Redemption Date, each holder of shares of Series A Stock shall surrender the certificate or certificates representing such shares to the Company, duly endorsed, in the manner and at the place designated in the Company Redemption Notice, and, upon the Company Redemption Date, the Company Redemption Price for such shares shall be payable by wire transfer of immediately available funds to an account designated in writing by the person whose name appears on such certificate, and such certificate shall be cancelled and retired.

(iii) Notice of redemption having been given as provided in Section 6(b)(i) above, upon surrender to the Company of any certificates for such shares for cancellation (or delivery to the company by the registered holder of an affidavit as to the loss, theft, destruction or mutilation of such certificates), unless

the Company defaults in the payment in full of the Company Redemption Price, from and after the Company Redemption Date designated in the notice of redemption (i) the shares represented thereby shall no longer be deemed outstanding, (ii) the rights to receive dividends thereon shall cease to accrue and (iii) all rights of the holders of shares of Series A Stock to be redeemed shall cease and terminate, excepting only the right to receive the Company Redemption Price therefor.

c. No Sinking Fund. The Company shall not be required to establish any sinking or retirement fund with respect to she shares of Series A Stock.

7. Conversion.

a. Optional Conversion. Each share of Series A Stock shall be convertible at the option of the holder thereof at any time into a number of shares of Common Stock determined by dividing (i) the Original Issue Price by (ii) the Conversion Price then in effect. The initial conversion price for the Series A Stock (the "**Conversion Price**") shall be equal to $5.00 per share. The Conversion Price from time to time in effect is subject to adjustment as hereinafter provided in Section 8 (the "**Adjustments**").

b. Automatic Conversion. At the election of the Company, each share of Series A Stock shall automatically be converted into shares of Common Stock (**"Conversion Shares"**) at the then-effective applicable Conversion Price, upon the earlier of (i) the date specified by vote or written consent or agreement of holders of at least a majority of the shares of Series A Stock then outstanding, voting as a single class on an as-converted basis, or (ii) immediately prior to the closing of an underwritten initial public offering pursuant to an effective registration statement under the Securities Act of 1933. as amended, covering the offer and sale of Common Stock for the account of the Company to the public resulting in the gross proceeds to the Company (before the deduction of underwriters" commissions and expenses) of not less than $5 million at a price of $5.50 per share (a "**QPO**"). After the conversion pursuant to this Section 7(b), all rights under this Certificate of Designation of the holders of Series A Stock with respect to the Series A Stock so converted, except the right to receive Common Stock in accordance with this Section and any declared but unpaid dividends as of the Conversion Date, shall cease and the Series A Stock shall no longer be deemed to be outstanding, whether or not the Company has received the certificates representing such shares.

8. Adjustments.

a. Conversion Price. If at any time or from time to time after the Filing Date, the Company shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise), or in the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

b. Reorganization, Reclassification, Consolidation, Merger or Sale. If at any time after the Filing Date, there is any reorganization, reclassification, consolidation, merger or sale of all or substantially all of the assets of the Company (other than a Liquidation Event), as part of such capital reorganization, provision shall be made so that (i) the holders of Series A Stock shall thereafter have the right to receive, upon conversion of such Series A Stock, the number of shares of stock or securities or property of the Company to which a holder of the number of shares of Common Stock deliverable upon conversion of such Series A Stock would have been entitled in connection with such capital reorganization if such holder had converted its Series A Stock immediately prior to such transaction, subject to adjustment in respect of such stock or securities by the terms thereof.

9. Mechanics of Conversion. In order to exercise the conversion privilege, a holder of Series A Stock shall surrender the certificate to the Company at its principal office, accompanied by written notice to the Company that the holder elects to convert a specified portion or all of such shares. Series A Stock shall be deemed to have been converted on the day of surrender of the certificate representing such shares for conversion in accordance with the foregoing provisions, and at such time the rights of such holder of such shares of Series A Stock, as such holder, shall cease and such holder shall be treated for all purposes as the record holder of the Common Stock issuable upon conversion. As promptly as practicable on or after the conversion date, the Company shall issue and mail or deliver to such holder a certificate or certificates representing the number of shares of Common Stock issuable upon conversion, rounded down to the nearest full share, and a certificate or certificates for the balance of the Series A Stock surrendered, if any, not so converted into Common Stock. Notwithstanding the foregoing, in case of (x) the delivery of a Redemption Notice to a holder or (y) any Liquidation Event, unless the Company has received notice of election for conversion and the stock certificate or certificates prior to such time, such right of conversion for any holder of Series A Stock subject to such redemption or Liquidation Event shall cease and terminate at the close of business on the business day fixed for payment of the amount payable to such holders of the Series A Stock pursuant to this Certificate of Designation unless the Company shall thereafter default in the payment of the Redemption Price or Series A Liquidation Amount, as the case may be, in which case the holder shall be entitled to conversion until such default is cured by the Company. No fractional shares of Common Stock will be issued by conversion of Series A Stock or payment of dividends. In lieu of any fractional shares to which the holder would be otherwise entitled, the Company will pay cash equal to such fraction multiplied by the then fair market value of a share of Common Stock as determined in good faith by the Board of Directors. For such purpose, all shares of Series A Stock held by each holder of Series A Stock shall be aggregated, and any resulting fractional share of Common Stock shall be paid in cash.

10. Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of shares of Series A Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Stock, and, if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series A Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such

number of shares as shall be sufficient for such purpose.

11. Notice Regarding Conversion Price Adjustments. Upon any adjustment of the Conversion Price for the Series A Stock under Section 8, then and in each such case the Company shall give written notice thereof, by first-class mail, postage prepaid, addressed to the registered holders of the Series A Stock at the addresses of such holders as shown on the books of the Company, which notice shall state the Conversion Price resulting from such adjustment and the increase or decrease, if any, in the number of shares receivable at such price upon the conversion of the Series A Stock, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

12. Common Stock Defined. As used in this Certificate of Designations, the term "**Common Stock**" shall mean and include the Company's presently authorized Common Stock and shall also include any capital stock of any class of the Company hereafter authorized which shall have the right to vote on all matters submitted to the stockholders of the Company and shall not be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends or in the distribution of assets upon the voluntary or involuntary liquidation, dissolution, or winding up of this Company; provided that the shares receivable pursuant to conversion of the Series A Stock shall include shares designated as Common Stock of this Company as of the date of issuance of such Series A Stock.

13. Reacquired Shares. Any shares of Series A Stock converted, exchanged, redeemed, purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of preferred stock without designation as to series and may be reissued as part of a new series of preferred stock to be created by resolution or resolutions of the Board of Directors as permitted by the Company's Certificate of Incorporation or as otherwise permitted under Delaware law.

IN WITNESS WHEREOF, GWG Holdings, Inc. has caused this Certificate of Designation to be signed by the undersigned on this 1st day of August, 2011.

GWG HOLDINGS, INC.

/s/ Jon R. Sabes
Jon R. Sabes
Chief Executive Officer

Exhibit 4.1

FORM OF

INDENTURE

Dated as of _____, 2011,

by and among

GWG Holdings, Inc., as obligor

GWG Life Settlements, LLC, as guarantor

and

Bank of Utah, as trustee

$250,000,000

Secured Debentures

TABLE OF CONTENTS

EXHIBITS:

A – Form of Debenture

B – Subscription Agreement

C – Form of Guarantee Notation

D – Form of Pledge and Security Agreement

E – Form of Intercreditor Agreement

CROSS-REFERENCE TABLE

*Trust Indenture Act Section	Indenture Section
<S>	<C>
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N/A
(a)(4)	N/A
(a)(5)	N/A
(b)	7.8; 7.10
(c)	N/A
311(a)	7.11
(b)	7.11
(c)	N/A
312(a)	2.5
(b)	13.3
(c)	13.3
313(a)	7.6
(b)(1)	N/A
(b)(2)	13.3; 7.6
(c)	7.6; 11.2
(d)	7.6
314(a)	4.3
(b)	12.2
(c)(1)	N/A
(c)(2)	N/A

(c)(3)	N/A
(d)	12.3; 12.4; 12.5
(e)	N/A
(f)	N/A
315(a)	N/A
(b)	N/A
(c)	N/A
(d)	N/A
(e)	N/A
316(a) (last sentence)	N/A
(a)(1)(A)	N/A
(a)(1)(B)	N/A
(a)(2)	N/A
(b)	N/A
(c)	N/A
317(a)(1)	N/A
(a)(2)	N/A
(b)	N/A
318(a)	13.1

N/A means not applicable

* This Cross Reference Table is not part of the Indenture

THIS INDENTURE is hereby entered into as of _____, 2011, by and among GWG Holdings, Inc., a Delaware corporation (the "Company"), as obligor, GWG Life Settlements, LLC, a Delaware limited liability company (the "Guarantor"), as guarantor, and Bank of Utah, a Utah corporation, as trustee (the "Trustee"). The Company, the Guarantor and the Trustee hereby agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the renewable secured debt securities of the Company issued pursuant to the Company's registration statement on Form S-1, as amended from time to time including through post-effective amendments (the "Registration Statement"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 DEFINITIONS

"Account" means the record of beneficial ownership of a Security maintained by the Registrar.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"After-Acquired Property" shall mean all assets and property, including, to the extent permitted by law, assets and property acquired by the Company or any Subsidiary or Affiliate, including the Guarantor, after the date of this Indenture.

"Agent" means any Registrar, Paying Agent, co-registrar, Servicing Agent or any Person appointed and retained by the Company to perform certain of the duties or obligations, or exercise certain of the rights and discretions, of the Company hereunder pursuant to Section 2.15.

"Bankruptcy" shall mean, for any Person, the (i) commencement of a voluntary bankruptcy case by that Person; (ii) consent to the entry of an order for relief against such Person in an involuntary bankruptcy case; (iii) consent to the appointment of a custodian of it or for all or substantially all of its property.

"Bankruptcy Law" has the meaning set forth in Section 6.1.

"Board of Directors" means the Board of Directors of the Company or any authorized committee of the Board of Directors.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the State of Minnesota, the State of Utah, or at a place of payment are authorized or obligated by law, regulation or executive order to remain closed. If a payment date falls on any date other than a Business Day, payment may be made on the next succeeding Business Day and no interest shall accrue for the intervening period.

"Calculation Date" means the 15th day of each calendar month (or if such day is not a Business Day, the next succeeding Business Day).

"Capital Stock" means any class of capital stock of the Company, including without limitation its common stock and any class of limited or preferred stock, or any series on any class of common, limited or preferred stock, existing from time to time during the term of this Indenture.

"Collateral" shall mean (i) all the assets of the Company, including without limitation all of its ownership interests in Subsidiaries; (ii) all the assets of the Guarantor pledged under the Pledge and Security Agreement, including without limitation all of the Guarantor's ownership interests in its Subsidiaries; (iii) all Pledged Affiliate Stock; and (iv) any and all other items and property defined as "Collateral" in any Collateral Document.

"Collateral Documents" means the Pledge and Security Agreement, Intercreditor Agreement and the other agreements, documents or instruments, including any financing statements and amendments or supplements thereto creating, perfecting or evidencing any Liens securing the Securities, and any other Obligation under this Indenture or the Collateral Documents.

"Company" means GWG Holdings, Inc., a Delaware corporation, unless and until replaced by a successor in accordance with Article 5 hereof, in which case "Company" shall mean such successor.

"Company Majority Stockholders" shall mean Jon R. Sabes and Steven F. Sabes.

"Corporate Trust Office" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date as of which this Indenture is originally dated, located at Bank of Utah, 200 E. South Temple, Suite 210, Salt Lake City, UT 84111, Attention: GWG Holdings, Inc. Administrator.

"Debt Coverage Ratio" has the meaning set forth in Section 4.7(a).

"Default" means any event that is or with the passage of time or the giving of notice, or both, would be, an Event of Default.

"Eligible Life Insurance Policy" means any life insurance policy meeting all of the following criteria as of the date purchased by the Company directly or indirectly through a direct or indirect Subsidiary:

(a) such life insurance policy offers "permanent" life insurance benefits (i.e., either whole life, non-variable universal life or universal life);

(b) the contestability period for such life insurance policy shall have expired;

(c) the Policy Benefit does not exceed $25,000,000;

(d) the life insurance policy does not have a provision limiting the future realization of Policy Benefit upon and due to the death of any Insured other than for non-payment of premiums;

(e) the Life Expectancy of the Insured under the life insurance policy, as of the relevant acquisition date, does not exceed 216 months;

(f) the Insured under the life insurance policy is not less than 65 years old;

(g) all restrictions or obligations imposed by applicable laws have been complied with in relation to the origination and acquisition of the life insurance policy;

(h) the life insurance policy is in full force and effect;

(i) the life insurance policy is not regulated by any state which prohibits the purchase or the transfer of ownership of such life insurance policy;

(j) the life insurance policy provides for a level Policy Benefit through the entire Life Expectancy of the Insured under the life insurance policy;

(k) the life insurance policy is not purchased in a jurisdiction where the transfer of such life insurance policy is subject to the payment of sales or other taxes except where such sales or other taxes have been paid;

(l) the Life Expectancy Report does not conclude that the Insured under the life insurance policy is HIV positive or has been diagnosed as having AIDS; and

(m) such life insurance policy meets such other criteria as the Company may determine from time to time.

"Event of Default" has the meaning set forth in Section 6.1.

"Exchange Act" means the Securities Exchange Act of 1934.

"Fiscal Quarter" means the approximately three-month period ending each March 31, June 30, September 31, and December 31.

"Fiscal Year" means a year ending December 31.

"GAAP" means, as of any date, United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession, which are in effect from time to time.

"Guarantee" means the guarantee of the Guarantor as described in Article 11.

"Guarantee Notation" is evidence of the Guarantee to be used as described in Section 11.3, and attached hereto as ***Exhibit C***.

"Guarantor" means GWG Life Settlements, LLC, a Delaware limited liability company, unless and until replaced by a successor in accordance with Article 5, in which case "Guarantor" shall mean such successor.

"Guarantor Secured Notes" means that certain class of secured promissory notes privately offered and sold from time to time by the Guarantor prior to the date of this Indenture.

"Holder" means a Person in whose name a Security is registered.

"Holder Redemption Event" has the meaning set forth in Section 3.2(a).

"Indebtedness" means, with respect to any Person and without duplication, any indebtedness of such Person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or representing the balance deferred and unpaid of the purchase price of any property (including capital lease obligations) or the expenditure for any services or representing any hedging obligations, including without limitation, any such balance that constitutes an accrued expense or an account or trade payable, if and to the extent any of the foregoing indebtedness (other than letters of credit and hedging obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, and also includes, to the extent not otherwise included, (a) the guarantee of items that would be included within this definition, and (b) liability for items that would arise by operation of a Person's status as a general partner of a partnership.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Insurance Company" means, with respect to any Life Insurance Policy, the insurance company that is obligated by the terms of such Life Insurance Policy to pay the related Policy Benefit upon the death of the related Insured (or the successor to such obligation).

"Insured" means a natural person who is named as the insured on a Life Insurance Policy.

"Intercreditor Agreement" means that certain Intercreditor Agreement of even date herewith by and among the Trustee and Lord Securities Corporation (as trustee under that certain Second Amended and Restated Note Issuance Agreement dated as of November 15, 2010, by and among the Guarantor, Lord Securities Corporation and the GWG LifeNotes Trust, with respect to the Guarantor Secured Notes), as such agreement may be amended, modified or supplemented from time to time in accordance with its terms and with this Indenture, which agreement comprises one of the Collateral Documents. The form of Intercreditor Agreement is attached hereto as ***Exhibit E***.

"Interest Accrual Period" means, as to each Security, the period from the later of the Issue Date of such Security or the last Payment Date upon which an interest payment was made, until and including the day before the following Payment Date (or the Maturity Date, if earlier), during which period interest accrues with respect to any Payment Date.

"Issue Date" means, with respect to any Security, the date on which such Security is deemed registered on the books and records of the Registrar, which shall be (i) the date the Company accepts funds for the purchase of the Security if such funds are received prior to 12:01 p.m. (Central Time) on a Business Day, or if such funds are not so received, on the next Business Day, or (ii) the date that the Security is renewed as of the Maturity Date pursuant to Section 2.1(h).

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code, or equivalent statutes, of any jurisdiction).

"Life Expectancy" means with respect to any Life Insurance Policy (other than a Small Life Insurance Policy), the average of two Life Expectancy Reports of the related Insured, stated in months, provided by two separate Qualified Consulting Physicians to achieve 50th percentile cumulative mortalities for such Insured, or, if not so provided, by applying the provided life expectancy in months to the most recent VBT Select Table to calculate a 50th percentile cumulative mortality schedule for such

Insured, in any case as of the Life Expectancy Report Date and subsequently adjusted in the passage of time. For policies with more than one Insured that pay upon the death of the second Insured ("Joint Policies"), the "Life Expectancy" with respect to any such Joint Policies (other than a Small Life Insurance Policy), means the joint Life Expectancy Reports of the related Insureds in months to achieve a 50th percentile cumulative mortality for such Insureds provided for the two joint life expectancies by the Qualified Consulting Physicians and, if not provided, by applying the provided life expectancy in months to the most recent VBT Select Table to calculate a 50th percentile cumulative mortality for such Insureds, in any case as of the Life Expectancy Report Date and subsequently adjusted in the passage of time. Life Expectancy for a Small Life Insurance Policy shall be stated in months as determined by applying the most recent VBT Select Table to calculate a 50th percentile cumulative mortality schedule for such Insured, as of the Life Expectancy Report Date and subsequently adjusted in the passage of time; provided that a Life Expectancy Report may be used for a Small Life Insurance Policy, if available.

"Life Expectancy Report" means an assessment by a Qualified Consulting Physician, contained in a written statement dated within 180 days prior to the date of the purchase by the Company or any of its direct or indirect Subsidiaries of a Life Insurance Policy, of the life expectancy of one or more Insureds under such Life Insurance Policy.

"Life Expectancy Report Date" means, with respect to any Life Expectancy Report, the certificate date contained in the Life Expectancy Report or the date otherwise calculated in the case of a Small life Insurance Policy.

"Life Insurance Policy" means any Eligible Life Insurance Policy owned the Company, the Guarantor or any of their direct or indirect Subsidiaries or Affiliates.

"Master Trust" means (i) GWG DLP Master Trust II, a Delaware statutory trust and (ii) any future master trust that may be created, or wholly or partially owned, by the Guarantor and its Subsidiaries.

"Maturity Date" means, with respect to any Security, the date on which the principal of such Security becomes due and payable as therein provided.

"Maturity Record Date" means, with respect to any Security, as of the close of business on the first Business Day that is at least 31 days prior to the Maturity Date or Redemption Date applicable to such Security.

"Net Present Asset Value of Life Insurance Policies" means an amount equal to the net present value of the expected cash flows to be derived from Life Insurance Policies owned by the Company (including its direct and indirect Subsidiaries and Affiliates), as determined by applying the Pricing Model and a discount rate equal to the Weighted Average Cost of Capital of the Company (including its direct and indirect Subsidiaries and Affiliates) for the calendar month immediately preceding the Calculation Date.

"Net Proceeds" shall mean the aggregate cash proceeds and cash equivalents received by the Company or the Guarantor in respect of any merger, sale of all or substantially all of the assets of the Company or Guarantor, as applicable, net of the direct costs relating to such merger or sale, including without limitation legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the merger or asset sale, in each case taking into account, without duplication, (1) any available tax credits or deductions and any tax-sharing arrangements, and amounts required to be applied to the repayment of Indebtedness secured by a Permitted Lien on the asset or assets that were the subject of such merger or asset sale and any reserve for adjustment in respect of the

sale price of such asset or assets established in accordance with GAAP, (2) any reserve or payment with respect to liabilities associated with such asset or assets and retained by the Company or the Guarantor after such sale or other disposition thereof, including without limitation severance costs pension and other post-employment benefit liabilities and any indemnification obligations associated with such transaction, and (3) any cash escrows in connection with the purchase price adjustments, reserves or indemnities (until released).

"Notice of Maturity" means a notice from the Company to a Holder, as further described in Section 2.1(f), that the Holder's Securities will be maturing on the related Maturity Date, which notice shall be sent by the Company at least 30 days prior to such Maturity Date.

"Obligations" means any principal, interest (including Post-Petition Interest), penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board or principal executive officer of the Company, the President or principal operating officer of the Company, the Chief Financial Officer or principal financial officer of the Company, the Treasurer, Controller or principal accounting officer of the Company, Secretary or any Executive or Senior Vice President of the Company.

"Officers' Certificate" means a certificate signed by two Officers, at least one of whom must be the principal executive officer, principal operating officer, principal financial officer or principal accounting officer of the Company; provided, however, that if the opinion of an accountant is required pursuant to TIA §314(c)(3), the certificate must be signed by an Officer who is an accountant.

"Opinion of Counsel" means an opinion from legal counsel reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company.

"Pari Passu Debt" means any Indebtedness of the Company that is payable, or that has secured collateral, on a pari passu basis with the Securities, including without limitation all Guarantor Secured Notes.

"Paying Agent" has the meaning set forth in Section 2.3.

"Payment Account" means a bank account designated by the Holder to receive payments of interest or principal due on such Holder's Securities, as may be amended by the Holder by written notice to the Registrar from time to time.

"Payment Blockage Period" has the meaning set forth in Section 10.3.

"Payment Date" means (i) with respect to any Security for which monthly interest payments are required to be made, the 15th day of the following calendar month, (ii) with respect to any Security for which interest payments are required to be made annually, the 15th day of the calendar month next following the month in which the anniversary of the Issue Date of such Security occurs, and (iii) with respect to each Security, the date specified in Section 2.1(f) for the payment upon maturity of all principal of and accrued but unpaid interest on such Security, and any Repurchase Date or Redemption Date of such Security, if applicable; provided, that if any such day in the preceding clauses (i) through (iii) is not a Business Day, then the Payment Date shall be the Business Day immediately following such day.

"Permitted Liens" means Liens on assets of the Company or any of its direct or indirect Subsidiaries or Affiliates, including the Guarantor, securing Indebtedness and other Obligations under (i) the Guarantor Secured Notes, (ii) any Qualified Sales and Financing Transaction (whether now existing or arising or acquired in the future), which Liens may be Senior Debt having higher priority to the Liens securing Obligations under the Securities issued under this Indenture, and (iii) any Senior Debt.

"Payment Notice" has the meaning set forth in Section 10.3.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Pledge and Security Agreement" means that certain Pledge and Security Agreement of even date herewith by and among the Company, the Guarantor, the Company Majority Stockholders and the Trustee, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms and with this Indenture, which agreement comprises one of the Collateral Documents. The form of Pledge and Security Agreement is attached hereto as ***Exhibit D***.

"Pledged Affiliate Stock" means the common stock of the Company beneficially owned (as such term is defined under Section 13d of the Exchange Act), as of the date of this Indenture, by the Company Majority Stockholders, the number of shares of which is identified with particularity in the Pledge and Security Agreement.

"Policy Benefit" means, with respect to a Life Insurance Policy, the amount to be paid by the writing Insurance Company upon the mortality of the Insured.

"Post-Petition Interest" means interest accruing after the commencement of any Bankruptcy or insolvency case or proceeding with respect to the Company or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, at the rate applicable to the related Indebtedness, whether or not such interest is an allowable claim in any such proceeding.

"Pricing Model" means the latest version of the Life Insurance Policy pricing model owned by Modeling Actuarial Pricing Systems, Inc. and licensed by Company (or a substantially similar model commonly supported by the actuarial profession), which model shall calculate expected cash flows from a portfolio of Life Insurance Policies utilizing the probabilistic methodology, the Life Expectancy of Insureds, and the VBT Select Table.

"Property" has the meaning set forth in Section 10.15(b).

"Prospectus" means the prospectus included in the Registration Statement at the time it was declared effective by the SEC, as supplemented by any related prospectus supplement (including interest rate supplements) filed with the SEC pursuant to Rule 424(b) under the Securities Act. References herein to the Prospectus shall be deemed to refer to and include any documents incorporated therein by reference.

"Qualified Consulting Physician" means any of: (a) 21st Services; (b) Fasano & Associates; (c) AVS Underwriting; (d) EMSI; (e) ISC Services; or (e) any other independent third-party consulting physician or group of consulting physicians commonly recognized within the industry as providing reputable Life Expectancy estimates that are approved by the Company.

"Qualified Sales and Financing Transaction" means any transaction or series of transactions (including without limitation the performance and liquidation or termination of such transactions) that may be entered into, sponsored, conducted or coordinated by or with the involvement of the Company

and pursuant to which the Company, or its Subsidiaries or Affiliates, may (a) issue Senior Debt by selling, conveying, financing, pledging or otherwise transferring Collateral to (i) a Special Purpose Entity (in the case of a transfer by the Company or any of its Affiliates) or (ii) any other Person (in the case of a transfer by the Company or a Special Purpose Entity), or may (b) grant a security interest in or pledge any Life Insurance Policies, any securities backed by or any interests in Life Insurance Policies (whether now existing or arising or acquired in the future), and any assets related thereto, which are customarily sold, transferred or pledged as security in connection with asset securitization, secured financing or similar transaction involving receivables, including the ability to finance and sell the residual interests retained from all such transactions, or securities backed by or representing interests in such residual interests.

"Redemption Date" has the meaning set forth in Section 2.1(i).

"Redemption Notice" means a written notice from the Company to the Holders (as further described in Section 2.1(i)) stating that the Company is redeeming all or a specified portion of Securities pursuant to Section 3.1, with a copy to the Registrar and the Trustee.

"Redemption Price" means, with respect to any Security to be redeemed, the principal amount of such Security plus the interest accrued but unpaid during the Interest Accrual Period up to but not including the Redemption Date for such Security.

"Registrar" has the meaning set forth in Section 2.3.

"Registration Statement" has the meaning set forth in the Introduction.

"Regular Record Date" means, with respect to each Payment Date, as of 11:59 p.m. of the date 15 days prior to such Payment Date.

"Repayment Date" shall have the meaning set forth in Section 3.2(c).

"Repayment Election" means a written notice from a Holder to the Company, as further described in Section 2.1(f), stating that repayment of the Holder's Securities is required in connection with the maturity of such Securities.

"Repurchase Penalty" shall have the meaning set forth in Section 3.2(b).

"Repurchase Price" means, with respect to any Security to be repurchased, the principal amount of such Security plus the interest accrued but unpaid during the Interest Accrual Period up to but not including the Repurchase Date for such Security, minus the Repurchase Penalty, if any.

"Repurchase Request" means a written notice from a Holder to the Company, as further described in Section 2.1(j), stating that such Holder is making an irrevocable request for the Company to repurchase such Holder's Securities pursuant to Section 3.2.

"Responsible Officer" when used with respect to the Trustee, means any officer in its Corporate Trust Office, or any other assistant officer of the Trustee in its Corporate Trust Office customarily performing functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933.

"Security" or "Securities" means, the Company's renewable secured debentures issued under this Indenture and offered and sold pursuant to the Registration Statement.

"Securities Register" has the meaning set forth in Section 2.3.

"Senior Debt" means any Indebtedness, other than the Securities and Pari Passu Debt (whether outstanding on the date hereof or thereafter created), incurred by the Company (including its direct or indirect Subsidiaries or Affiliates) that is senior in rank to Securities as to the right to receive payments from the Company, or senior as to the right to receive payments on or from any Collateral, whether such Indebtedness is or is not specifically designated by the Company as being "Senior Debt" in its defining instruments. In this regard, Senior Debt shall include, without limitation, any and all Indebtedness and Obligations owed by the Company or its direct or indirect Subsidiaries to Autobahn Funding Company LLC (or its affiliates, including without limitation DZ Bank AG Deutsche Zentral-Genossenschaftsbank and any future senior lender) as of the date of this Indenture and, unless specifically designated to the contrary in its defining instruments, thereafter existing, including all replacements and renewals thereof, and extensions thereto.

"Senior Debt Default" has the meaning set forth in Section 10.3(a).

"Senior Debt Payout Date" means the date on which (i) all Senior Debt and related Obligations shall be paid in full, in cash, and (ii) the related transaction documents to which such Senior Debt relates shall terminate in accordance with their terms.

"Servicing Agent" means an Agent designated by the Company, if any, as agent for service of notices and demands to and from the Holders, and other communications to and from the Holders, in connection with the Securities.

"Small Life Insurance Policy" means a Life Insurance Policy having a Policy Benefit equal to or less than $250,000.

"SPV Collateral" means all assets and property in which either the SPV Entity or Master Trust has acquired, or purports to have acquired, an interest (including without limitation all assets and property which the Company or the Guarantor has transferred, or purports to have transferred, to any such Person) pursuant to the "Transaction Documents" (as defined in that certain Second Amended and Restated Note Issuance and Security Agreement dated as of November 15, 2010, by and among the Guarantor, the holders of Guarantor Secured Notes, Lord Securities Corporation (as trustee), and GWG LifeNotes Trust).

"SPV Entity" means (i) GWG DLP Funding II, LLC, a Delaware limited liability company and wholly owned Subsidiary of the Guarantor; and (ii) any other Subsidiary entity of the Guarantor whose limited purpose is to purchase and/or own Life Insurance Policies.

"Subordination Ratio" has the meaning set forth in Section 4.7(b).

"Subscription Agreement" means a Subscription Agreement entered into by a Person and the Company, under which such Person commits to purchase Securities, and which is in substantially the form attached hereto as ***Exhibit B***.

"Subsidiary" or "Subsidiaries" means, with respect to any Person, any corporation or other entity in which such Person directly owns securities or other ownership interests, regardless of whether such ownership constitutes a controlling or non-controlling interest. Specific references to indirect Subsidiaries means, with respect to any Person, any corporation or other entity in which such Person indirectly owns, through one or more other corporations or entities, securities or other ownership interests, regardless of whether such ownership constitutes a controlling or non-controlling interest. In the case of any Subsidiary that is not wholly owned, calculations with respect to any financial covenants shall be made in proportion to the Company's interest, direct and indirect, in such Subsidiary.

"TIA" means the Trust Indenture Act of 1939, as in effect on the date on which this Indenture is qualified under the TIA.

"Total Permanent Disability" means a determination by a physician approved by the Company that the Holder of a Security who is a natural person, and who was gainfully employed on a full-time basis at the Issue Date of such Security, is unable to work on a full-time basis during the a period of 24 consecutive months. For purposes of this definition, "working on a full time basis" shall mean working at least 40 hours per week.

"Trustee" means Bank of Utah, a Utah corporation, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"UCC" means the Uniform Commercial Code as in effect in the State of Delaware or any other applicable jurisdiction.

"U.S. Government Obligations" means direct obligations of the United States of America, or any agency or instrumentality thereof for the payment of which the full faith and credit of the United States of America is pledged.

"VBT Select Table" means the most recent actuarial tables published by The Society of Actuaries, or such other actuarial table providing mortality probabilities for Insureds deemed appropriate by the Company.

"Weighted Average Cost of Capital" means a percentage equal to the weighted-average interest rate paid by the Company and its direct and indirect Subsidiaries on outstanding Indebtedness for the month immediately preceding the Calculation Date.

"Written Confirmation" means a written confirmation of the acceptance of a subscription for, or the transfer or pledge of, a Security or Securities in the form of a transaction statement executed or issued by the Company or its duly authorized Agent and delivered to the Holder of such Security or Securities with a copy to the Registrar and the Trustee.

Section 1.2 INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT

Whenever this Indenture refers to a provision of the TIA, such provision is incorporated by reference in and made a part of this Indenture. All other terms used in this Indenture that are defined by the TIA, defined by reference in the TIA to another statute, or defined by an SEC rule under the TIA, have the meanings so assigned to them.

Section 1.3 RULES OF CONSTRUCTION

Unless the context otherwise requires: (a) a term has the meaning assigned to it; (b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP; (c) references to GAAP, as of any date, shall mean GAAP in effect in the United States as of such date; (d) "or" is not exclusive; (e) words in the singular include the plural, and words in the plural shall include the singular; and (f) provisions apply to successive events and transactions.

ARTICLE 2
THE SECURITIES

Section 2.1 SECURITY TERMS; AMOUNT; ACCOUNTS; INTEREST; MATURITY

(a) The outstanding aggregate principal amount of Securities to be issued hereunder is limited to $250 million, provided, however, that the Company and the Trustee may, without the consent of any Holder, increase such aggregate principal amount of Securities that may be outstanding at any time. The Securities are secured obligations of the Company and shall be senior in right to assets of the Company, provided that such rights may be subordinate in right of payment to the Senior Debt as further described in Article 10. The Securities are an obligation and liability of the Company, and not of any other Person, including without limitation any shareholder, director, Officer, employee, Affiliate or Agent of the Company. The Securities are not certificates of deposit or similar obligations of, and are not guaranteed or insured by, any depository institution, the Federal Deposit Insurance Corporation, any other governmental or private fund, any securities insurer or any other Person, other than as set forth in Article 11.

(b) In the event issued in certificated form pursuant to Section 2.13(b): (i) the Securities, together with the Trustee's certificate of authentication, shall be in substantially the form set forth as ***Exhibit A*** to this Indenture, with any appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities; (ii) any portion of the text of any Securities may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Securities; and (iii) the Securities may be subject to notations, legends or endorsements required by law, stock exchange rule, or agreements to which the Company is subject or reasonably required by usage.

(c) Except as provided in Section 2.13(b), no Security shall be issued as, nor evidenced by, a certificated security, but rather each Security shall be issued in book entry or uncertificated form in which the record of beneficial ownership of each such Security shall be established and maintained as Accounts by the Registrar pursuant to Section 2.13. For each Security issued in book entry form in accordance with Section 2.13, the same terms and provisions as those set forth in the form of Debenture in ***Exhibit A*** shall be deemed to be incorporated into the terms and provision of such book-entry Securities.

(d) Each Security shall be in such denominations as provided by this Indenture and as may be designated from time to time by the Company, but in no event in an original denomination less than $25,000, unless authorized by the Company. Separate purchases may not be cumulated to satisfy the minimum denomination requirements. Each Security shall have a term of six months, or one, two, three, four, five, seven, or ten years as designated by the Holder at the time of purchase, subject to the Company's acceptance thereof.

(e) Each Security shall bear interest from and commencing on its Issue Date at such rate of interest as the Company shall determine from time to time; provided, however, that the interest rate of each Security will be fixed for the term of such Security upon issuance, subject to change upon any renewal of the Security at maturity. Simple interest on the Securities will accrue based on a calendar year consisting of twelve 30-day months (or 360 days) and the Holder thereof may elect to have interest paid monthly, annually, or upon maturity, which payments shall be made on the applicable Payment Date, except that (i) no interest shall be paid to a Holder until the expiration of the Holder's rescission right under Section 2.2(b), if applicable, and (ii) in the case of a Holder who elects interest to be paid upon maturity, such interest will compound annually. If a Holder does not elect an interest payment option, interest will be paid upon maturity. The Holder of a Security paying interest upon maturity by virtue of such Holder not having made an affirmative election for the payment of interest may, once during the term of the Security but only with the approval of the Company (which the Company may grant or withhold in its discretion), change the manner in which interest is paid. Any such change shall be effective upon the first Business Day following the 45th day after both (i) receipt of written notice from the Holder requesting such change and (ii) approval by the Company (evidenced in a writing delivered to such Holder).

(f) At least 30 days prior to a Maturity Date for any Security, the Company will send to each Holder of such a Security as of its Maturity Record Date a Notice of Maturity (via first class U.S. mail, facsimile or electronic transmission). The Notice of Maturity will notify the Holder of the Security's pending maturity and that the automatic renewal provision described in subsection (h) will take effect, unless:

(i) the Company states in the Notice of Maturity that it will not allow the Holder to renew the Security, in which case the Company shall pay the Holder all outstanding principal and accrued but unpaid interest with regard to the Security on the applicable Payment Date; or

(ii) the Holder sends to the Company, at least 15 days prior to the Maturity Date, a Repayment Election for the payment of all outstanding principal and accrued but unpaid interest due on the Security as of the Maturity Date.

A Notice of Maturity shall also contain the statements and disclosures described in subsection (g) below. If a Notice of Maturity permits the Holder to renew the Security, then the Company shall also include the then-current Prospectus and any then-current Prospectus Supplement together with a statement urging the Holder to review such documentation prior to any renewal. Upon receipt of a Notice of Maturity, the Holder of a maturing Security may in its discretion send to the Company a Repayment Election; provided that such Repayment Election must be sent to the Company no later than 15 days prior to the Maturity Date. If the Company receives a Repayment Election on or prior to the 15th day before the Maturity Date, the Company will pay all outstanding principal and accrued but unpaid interest on the Security (through the Maturity Date) no later than the Payment Date next following the Maturity Date; provided that if the Company shall have previously paid interest to the Holder for any period *after* the Maturity Date, then such interest shall be deducted from such payment.

(g) The Notice of Maturity also shall state that the Holder may submit a Repayment Election for the repayment of the maturing Security and use all or a portion of the proceeds thereof to purchase a new Security with a different term. To exercise this option, the Holder

shall complete a new Subscription Agreement for the new Security and send it along with the Holder's Repayment Election to the Company. The Issue Date of the new Security shall be the Maturity Date of the maturing Security. Any proceeds from the maturing Security that are not applied to the purchase of the new Security shall be sent to the Holder thereof. If a Security pays interest only on the Maturity Date, then the Notice of Maturity also shall state that the Holder may submit an "interest-only" Repayment Election in which the Holder requires the payment of the accrued and unpaid interest that such Holder has earned on the maturing Security (through the Maturity Date) and allows the principal amount of such maturing Security to renew in the manner provided in subsection (h) below.

(h) If a Holder of a maturing Security has not delivered a Repayment Election for repayment of the Security on or prior to the 15th day before the Maturity Date, and the Company did not notify the Holder of its intention to repay the Security in the Notice of Maturity, then such maturing Security shall be extended automatically for an additional term equal to the original term, and shall be deemed to be renewed by the Holder and the Company as of the Maturity Date of such maturing Security. A maturing Security will thereafter continue to renew as described herein absent a subsequent Redemption Notice by the Company, a Repurchase Request by the Holder, or an indication by the Company that it will repay and not allow the Security to be renewed in any subsequent Notice of Maturity. Interest on the renewed Security shall accrue from the Issue Date thereof, which shall be the Maturity Date of the maturing Security. Such renewed Security will be deemed to have the identical terms and provisions of the maturing Security, including provisions relating to payment, except that the interest rate payable during the term of the renewed Security shall be the interest rate which is then being offered by the Company on other Securities having the same term as of the Issue Date of such renewal. If other Securities having the same term are not then being offered on such date, then the interest rate upon renewal will be the rate specified by the Company on or before the Maturity Date of such Security, or the then-existing rate of the Security being renewed if no such rate is specified. If the maturing Security pays interest only on the Maturity Date, then, except as provided in subsection (g) above, upon renewal all accrued interest thereon shall be added to the principal amount of the renewed Security.

Notwithstanding the foregoing or anything in subsection (f) to the contrary, if a Repayment Election is given or is due at a time when the Company has determined that a post-effective amendment to the Registration Statement was required but not yet effective, then the Company will provide notice to the Holder, and the Holder will be entitled to rescind his or her Repayment Election, if made, or to make a Repayment Election if not previously made, by delivering a written rescission of the earlier Repayment Election, or written Repayment Election, as the case may be, to the Company no later than ten days after the postmark date on a notice from the Company to the Holder stating that the post-effective amendment has been declared effective. If a Repayment Election is made as described above, then outstanding principal and accrued but unpaid interest (through the Maturity Date) shall be paid on the Payment Date next following the Company's receipt of such Repayment Election; and if an earlier made Repayment Election is rescinded, the Issue Date for the renewed security shall be a date reasonably selected by the Company (but no earlier than the next Business Day after the date on which the Company shall have received any funds earlier transmitted to the Holder in connection with the rescinded Repayment Election).

(i) Pursuant to Section 3.1, each Security shall be redeemable by the Company at any time, without penalty, upon delivery by the Company of a Redemption Notice to the Holder of such Security. Such Redemption Notice shall set forth a date for the redemption of such Security (the "Redemption Date") that is at least 30 days after the date on which such Redemption Notice shall have been sent by the Company to the Holder.

(j) Pursuant to and subject to the limitations set forth in Section 3.2, each Security shall be subject to repurchase at the request of the Holder upon the delivery of a Repurchase Request to the Company. Subject to the limitations on repurchase and the Repurchase Penalties described in Section 3.2, the payment of unpaid interest and principal upon the repurchase of a Security shall be made to the Holder on a Repurchase Date that is (i) selected by the Company, but no earlier than ten days and no later than 45 days after the delivery of such Repurchase Request to the Company and the Company's acceptance of such request or, (ii) in the case of a repurchase of a Security in connection with the death, Total Permanent Disability or Bankruptcy of an applicable Holder, a Repurchase Date that is the 15th day of the month following the month in which the Company shall have received satisfactory evidence of such Holder's death, Total Permanent Disability or Bankruptcy.

(k) The terms and provisions contained in the Securities shall constitute, and are hereby expressly made, a part of this Indenture and to the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, and the Holders by accepting the Securities, expressly agree to such terms and provisions and to be bound hereby and thereby. In case of any direct conflict with any other agreement (other than the Intercreditor Agreement), the provisions of this Indenture shall control.

Section 2.2 WRITTEN CONFIRMATION OR REJECTION; RESCISSION

(a) Except with respect to an automatically renewed Security pursuant to Section 2.1(h), a Security shall not be validly issued to a Person until the following have occurred: (i) such Person has remitted to the Company or a duly authorized Agent good and available funds for the full principal amount of such Security; (ii) a Written Confirmation of the acceptance of the related Subscription Agreement is sent by the Company or a duly authorized Agent to such Person; and (iii) an Account is established by the Registrar in the name of such Person as the Holder of such Security pursuant to Section 2.13. The Company or a duly authorized Agent, in their sole discretion, may reject any subscription for the purchase of Securities, in which event any funds received in relation to such subscription shall be promptly returned to the subscriber. No interest shall be paid on any funds returned from a rejected subscription.

(b) For a period of five Business Days following the mailing by the Company of notice that a Holder's purchase of a Security occurred at a time when a post-effective amendment to the Registration Statement was required but not yet effective (which notice shall be accompanied by a copy of the final Prospectus comprising a part of the post-effective amendment to the Registration Statement as declared effective), such Holder shall have the right to rescind its purchase of the Security and receive repayment of the principal by presenting a written request for such rescission to the Company. Such written request for rescission (A) if personally delivered or delivered via facsimile or electronic transmission, must be received by the Company on or prior to the fifth Business Day following the mailing of such Written Confirmation or post-effective amendment notice by the Company or (B) if mailed, must be postmarked on or before the fifth Business Day

following the mailing by the Company of such Written Confirmation or post-effective amendment notice. Repayment of the principal shall be made within ten days of the Company's receipt of such request from the Holder. No interest shall be paid on any such rescinded purchase of a Security.

Section 2.3 REGISTRAR AND PAYING AGENT

(a) The Company shall maintain (i) an office or agency where Securities may be presented for registration of transfer or for exchange ("Registrar") and (ii) an office or agency where Securities may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Securities and of their transfer and exchange, which shall include the name, address for notices and Payment Account of the Holder and the payment election information, principal amount, term and interest rate for each Security (the "Securities Register"). The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar, and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without prior notice to any Holder; provided that the Company shall promptly notify the Holders and the Trustee of the name and address of any Agent not a party to this Indenture. The Company itself may act as Paying Agent and/or Registrar. In the event the Company uses any Agent other than the Company or the Trustee, the Company shall enter into an appropriate agency agreement with such Agent, which agreement shall incorporate the provisions of the TIA or provide that the duties performed thereunder are subject to and governed by the provisions of this Indenture. Any such agreement shall implement or be subject to the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee of the name and address of any such Agent. If the Company fails to maintain a Registrar or Paying Agent, or fails to give the foregoing notice, the Trustee shall act as such, and shall be entitled to appropriate compensation in accordance with Section 7.7. In no event shall the Trustee be liable for the acts or omissions of any predecessor Paying Agent or Registrar.

(b) Pursuant to Section 2.15, the Company shall serve as the initial Registrar and Paying Agent and as agent for service of notices and demands in connection with the Securities until such time as the Company gives the Trustee written notice to the contrary.

Section 2.4 PAYING AGENT TO HOLD MONEY IN TRUST

Prior to each Payment Date on any Security, the Company shall deposit with the Paying Agent sufficient funds to pay principal and interest then so becoming due and payable in cash. The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal or interest on the Securities, and will notify the Trustee promptly in writing of any default by the Company in making any such payment. While any such default continues, the Trustee shall require a Paying Agent (if other than the Company) to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company) shall have no further liability for the money delivered to the Trustee. If the Company acts as Paying Agent, then the Company shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. The Company shall notify the Trustee in writing at least five days before the Payment Date of the name and address of the Paying Agent if a Person other than the Trustee (or the Company) is named Paying Agent at any time or from time to time.

Section 2.5 LIST OF HOLDERS

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with TIA §312(a). If the Trustee is not the Registrar, the Registrar shall furnish to the Trustee within ten days after the end of each fiscal quarter during the term of this Indenture, and at such other times as the Trustee may request in writing, a copy of the current Securities Register as of such date as the Trustee may reasonably require and the Company shall otherwise comply with TIA §312(a).

Section 2.6 TRANSFER AND EXCHANGE

(a) The Securities are not negotiable instruments and cannot be transferred without the prior written consent of the Company (which consent shall not be unreasonably withheld). Requests to the Registrar for the transfer of any Security shall be:

(i) made to the Registrar in writing on a form supplied by the Registrar;

(ii) duly executed by the Holder of the Security, as reflected on the Registrar's records as of the date of receipt of such transfer request, or such Holder's attorney duly authorized in writing;

(iii) accompanied by the written consent of the Company to the transfer (which consent may not be unreasonably withheld), unless the Company is then serving as Registrar; and

(iv) if requested by the Company or the Registrar, (A) an opinion of Holder's counsel (which counsel shall be reasonably acceptable to the requesting party) that the transfer does not violate any applicable securities laws and (B) a signature guarantee.

(b) Upon transfer of a Security, the Company, or the Registrar on behalf of the Company, will provide the new registered owner of the Security with a Written Confirmation that will evidence the transfer of the Security in the Securities Register and will establish a corresponding Account.

(c) The Company or the Registrar may assess reasonable service charges to a Holder for any registration of transfer or exchange, and the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange pursuant to Section 9.5).

(d) With respect to the relevant Regular Record Date, the Company shall treat the Person listed on each Account maintained by the Registrar as the absolute owner of the Security represented thereby for purposes of receiving payments thereon and for all other purposes whatsoever.

Section 2.7 PAYMENT OF PRINCIPAL AND INTEREST; PRINCIPAL AND INTEREST RIGHTS PRESERVED

(a) Each Security shall accrue interest at the rate specified for such Security in the Securities Register and such interest shall be payable on each Payment Date following the Issue Date for such Security, until the principal thereof becomes due and payable. Any installment of interest payable on a Security that is caused to be punctually paid or duly provided for by the Company on the applicable Payment Date shall be paid to the Holder in whose name such Security is registered in the Securities Register on the applicable Regular Record Date with respect to the Securities outstanding, by electronic deposit to such Holder's Payment Account as it appears in the Securities Register on such Regular Record Date. The payment of any interest payable in connection with the payment of any principal payable with respect to such Security upon maturity shall be payable as provided below. In the event any payments made by electronic deposit are not accepted into the Holder's Payment Account for any reason, such funds shall be held in accordance with Section 2.4 and Section 8.3. Any installment of interest not punctually paid or duly provided for shall be payable in the manner and to the Holders as specified in Section 2.10.

(b) Each of the Securities shall have stated maturities of principal as shall be indicated on such Securities or in the Written Confirmation and as set forth in the Securities Register. The principal of each Security shall be paid in full pursuant to Section 2.1(f), unless the term of such Security is renewed pursuant to Section 2.1(h) or such Security becomes due and payable at an earlier date by acceleration, redemption, repurchase or otherwise. Interest on each Security shall be due and payable on each Payment Date at the interest rate applicable to such Security for the Interest Accrual Period related to such Security and such Payment Date. Notwithstanding any of the foregoing provisions with respect to payments of principal of and interest on the Securities, if the Securities have become or been declared due and payable following an Event of Default, then payments of principal of and interest on the Securities shall be made in accordance with Article 6. If certificated securities are issued, then the principal payment made on any Security upon its maturity (or the Redemption Price or the Repurchase Price of any Security required to be redeemed or repurchased, respectively), and any accrued interest thereon, shall be payable on the applicable Payment Date therefor at the office or agency of the Company maintained by it for such purpose pursuant to Section 2.3 or at the office of any Paying Agent for such Security.

Section 2.8 OUTSTANDING SECURITIES

(a) The Securities outstanding at any time are the outstanding principal balances of all Accounts owning Securities maintained by the Registrar.

(b) If the principal amount of any Security is considered paid under Section 4.1, it ceases to be outstanding and interest on it ceases to accrue.

(c) Subject to Section 2.9, a Security does not cease to be outstanding because the Company or an Affiliate of the Company holds the Security.

Section 2.9 TREASURY SECURITIES

In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Company or any Affiliate of the Company shall be considered as though not outstanding except that, for purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities that a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded.

Section 2.10 DEFAULTED INTEREST

If the Company defaults in a payment of interest on any Security, it shall pay such defaulted interest and, to the extent lawful, any interest payable on the defaulted interest, to the Holder of such Security on a subsequent special Payment Date, which date shall be at the earliest practicable date, but in all events within 21 days following the scheduled Payment Date for the defaulted interest, in each case at the rate provided in the Security. The Regular Record Date for the scheduled Payment Date shall be the record date for the special Payment Date. Prior to any such special Payment Date, the Company (or the Trustee, in the name of and at the expense of the Company) shall mail to Holder(s) a notice identifying the special Payment Date and the amount of such interest to be paid.

Section 2.11 TEMPORARY NOTES

If Securities are issued in certificated form in the limited circumstances contemplated under Section 2.13(b), then, pending the preparation of definitive Securities, the Company may execute, and direct that the Trustee authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities, in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at any office or agency of the Registrar without charge to the Holder.

Upon surrender for cancellation of any one or more temporary Securities, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefore a like principal amount of definitive Securities of authorized denominations. Until so exchanged the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

Section 2.12 EXECUTION, AUTHENTICATION AND DELIVERY

(a) Subject to subsection (b) below, the Securities shall be executed on behalf of the Company by an Officer and attested by its Secretary or Assistant Secretary. The signature of any of these officers on the Securities may be manual, facsimile or electronic (.pdf). Securities bearing the manual, facsimile or electronic signatures of individuals who were at any time the proper Officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At the time of and from time to time after the execution and delivery of this Indenture, the Company will deliver definitive or certificated forms of Securities, if any, executed by the Company to the Trustee for authentication, together with a direction from the Company for the authentication and delivery of such Securities. The Trustee in accordance with such direction from the Company shall authenticate and deliver such Securities as in this Indenture provided and not otherwise. Securities issued hereunder shall be dated as of their Issue Date.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security an authentication executed by or on behalf of the Trustee by manual signature, and such authentication upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of the Indenture.

(b) Notwithstanding the preceding subsection (a) of this Section, in connection with the issuance of each Security in book-entry form pursuant to Section 2.13, each Security shall be deemed to be executed and attested to by the Company and authenticated and delivered by the Trustee, in the same manner as provided in the preceding subsection (a), upon the delivery by the Company (or the Company's duly authorized Agent) to the Holder of such Security of a Written Confirmation, with a copy of such Written Confirmation delivered to the Trustee, and the establishment by the Registrar of an Account for such Security in the name of the Holder pursuant to Section 2.13.

Section 2.13 BOOK-ENTRY REGISTRATION

(a) The Registrar shall maintain a book-entry registration and transfer system through the establishment and maintenance of Accounts for the benefit of Holders of Securities as the sole method of recording the ownership and transfer of ownership interests in such Securities. The registered owners of the Accounts established by the Registrar in connection with the purchase or transfer of the Securities shall be deemed to be the Holders of the Securities outstanding for all purposes under this Indenture. The Company (or its duly authorized Agent) shall promptly notify the Registrar of the acceptance of a subscriber's agreement to purchase a Security by providing a copy of the accepted Subscription Agreement and the related Written Confirmation, and, upon receipt of such notices, the Registrar shall establish an Account for such Security by recording a credit to its book-entry registration and transfer system to the Account of the related Holder of such Security for the principal amount of such Security owned by such Holder and issue a Written Confirmation to the Holder, with a copy being delivered to the Trustee, on behalf of the Company. The Registrar shall make appropriate credit and debit entries within each Account to record all of the applicable actions under this Indenture that relate to the ownership of the related Security and issue Written Confirmations to the related Holders as set forth herein, with copies being delivered to the Trustee, on behalf of the Company. For example, the total amount of any principal or interest due and payable to the Holders of the Accounts maintained by the Registrar as provided in this Indenture shall be credited to such Accounts by the Registrar within the time frames provided in this Indenture, and the amount of any payments of principal and/or interest distributed to the Holders of the Accounts as provided in this Indenture shall be debited to such Accounts by the Registrar. The Trustee may review the book-entry registration and transfer system as it deems necessary to ensure the Registrar's compliance with the terms of the Indenture.

(b) Book-entry Accounts evidencing ownership of the Securities shall be exchangeable for definitive or certificated forms of Securities in denominations of $25,000 (unless waived by the Company) and any amount in excess thereof (in whole $1,000 increments) and fully registered in the names as each Holder directs *only if* (i) the Company at its option advises the Trustee and the Registrar in writing of its election to terminate the book-entry system, or (ii) after the occurrence of any Event of Default, Holders of a majority of the aggregate outstanding principal amount of the Securities (as determined based upon the latest quarterly statement provided to the Trustee pursuant to Section 2.5) advise the

Trustee in writing that the continuation of the book-entry system is no longer in the best interests of such Holders and the Trustee notifies all Holders of the Securities, of such event and the availability of certificated forms of securities to the Holders of Securities.

Section 2.14 INITIAL AND PERIODIC STATEMENTS

(a) Subject to the rejection of a Subscription Agreement pursuant to Section 2.2, the Registrar shall send Written Confirmations to initial purchasers, registered owners, registered pledgees, and former registered owners and former registered pledgees, within ten Business Days of its receipt of proper notice regarding the purchase, transfer or pledge of a Security, with copies of such Written Confirmations being delivered to the Trustee, on behalf of the Company.

(b) The Registrar shall send each Holder of a Security (and each registered pledgee) written notice (via first class U.S. mail, facsimile or electronic transmission) not later than ten Business Days after each quarter end in which such Holder had an outstanding balance in such Holder's Account, a statement indicating as of the quarter end preceding the mailing: (i) the balance of such Account; (ii) interest credited for the period; (iii) repayments, redemptions or repurchases, if any, during the period; and (iv) the interest rates paid on the Securities in such Account during the period. The Registrar shall provide additional statements as the Holders or registered pledgees of the Securities may reasonably request from time to time. The Registrar may charge such Holders or pledgees requesting such statements a fee to cover the charges incurred by the Registrar in providing such additional statements. If a Holder refuses to accept or fails to provide the Company with information or consent to receive statements hereunder, and any additional information, electronically, the Registrar may also charge Holders or pledgees a fee to cover the expense incurred in providing such statements or additional information under this Section via facsimile or U.S. mail.

Section 2.15 APPOINTMENT OF AGENTS

The Company may from time to time engage Agents to perform its obligations and exercise its rights and discretion under the terms of this Indenture. In each such case, the Company will provide the Trustee with a copy of each agreement under which any such Agent is engaged and the name, address, telephone number and capacity of the Agent appointed. If any such Agent shall resign or be terminated by the Company, the Company shall promptly notify the Trustee of such resignation or termination, along with the name, address, telephone number and capacity of any successor Agent. Notwithstanding any engagement of an Agent hereunder, the Company shall remain obligated to fulfill each of its obligations under this Indenture.

Section 2.16 CUSIP NUMBERS

The Company may obtain and use one or more CUSIP numbers for the Securities (if then generally in use), and, if so, the Trustee shall use CUSIP numbers in notices of redemption or purchase as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption or purchase, and any such redemption or purchase shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE 3
REDEMPTION AND REPURCHASE

Section 3.1 REDEMPTION OF SECURITIES AT THE COMPANY'S ELECTION

(a) The Company may redeem, in whole or in part, any Security prior to its scheduled Maturity Date by providing, pursuant to Section 2.1(i), a Redemption Notice to the Holder thereof listed on the records maintained by the Registrar, which notice shall include the Redemption Date and the Redemption Price to be paid to the Holder on the Redemption Date. No interest shall accrue on a Security to be redeemed under this Section 3.1 for any period of time after the Redemption Date for such Security, provided that the Company or the Paying Agent has timely tendered the Redemption Price to the Holder.

(b) The Company shall have no mandatory redemption or sinking fund obligations with respect to any of the Securities.

(c) In its sole discretion, the Company may offer certain Holders the ability to extend the maturity of an existing Security through the redemption of such Security and the issuance of a new Security. This redemption option shall not be subject to the 30-day notice of redemption described in Section 2.1(i).

Section 3.2 REPURCHASE OF SECURITIES AT THE HOLDER'S REQUEST

(a) Subject to subsection (c) below, within 45 days of the death, Total Permanent Disability or Bankruptcy (a "Holder Redemption Event") of a Holder who is a natural person, the estate of such Holder (in the event of death) or such Holder or legal representative of such Holder (in the event of Total Permanent Disability or Bankruptcy) may require the Company to repurchase, in whole but not in part, without penalty, the Securities held by such Holder (including Securities of the Holder held in his or her individual retirement accounts), by delivering to the Company a Repurchase Request. Any such Repurchase Request shall specifically set forth the particular Holder Redemption Event giving rise to the right of the Holder to have his or her Securities repurchased by the Company. If a Security is held jointly by natural persons who are legally married, then a Repurchase Request may be made upon the occurrence of a Holder Redemption Event by the surviving Holder, or the disabled or bankrupt Holder may request that the Company repurchase such jointly held Security by delivering to the Company a Repurchase Request. In the event a Security is held together by two or more natural persons that are not legally married (or held in co-tenancy or otherwise), neither of these persons shall have the right to request that the Company repurchase such Security unless a Holder Redemption Event has occurred for all co-Holders (or co-tenants) of such Security. A Holder that is not a natural person, such as a trust, partnership, limited liability company, corporation or other similar entity or association (whether incorporated or unincorporated), does not have the right to request repurchase under this Section.

(b) Subject to subsection (c) below, a Holder may request (but not require) the Company to repurchase, in whole but not in part, the Security held by such Holder by delivering a Repurchase Request to the Company. Any such requested repurchase shall be made only at the Company's discretion and, if made, will be subject to an early Repurchase Penalty to be deducted from the payment of such Holder's Repurchase Price on the Repurchase Date. The early repurchase penalty (the "Repurchase Penalty") shall equal to six percent (6.00%) of the amount of the principal amount of the Security repurchased.

(c) Upon receipt of a Repurchase Request under subsection (a) above, or a Repurchase Request under subsection (b) above that the Company elects in its sole discretion to grant, the Company shall designate a date for the repurchase of such Security (the "Repurchase Date"), which date shall not be later than the 15th day of the month next following the month in which the Company receives facts or certifications establishing to the reasonable satisfaction of the Company the occurrence of a Holder Redemption Event or, in the case of a Repurchase Request granted pursuant to subsection (b) above, a date selected by the Company but no earlier than ten days and no later than 45 days after the delivery of the Repurchase Request and the Company's acceptance of such request. On the Repurchase Date, the Company shall pay the Repurchase Price to the Holder (or the estate of the Holder, in the case of a request following death) in accordance with Section 2.7. No interest shall accrue on a Security to be repurchased under this Section for any period of time on or after the Repurchase Date for such Security, provided that the Company or the Paying Agent has timely tendered the Repurchase Price to the Holder or the estate of the Holder, as the case may be.

(d) The Company may waive or reduce any early Repurchase Penalty in its sole discretion, and may at any time eliminate or modify its policy regarding the repurchase of Securities at the request of Holders, including requests made by Holders in connection with any Holder Redemption Event; provided that no such elimination or modification shall adversely affect the rights of Holders to the repurchase of Securities that are then outstanding.

ARTICLE 4
COVENANTS

Section 4.1 PAYMENT OF SECURITIES

(a) The Company shall duly pay the principal of and interest on each Security on the dates and in the manner provided under this Indenture. Principal and interest (to the extent such interest is paid in cash) shall be considered paid on the date due if the Paying Agent, if other than the Company, holds, at least one Business Day before that date, money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal and interest then due; provided, that principal and interest shall not be considered paid within the meaning of this Section if money is instead held by the Paying Agent for the benefit of the holders of Senior Debt pursuant to the provisions of Article 10. Such Paying Agent shall return to the Company, no later than five days following the date of payment, any money (including accrued interest, if any) that exceeds such amount of principal and interest paid on the Securities in accordance with this Section.

(b) To the extent lawful, the Company shall pay interest (including Post-Petition Interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate borne by the Securities, compounded semi-annually.

Section 4.2 MAINTENANCE OF OFFICE OR AGENCY

(a) The Company will maintain an office or agency (which may be an office of the Trustee, Registrar or co-registrar) where Securities may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

(b) The Company may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Company hereby designates its office at 220 South Sixth Street, Suite 1200, Minneapolis, MN 55402, as one such office or agency of the Company in accordance with Section 2.3.

Section 4.3 SEC REPORTS AND REPORTS TO THE TRUSTEE

(a) The Company shall provide to the Trustee:

(i) within 45 days after filing with the SEC, paper copies or, if such documents are readily available on the SEC's website, notification of the availability of, the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) that the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act; and

(ii) so long as not contrary to the then-current recommendations of the American Institute of Certified Public Accountants, annual financial statements delivered pursuant to clause (i) above shall be accompanied by a written statement of the Company's independent public accountants to the effect that, in making the examination necessary for certification of such financial statements, nothing has come to their attention which would lead them to believe that the Company has violated the provisions of Section 4.1 of this Indenture or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

The Company shall otherwise comply with the periodic reporting requirements as set forth in TIA §314(a), and the Company shall file with the Trustee and the SEC, in accordance with the rules and regulations prescribed by the SEC, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations. Notwithstanding anything to the contrary herein, the Trustee shall have no duty to review such documents for purposes of determining compliance with any provisions of the Indenture.

(b) The Company, or such other entity as the Company shall designate as Registrar, shall provide the Trustee at intervals of not more than six months with management reports providing the Trustee with such information regarding the Accounts maintained by the Company for the benefit of the Holders of the Securities as the Trustee may reasonably request, which information shall include at least the following for the relevant time interval from the date of the immediately preceding report: (i) the outstanding balance of each Account at the end of the period; (ii) interest credited for the period; (iii) repayments, repurchases and redemptions, if any, made during the period; and (iv) the interest rate paid on each Security in such Account maintained by the Registrar during the period.

(c) Notwithstanding any provision of this Indenture to the contrary, the Company shall not have any obligation to maintain any of its securities (including the Securities hereunder), including without limitation its common stock, as securities registered under the Exchange Act or the Securities Act, or as securities listed and publicly traded on any national securities exchange.

Section 4.4 COMPLIANCE CERTIFICATE

(a) The Company shall deliver to the Trustee, within 45 days after the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending after the first Issue Date of any Security hereunder, an Officers' Certificate:

(i) stating that a review of the activities of the Company during the preceding Fiscal Quarter has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of their knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions hereof (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto), and that to the best of their knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Securities are prohibited or, if such event has occurred, a description of such event and what action the Company is taking or proposes to take with respect thereto; and

(ii) attaching thereto calculations with respect to the Company's compliance with the financial covenants set forth in Section 4.7.

(b) The Company will, so long as any of the Securities are outstanding, deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.5 STAY, EXTENSION AND USURY LAWS

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all beneficial advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.6 LIQUIDATION

The Board of Directors or the stockholders of the Company shall not adopt a plan of liquidation that provides for, contemplates or the effectuation of which is preceded by (a) the merger, sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company, otherwise than (i) substantially as an entirety (Section 5.1 of this Indenture being the Section hereof which governs any such merger, sale, lease, conveyance or other disposition substantially as an entirety), or (ii) any Qualified Sales and Financing Transaction, and (b) the distribution of all or substantially all of the proceeds of such sale, lease, conveyance or other disposition, and of the remaining assets of the Company, to the holders of capital stock of the Company, unless the Company, prior to making any liquidating distribution pursuant to such plan, makes provision for the satisfaction of the Company's Obligations hereunder and under the Securities as to the payment of principal and interest.

Section 4.7 FINANCIAL COVENANTS

The Company covenants that, so long as any of the Securities are outstanding:

(a) The aggregate principal amount of all the Company's Indebtedness from time to time outstanding hereunder shall not cause the Debt Coverage Ratio to exceed ninety percent (90%). The "Debt Coverage Ratio" is a ratio, expressed as percentage, of (A) the aggregate sum of all Indebtedness of the Company and its direct or indirect Subsidiaries (including the Securities issued in this Indenture); over (B) the sum of (i) Net Present Asset Value of all Life Insurance Policies owned by the Company and its direct or indirect Subsidiaries or Affiliates plus (ii) all cash held by the Company and its direct or indirect Subsidiaries or Affiliates.

(b) For the four-year period commencing on the first Issue Date of any Securities hereunder, the Subordination Ratio shall not exceed fifty percent (50%). The "Subordination Ratio" is a ratio, expressed as percentage, of (A) the aggregate sum of all Indebtedness of the Company and its direct or indirect Subsidiaries which is Senior Debt; over (B) the sum of (i) the Net Present Asset Value of all Life Insurance Policies owned by the Company and its direct or indirect Subsidiaries or Affiliates plus (ii) all cash held by the Company and its direct or indirect Subsidiaries or Affiliates.

Section 4.8 RESTRICTION ON DIVIDENDS

The Company covenants that, so long as any of the Securities are outstanding, it shall not declare or pay any dividends or other payments of cash or other property solely on account of the Capital Stock to its stockholders (other than any dividend payable in shares of or rights to acquire shares of Capital Stock on a pro rata basis to all stockholders), unless no Default or Event of Default then exists or would exist immediately following the declaration or payment of such dividend or other payment.

Section 4.9 FINANCING TRANSACTIONS AND ADDITIONAL INDEBTEDNESS

Notwithstanding any provision to the contrary within this Indenture, the Company shall not be prohibited, restricted or otherwise limited under this Indenture from entering into, sponsoring or conducting any Qualified Sales and Financing Transaction that provides for the issuance of Senior Debt. Except as otherwise provided herein, the Company shall not, without the approval of the Holders of a majority in principal amount of the then-outstanding Securities, incur Indebtedness subsequent to the date hereof which is senior in right to payment on or from the Collateral; provided that the Company may incur Indebtedness, including secured Indebtedness, which is Pari Passu Debt.

ARTICLE 5
SUCCESSORS

Section 5.1 WHEN THE COMPANY MAY MERGE, ETC.

(a) The Company may not consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to another Person unless:

(i) the Company is the surviving corporation or the entity, or the Person formed by or surviving any such consolidation or merger (if other than the Company), or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made, is a corporation, limited liability company or limited partnership organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(ii) the Person formed by or surviving any such consolidation or merger (if other than the Company), or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made, assumes all the obligations of the Company, pursuant to a supplemental indenture in a form reasonably satisfactory to the Trustee, under the Securities and this Indenture; and

(iii) immediately after such transaction, and after giving effect to such transaction, no Default or Event of Default exists.

(b) The Company shall deliver to the Trustee prior to the consummation of the proposed transaction an Officers' Certificate to the foregoing effect and an Opinion of Counsel stating that the proposed transaction and such supplemental indenture comply with this Indenture. The Trustee shall be entitled to conclusively rely upon such Officers' Certificate and Opinion of Counsel.

Section 5.2 SUCCESSOR ENTITY SUBSTITUTED

Upon any consolidation or merger, or any sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.1, the successor Person formed by such consolidation, or the Person into or with which the Company is merged or to which such sale, lease, conveyance or other disposition is made, shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person has been named as the Company herein. Upon such succession and substitution, the Company shall be released from all of its obligations and liabilities under this Indenture and the Securities.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.1 EVENTS OF DEFAULT

An "Event of Default" occurs if:

(a) the Company fails to pay interest on a Security when the same becomes due and payable and such failure continues for a period of 30 days, whether or not such payment is prohibited by the provisions of Article 10;

(b) the Company fails to pay the principal amount of any Security when the same becomes due and payable after maturity, on a Repurchase Date, Redemption Date or Payment Date (that relates to a Maturity Date) or otherwise, and such failure continues for a period of 30 days, whether or not prohibited by the provisions of Article 10;

(c) the Company fails to observe or perform any material covenant, condition or agreement on the part of the Company under this Indenture or the Company breaches any material representation or warranty of the Company under this Indenture (other than the covenants referenced in paragraph (d) below), and such failure or breach continues unremedied for a period of 60 days after the Company's receipt of written notice of such failure or breach;

(d) the Debt Coverage Ratio exceeds 90% for a period of 30 consecutive days, or the Subordination Ratio, during the time in which the related financial covenant applies, exceeds 50% for a period of 30 consecutive days; and in either case such circumstance continues unremedied for a period of 60 days after the Company's receipt of written notice of such failure or breach;

(e) the Company defaults in any other material financial obligation of the Company under the documents or agreements relating to the Guarantor Secured Notes, subject, however, to any applicable cure periods contained in such documents and agreements and further subject to any waivers, forbearances or consents by the holders of such Guarantor Secured Notes;

(f) the Company, pursuant to or within the meaning of any Bankruptcy Law, (i) commences a voluntary case; (ii) consents to the entry of an order for relief against it in an involuntary case; (iii) consents to the appointment of a custodian of it or for all or substantially all of its property; (iv) makes a general assignment for the benefit of its creditors; or (v) admits in writing its inability to pay debts as the same become due;

(g) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against the Company in an involuntary case; (ii) appoints a custodian of the Company or for all or substantially all of its property; (iii) orders the liquidation of the Company, and in each case the order or decree remains unstayed and in effect for 120 consecutive days; or

(h) the Company ceases conducting its business (including, for this purpose, the business conducted by or through any direct or indirect Subsidiaries) or liquidates all or substantially all of its assets (meaning, for this purpose, all or substantially all of the combined assets of the Company and its direct and indirect Subsidiaries).

The term "Bankruptcy Law" means Title 11 of the U.S. Code or any similar federal or state law for the relief of debtors. The term "custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

A Default under clauses (c) or (d) of this Section 6.1 (except for a Default with respect to Section 4.6 or Section 5.1) is not an Event of Default hereunder until the Trustee or the Holders of at least a majority in principal amount of the then-outstanding Securities provide the Company with written notice of the Default, and the Company does not cure the Default (or such Default is not waived pursuant to Section 6.4 within 60 days after receipt of the notice). A written notice under this Section must specify the Default, demand that it be remedied and state that the notice is a "Notice of Default."

Section 6.2 ACCELERATION

If an Event of Default (other than an Event of Default specified in Section 6.1(f) or Section 6.1(g)) occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least a majority in principal amount of the then-outstanding Securities by written notice to the Company and the Trustee, may declare the unpaid principal of and any accrued but unpaid interest on all the Securities to be due and payable. Upon such declaration, all unpaid principal of and accrued interest on all Securities shall be due and payable immediately; provided, that if any Indebtedness or Obligation is outstanding pursuant to the Senior Debt, such a declaration of acceleration shall not become effective until the earlier of (i) the day which is five Business Days after the receipt by each of the Company and the holders of Senior Debt of such written notice of acceleration or (ii) the date of acceleration of any Indebtedness under any Senior Debt. If an Event of Default specified in Section 6.1(f) or Section 6.1(g) occurs, then all unpaid principal of and accrued interest on all Securities shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

Section 6.3 OTHER REMEDIES

If an Event of Default occurs and is continuing, the Trustee may, after a declaration of acceleration under Section 6.2, pursue any available remedy to collect the payment of principal or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture as directed in writing to the Trustee by the Holders of at least a majority in principal amount of the then-outstanding Securities, subject, however, to the provisions of Article 10. The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.4 WAIVER OF PAST DEFAULTS

Holders of a majority in principal amount of the then-outstanding Securities by notice to the Trustee may, on behalf of the Holders of all Securities, waive any existing Default or Event of Default and its consequences under this Indenture, including without limitation a rescission of an acceleration pursuant to Section 6.2, except for (i) a continuing Default or Event of Default in the payment of interest on or the principal of any Security held by a non-consenting Holder, or (ii) any waiver that would conflict with any applicable judgment or decree. Upon actual receipt of any such notice of waiver by a Responsible Officer of the Trustee, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 6.5 CONTROL BY MAJORITY

The Holders of a majority in principal amount of the then-outstanding Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it, on the condition that indemnification for the Trustee's fees and expenses, in a form reasonably satisfactory to the Trustee, shall have been provided. Nevertheless, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that the Trustee determines may be unduly prejudicial to the rights of other Holders, or that may involve the Trustee in personal liability.

Section 6.6 LIMITATION ON SUITS

A Holder may pursue a remedy with respect to this Indenture only if:

(a) the Holder gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least a majority in principal amount of the then-outstanding Securities make a written request to the Trustee to pursue the remedy;

(c) such Holder or Holders offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then-outstanding Securities do not give the Trustee a direction inconsistent with the request.

Notwithstanding the foregoing, a Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.7 RIGHTS OF HOLDERS TO RECEIVE PAYMENT

Except as set forth in this Indenture, including but not limited to Article 10, the right of any Holder of a Security to receive payment of principal and interest on the Security, on or after the respective due dates expressed in the Security, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Holder.

Section 6.8 COLLECTION SUIT BY TRUSTEE

If an Event of Default specified in Section 6.1(a) or Section 6.1(b) occurs and is continuing, subject to Article 10, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal and interest remaining unpaid on the Securities and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.9 TRUSTEE MAY FILE PROOFS OF CLAIM

(a) The Trustee is authorized, subject to Article 10, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Securities), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims, and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.7. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.7 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties which the Holders of the Securities may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

(b) If the Trustee does not file a proper claim or proof of debt in the form required in any such proceeding prior to 30 days before the expiration of the time to file such claims or proofs, then any holder of Senior Debt shall have the right to demand, sue for, collect and receive the payments and distributions in respect of the Securities which are required to be paid or delivered to the holders of Senior Debt as provided in Article 10 and to file and prove all claims therefor and to take all such other action in the name of the Holders or otherwise, as such holder of Senior Debt may determine to be necessary or appropriate for the enforcement of the provisions of Article 10.

Section 6.10 PRIORITIES

If the Trustee collects any money pursuant to this Article, it shall, subject to the provisions of Article 10, pay out the money in the following order:

(a) FIRST: to the Trustee, its agents and attorneys for amounts due under Section 7.7, including payment of all compensation, expenses and liabilities incurred, and all advances made, if any, by the Trustee and the costs and expenses of collection;

(b) SECOND: to holders of Senior Debt to the extent required by Article 10;

(c) THIRD: to Holders for amounts due and unpaid on the Securities and Pari Passu Debt for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities and Pari Passu Debt for principal and interest, respectively; and

(d) FOURTH: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders.

Section 6.11 UNDERTAKING FOR COSTS

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.7, or a suit by Holders of more than 10% in principal amount of the then-outstanding Securities.

ARTICLE 7
TRUSTEE

Section 7.1 DUTIES OF TRUSTEE

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default:

(i) The duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon resolutions, statements, reports, documents, orders, certificates, opinions or other instruments furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any of the above that are specifically required to be furnished to the Trustee pursuant to this Indenture, the Trustee shall examine them to determine whether they substantially conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b)(i) and (b)(ii) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proven that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable to the Holders with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.5.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it, except as the Trustee may agree in writing with the Company or, except with respect to any money held by the Trustee over a holiday or weekend, in which event the Trustee shall remit to the Company the interest earnings on such money at a rate equal to the then current rate for money market funds invested by the Trustee; provided, that the Company has directed the Trustee to invest such money. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.2 RIGHTS OF TRUSTEE

(a) The Trustee may conclusively rely upon any document reasonably believed by it to be genuine and to have been signed or presented to it by the proper Person. The Trustee need not investigate any fact or matter stated in the document. The Trustee shall have no duty to inquire as to the performance of the Company's covenants in Article 4. In addition, the Trustee shall not be deemed to have knowledge of any Default or any Event of Default except any Default or Event of Default of which the Trustee shall have received written notification or obtained actual knowledge. Delivery of reports, information and documents to the Trustee under Sections Section 4.3(a), Section 4.3(b), and Section 4.4(a) is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely conclusively on Officers' Certificates).

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate, an Opinion of Counsel, or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel at the Company's expense and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through agents, attorneys, custodians or nominees and shall not be responsible for the misconduct or negligence or the supervision of any agents, attorneys, custodians or nominees appointed by it with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(f) The Trustee shall not be deemed to have notice of an Event of Default for any purpose under this Indenture unless notified of such Event of Default by the Company, the Paying Agent (if other than the Company) or a Holder of the Securities.

Section 7.3 INDIVIDUAL RIGHTS OF TRUSTEE

The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or an Affiliate of the Company with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to Section 7.10 and Section 7.11.

Section 7.4 TRUSTEE'S DISCLAIMER

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Securities, it shall not be accountable for the Company's use of the proceeds from the Securities or any money paid to the Company or upon the Company's direction under any provision hereof, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee and it shall not be responsible for any statement or recital herein or any statement in the Securities or any other document in connection with the sale of the Securities or pursuant to this Indenture other than its certificate of authentication.

Section 7.5 NOTICE OF DEFAULTS

If a Default or Event of Default occurs and is continuing and if it is known to a Responsible Officer of the Trustee, the Trustee shall mail to Holders a notice of the Default or Event of Default within 90 days after it occurs. At least five Business Days prior to the mailing of any notice to Holders under this Section 7.5, the Trustee shall provide the Company with notice of its intent to mail such notice. Except in the case of a Default or Event of Default in payment on any Security, the Trustee may withhold the notice if and so long as the Responsible Officer of the Trustee in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.6 REPORTS BY TRUSTEE TO HOLDERS

(a) Within 60 days of the end of each Fiscal Year, commencing with the fiscal year ending December 31, 2011, the Trustee shall mail to Holders (with a copy to the Company) a brief report dated as of such reporting date that complies with TIA §313(a); provided, that if no event described in TIA §313(a) has occurred within the 12 months preceding the reporting date, no report need be prepared or transmitted. The Trustee also shall comply with TIA §313(b). The Trustee shall also transmit by mail all reports as required by TIA §313(c).

(b) Commencing at the time this Indenture is qualified under the TIA, a copy of each report mailed to Holders under this Section 7.6 (at the time of its mailing to Holders) shall be filed with the SEC and each stock exchange, if any, on which the Securities are listed. The Company shall promptly notify the Trustee if and when the Securities are listed on any stock exchange.

Section 7.7 COMPENSATION AND INDEMNITY

(a) The Company shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and its performance of the duties and services required hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company shall indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, except as set forth in paragraph (d) below. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder, except to the extent the Company is prejudiced thereby. The Company shall defend the claim and the Trustee shall reasonably cooperate in such defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of one such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

(c) The obligations of the Company to pay compensation under paragraph (a) above through the date of termination, and for indemnification under paragraph (b) above, shall survive the satisfaction and discharge of this Indenture.

(d) The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through its own gross negligence, bad faith, willful misconduct or simple negligence in the handling and disbursement of funds.

(e) To secure the Company's payment obligations in this Section, the Trustee shall have a lien prior to the Holders on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on the Securities or to pay Senior Debt. Such lien shall survive the satisfaction and discharge of this Indenture.

(f) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.1(f) or Section 6.1(g) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.8 REPLACEMENT OF TRUSTEE

(a) A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

(b) The Trustee may resign at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority of the aggregate principal amount of the then-outstanding Securities may remove the Trustee (including any successor Trustee) at any time by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(i) the Trustee fails to comply with Section 7.10;

(ii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(iii) a custodian or public officer takes charge of the Trustee or its property;

(iv) the Trustee becomes incapable of acting as Trustee under this Indenture, or

(v) the Company so elects, provided such replacement Trustee is qualified.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee.

(d) If a successor Trustee does not take office within 30 days after notice that the Trustee has resigned or has been removed, the Company or the Trustee or the Holders of at least a majority in principal amount of the then-outstanding Securities may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee after written request by any Holder who has been a Holder for at least six months fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to all Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the lien provided for in Section 7.7. Notwithstanding replacement of the Trustee pursuant to this Section, the Company's obligations to pay compensation under Section 7.7(a) through the date of termination, and for indemnification under Section 7.7(b) shall continue for the benefit of the retiring Trustee.

Section 7.9 SUCCESSOR TRUSTEE BY MERGER, ETC.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10 ELIGIBILITY; DISQUALIFICATION

(a) There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any state or territory thereof or of the District of Columbia authorized under such laws to exercise corporate trustee power, shall be subject to supervision or examination by federal, state, territorial or District of Columbia authority and shall have a combined capital and surplus of at least $5,000,000 as set forth in its most recent published annual report of condition.

(b) (b) This Indenture shall always have a Trustee who satisfies the requirements of TIA §310(a)(1) and (2). The Trustee shall be subject to TIA §310(b).

Section 7.11 PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY

The Trustee shall be subject to TIA §311(a), excluding any creditor relationship listed in TIA §311(b). A Trustee who has resigned or been removed shall be subject to TIA §311(a) to the extent indicated therein.

ARTICLE 8
DISCHARGE OF INDENTURE

Section 8.1 TERMINATION OF COMPANY'S OBLIGATIONS

(a) This Indenture shall cease to be of further effect (except that the Company's obligations to pay compensation under Section 7.7(a) through the date of termination, and for indemnification under Section 7.7(b) and its obligations under Section 8.4, and the Company's, Trustee's and Paying Agent's obligations under Section 8.3 shall survive) when, without violating Article 10, all outstanding Securities have been paid in full and the Company has paid all sums payable by the Company hereunder. In addition, the Company may terminate all of its obligations under this Indenture if, without violating Article 10:

(i) the Company irrevocably deposits in trust with the Trustee or, at the option of the Trustee, with a trustee reasonably satisfactory to the Trustee and the Company under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, money or U.S. Government Obligations sufficient (as certified by an independent public accountant designated by the Company) to pay principal and interest on the Securities to maturity or redemption, as the case may be, and to pay all other sums payable by it hereunder, provided that (A) the trustee of the irrevocable trust shall have been irrevocably instructed to pay such money or the proceeds of such U.S. Government Obligations to the Trustee and (B) the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of said principal and interest with respect to the Securities;

(ii) the Company delivers to the Trustee an Officers' Certificate stating that all conditions precedent to satisfaction and discharge of this Indenture have been complied with; and

(iii) no Default or Event of Default with respect to the Securities shall have occurred and be continuing on the date of such deposit.

Then, this Indenture shall cease to be of further effect (except as provided in this paragraph), and the Trustee, on demand of the Company, shall execute proper instruments acknowledging confirmation of and discharge under this Indenture. The Company may make the deposit only if Article 10 does not prohibit such payment. However, the Company's obligations in Section 2.3 through Section 2.7, Section 4.2, Section 7.7(c), Section 7.8, Section 8.3 and Section 8.4, and the Trustee's and Paying Agent's obligations in Section 8.3, shall survive until no Securities are outstanding. Thereafter, only the Company's obligations to pay compensation under Section 7.7(a) through the date of termination, and for indemnification under Section 7.7(b), its obligations under Section 8.4 and the Company's, Trustee's and Paying Agent's obligations in Section 8.3 shall survive.

(b) After such irrevocable deposit made pursuant to this Section and satisfaction of the other conditions set forth herein, the Trustee upon written request shall acknowledge in writing the discharge of the Company's obligations under this Indenture except for those surviving obligations specified above.

(c) In order to have money available on a payment date to pay principal or interest on the Securities, U.S. Government Obligations shall be payable as to principal or interest at least one Business Day before such payment date in such amounts as will provide the necessary money. U.S. Government Obligations shall not be callable at the issuer's option.

Section 8.2 APPLICATION OF TRUST MONEY

The Trustee or a trustee satisfactory to the Trustee and the Company shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 8.1. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal and interest on the Securities.

Section 8.3 REPAYMENT TO COMPANY

(a) The Trustee and the Paying Agent shall promptly pay to the Company upon written request any excess money or securities held by them at any time.

(b) The Trustee and the Paying Agent shall pay to the Company upon written request any money held by them for the payment of principal or interest on the Securities that remains unclaimed for two years after the date upon which such payment shall have become due; provided, that the Company shall have either caused notice of such payment to be mailed to each Holder entitled thereto no less than 30 days prior to such repayment or within such period shall have published such notice in a newspaper of widespread circulation published in Hennepin County, Minnesota. After payment to the Company, Holders entitled to the money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

Section 8.4 REINSTATEMENT

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 8.2 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.1 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Section 8.2; provided, that if the Company has made any payment of interest on or principal of any Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment, as long as no money is owed to the Trustee by the Company, from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENTS

Section 9.1 WITHOUT CONSENT OF THE HOLDERS

The Company and the Trustee may amend this Indenture or the Securities without the consent of any Holder:

(a) to cure any ambiguity, defect or inconsistency;

(b) to comply with Section 5.1;

(c) to provide for the issuance of additional uncertificated Securities or certificated Securities;

(d) to make any change that does not materially and adversely affect the legal rights hereunder of any Holder, including but not limited to an increase in the aggregate dollar amount of Securities which may be outstanding under this Indenture;

(e) make any change in Section 3.2; provided, however, that no such change shall adversely affect the rights of any then-outstanding or issued Security; or

(f) to comply with any requirements of the SEC in connection with the qualification of this Indenture under the TIA.

Section 9.2 WITH CONSENT OF THE HOLDERS

(a) The Company and the Trustee may amend this Indenture or the Securities with the written consent of the Holders of at least a majority in principal amount of the then-outstanding Securities (or without any such consent as permitted under Section 9.1). The Holders of a majority in principal of the then-outstanding Securities may also waive on behalf of all Holders any existing Default or Event of Default or compliance with any provision of this Indenture or the Securities. Nevertheless, without the consent of the Holder of each Security affected, an amendment or waiver under this Section may not (with respect to any Security held by a non-consenting Holder):

(i) reduce the aggregate principal amount of Securities whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the rate of or change the time for payment of interest, including default interest, on any outstanding Security;

(iii) reduce the principal of or change the fixed maturity of any Security or alter the redemption provisions or the price at which the Company shall be entitled to accept an offer for repurchase of such Security pursuant to Section 3.1;

(iv) make any Security payable in money other than that stated in the Prospectus;

(v) make any change in Section 6.4 or Section 6.7;

(vi) make any change in Article 10 that materially adversely affects the rights of any Holders, or adversely affects the holders of Senior Debt; or

(vii) waive a Default or Event of Default in the payment of principal of or interest on any Security (except a rescission of acceleration of the Securities by the Holders of at least a majority in aggregate principal amount of the then-outstanding Securities, and a waiver of any payment default resulting from such acceleration).

(b) It shall not be necessary for the consent of the Holders under this Section to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

(c) Any required consent of the Holders need not be affirmative. Consent of a Holder will be presumed if a Holder does not object within 30 days of a written request for consent so long as such written request specifically states in prominent type that the consent of the Holder will be presumed if no objection is made within the applicable 30-day period.

(d) After an amendment or waiver under this Section becomes effective, the Company shall mail to the Holders of each Security affected thereby a notice briefly describing the amendment or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture or waiver. Subject to Section 6.4 and Section 6.7, the Holders of a majority in principal amount of the Securities then-outstanding may waive compliance in a particular instance by the Company with any provision of this Indenture or the Securities.

Section 9.3 COMPLIANCE WITH TRUST INDENTURE ACT

Every amendment to this Indenture shall be set forth in a supplemental indenture that complies with the TIA as then in effect if, at the time this Indenture is so amended, this Indenture is qualified under the TIA.

Section 9.4 EFFECT OF CONSENTS

(a) Until an amendment or waiver becomes effective, a consent to it by a Holder of a Security is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent is not made on any Security. An amendment or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

(b) The Company may fix a record date for determining which Holders must consent to such amendment or waivers. If the Company fixes a record date, the record date shall be fixed at (i) the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee pursuant to Section 2.5 prior to such solicitation, or (ii) such other date as the Company shall designate.

Section 9.5 NOTATION ON OR EXCHANGE OF SECURITIES

The Trustee may place an appropriate notation about an amendment or waiver on any Security, if certificated, or any Account statement. Failure to make any notation or issue a new Security shall not affect the validity and effect of such amendment or waiver.

Section 9.6 TRUSTEE TO SIGN AMENDMENTS, ETC.

The Trustee shall sign any amendment or supplemental indenture authorized pursuant to this Article 9 if, in the Trustee's reasonable discretion, the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing or refusing to sign such amendment or supplemental indenture, the Trustee shall be entitled to receive, if requested, an indemnity reasonably satisfactory to it and to receive and, subject to Section 7.1, shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel (or written advice of counsel) as conclusive evidence that such amendment or supplemental indenture is authorized or permitted by this Indenture, that it is not inconsistent herewith, and that it will be valid and binding upon the Company in accordance with its terms. The Company may not sign an amendment or supplemental indenture until approved by the Board of Directors.

ARTICLE 10
SUBORDINATION

Section 10.1 AGREEMENT TO SUBORDINATE

(a) The Company agrees, and each Holder by accepting a Security consents and agrees, that the Indebtedness evidenced by the Securities and the payment of the principal of and interest on the Securities is subordinated in right of payment, to the extent and in the manner provided in this Article, to the prior payment in full, in cash, cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, of all Obligations due in respect of Senior Debt whether outstanding on the date hereof or hereafter incurred, and that the subordination herein is for the benefit of the holders of Senior Debt.

(b) For purposes of this Article 10, a payment or distribution on account of the Securities may consist of cash, property or securities, by set-off or otherwise, and a payment or distribution on account of any of the Securities shall include, without limitation, any redemption, purchase or other acquisition of the Securities.

(c) The agreement to subordinate set forth herein includes, for all purposes under this Article, the agreement of the Company, the Guarantor and the Holders of Securities that the Obligations of the Guarantor under the Guarantee, and the Obligations of the Company and the Guarantor under the Collateral Documents, are also subordinated in right of payment, to the extent and in the manner provided in this Article, to the prior payment in full, in cash, cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, of all Obligations due in respect of Senior Debt whether outstanding on the date hereof or hereafter incurred, and that the subordination herein is for the benefit of the holders of Senior Debt. This agreement to subordinate set forth herein also includes, for all purposes under this Article, the application of available cash proceeds upon an Event of Default in the manner set forth in the Intercreditor Agreement.

(d) The priorities of the liens, claims, encumbrances, security interests or other interests established, altered or specified in this Indenture are applicable irrespective of the time or order of attachment or perfection (or the lack of attachment or perfection) thereof, the method of perfection, the time or order of filing of financing statements or the taking of possession, or the giving of or failure to give notice of the acquisition or expected acquisition of purchase money or other security interests or otherwise and irrespective of any other law, decision, fact, circumstance, act or occurrence that might otherwise affect the priorities established under this Indenture. For all purposes of this Indenture, the provisions of this Article that apply to the Company and its Obligations under the Securities shall similarly apply to the Obligations of the Company and the Guarantor under the Collateral Documents and the Obligations of the Guarantor under the Guarantee.

Section 10.2 LIQUIDATION; DISSOLUTION; BANKRUPTCY

(a) Upon any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to creditors upon:

(i) any dissolution or winding-up or total or partial liquidation or reorganization of the Company whether voluntary or involuntary and whether or not involving insolvency or Bankruptcy;

(ii) any Bankruptcy or insolvency case or proceeding or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company or to its assets; or

(iii) any assignment for the benefit of creditors or any other marshaling of assets of the Company;

then, (A) all Obligations due, or to become due, in respect of Senior Debt, including without limitation both pre-petition interest, post-petition interest, and any other interest, fees and other charges payable after the commencement of any such proceeding at the rate specified in the applicable Senior Debt (regardless of whether any such interest, fees and other charges are allowable claims in any Bankruptcy proceeding), shall first indefeasibly be paid in full, or provision shall have been made for such payment, in cash, cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, and (B) all related transaction documents to which the Senior Debt relates shall have been terminated in accordance with their respective terms, *before* any payment is made on account of the principal of or interest on the Securities, except that Holders may receive securities that are subordinated to at least the same extent as the Securities are to (x) Senior Debt and (y) any securities issued in exchange for Senior Debt.

Upon any such dissolution, winding-up, liquidation or reorganization, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to which the Holders of the Securities or the Trustee under this Indenture would be entitled, except for the provisions hereof, shall be paid by the Company or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making such payment or distribution, or by the Holders of the Securities or by the Trustee under this Indenture if received by them, directly to the holders of Senior Debt (in order of priority, and when of equal priority, pro rata to such holders of equal priority on the basis of the amounts of Senior Debt held by such holders) or their representative or representatives, or to the trustee or trustees under any indenture or similar instrument or agreement pursuant to which any of such Senior Debt may have been issued, as their interests may appear, for application to the payment of Senior Debt remaining unpaid until all such Senior Debt has been indefeasibly paid in full, or provisions shall have been made for such payment, in cash, cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, after giving effect to any concurrent payment, distribution or provision therefor to or for the holders of Senior Debt.

(b) For purposes of this Article 10, the words "cash, property or securities" shall not be deemed to include securities of the Company or any other corporation provided for by a plan of reorganization or readjustment which are subordinated, to at least the same extent as the Securities, to the payment of all Senior Debt then outstanding or to the payment of all securities issued in exchange therefor to the holders of Senior Debt at the time outstanding. The consolidation of the Company with, or the merger of the Company with or into, another Person or the liquidation or dissolution of the Company following the conveyance or transfer of its property as an entirety, or substantially as an entirety, to another Person upon the terms and conditions provided in Article 5 shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section if such other Person shall, as part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article 5.

(c) The provisions of paragraphs (a) and (b) above shall not prohibit, restrict or otherwise limit the Company from entering into, sponsoring or conducting any Qualified Sales and Financing Transaction.

Section 10.3 DEFAULT ON SENIOR DEBT

(a) In the event and during the continuation of:

(i) any default (or any event which, with the passage of time or the giving of notice, or both, would constitute an event of default) in the payment of principal of (or premium, if any) or interest on any Senior Debt or any amount owing from time to time under or in respect of Senior Debt, or in the event that any nonpayment event of default with respect to any Senior Debt shall have occurred and be continuing and shall have resulted in such Senior Debt becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable; or

(ii) in the event that any other nonpayment event of default (or any event which, with the passage of time or the giving of notice, or both, would constitute a nonpayment default) with respect to any Senior Debt shall have occurred and be continuing *permitting* the holders of such Senior Debt (or a trustee on behalf of the holders thereof) to declare such Senior Debt due and payable prior to the date on which it would otherwise have become due and payable (the circumstances described in clauses (i) and (ii) above being referred to as a "Senior Debt Default");

then, in any such case, the Company shall make no payment, direct or indirect, including but not limited to any payment which may be payable by reason of the payment of any other Indebtedness of the Company being subordinated to the payment of the Securities (other than securities that are subordinated to at least the same extent as the Securities are to (x) Senior Debt and (y) any securities issued in exchange for Senior Debt), unless and until (A) such default or potential event of default specified in clause (i) above shall have been cured or such event of default shall have been waived or shall have ceased to exist or such acceleration shall have been rescinded or annulled, or (B) in case of any other nonpayment event of default specified in clause (ii) above, during the period (a "Payment Blockage Period") commencing on the date the Company and the Trustee receive written notice (a "Payment Notice") of such a nonpayment event of default (which notice shall be binding on the Trustee and the Holders as to the occurrence of such an event of default)

from a holder of the Senior Debt to which such default relates, and ending on the earlier of (I) the date, if any, on which such Senior Debt to which such default relates is discharged or such default is waived by the holders of such Senior Debt or otherwise cured and (II) the date on which the Trustee receives written notice from the holder of such Senior Debt to which such default relates terminating the Payment Blockage Period. Notwithstanding the foregoing, during any Payment Blockage Period, the Company shall make payments for rescinded subscriptions under Section 2.2(b).

(b) Subject to the provisions of Section 6.9 and Section 10.8, neither the Trustee nor the Holders may take any action to assert, demand, sue for, collect, enforce or realize upon the Securities or the related Obligations or any part thereof in any period during which the Company is not permitted to make payment on account of the Securities pursuant to this Section, unless and only to the extent that the commencement of a legal action may be required to toll the running of any applicable statute of limitations. Notwithstanding the foregoing, if, after 179 days have passed since the commencement of any Payment Blockage Period, and an Event of Default exists under this Indenture, the Trustee may bring suit to enforce all Obligations under the Indenture; provided, that the provisions of Section 10.4 and Section 10.5 are complied with.

Section 10.4 WHEN DISTRIBUTION MUST BE PAID OVER

(a) If the Trustee or any Holder receives any payment with respect to the Securities, whether in cash, property or securities (other than with securities that are subordinated to at least the same extent as the Securities are to the Senior Debt), then, if there exists and during the continuation of any Senior Debt Default, such payment shall be held by the Trustee or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered to, the holders of Senior Debt (in order of their priority, and when of equal priority, pro rata to such holders of equal priority on the basis of the amounts of Senior Debt held by such holders) for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full, in cash, cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, in accordance with the terms of such Senior Debt, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

(b) With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt, and shall not be liable to any such holders if the Trustee shall pay over or distribute to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article, except if such payment is made as a result of the willful misconduct or negligence of the Trustee.

Section 10.5 LIMITATION ON ACTION AGAINST COLLATERAL

The Trustee and each Holder by accepting a Security hereunder hereby waives the right to enforce any rights respecting the grant of collateral security effected pursuant to Article 12 (including without limitation the right to foreclose, engage in strict foreclosure, or exercise any other rights under the Collateral Documents or applicable law) until the earlier of (i) the Senior Debt Payout Date or (ii) 180 days following the date of an uncured Event of Default under this Indenture (unless such Event of Default

shall have been waived in accordance with Section 6.4 prior to the expiration of the 180-day period), or an event of default under or with respect to Obligations that are junior to Securities; provided, that if prior to the expiration of such 180-day period, the holders of Senior Debt have commenced a judicial proceeding or non-judicial action to collect or enforce any rights or claims against the Company, the Guarantor or any other direct or indirect Subsidiary or Affiliate of the Company, or foreclose on any collateral securing the Senior Debt, or a case or proceeding by or against the Company, Borrower the Guarantor or any other direct or indirect Subsidiary or Affiliate of the Company is commenced under any Bankruptcy Law or any other insolvency law, then such 180-day period shall be extended until the Senior Debt Payout Date, or the dismissal of such proceedings, whichever event comes first.

Section 10.6 NOTICE BY COMPANY

The Company shall promptly notify the Trustee and the Paying Agent in writing of any facts known to the Company that would cause a payment of any Obligations with respect to the Company to violate this Article, but failure to give such notice shall not affect the subordination of the Securities to the Senior Debt as provided in this Article.

Section 10.7 SUBROGATION

After all Senior Debt is paid in full, in cash, cash equivalents or otherwise in a manner satisfactory to the holders of such Senior Debt, and until the Securities are paid in full, Holders shall be subrogated (equally and ratably with all other Indebtedness that is Pari Passu Debt) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the Holders have been applied to the payment of Senior Debt.

Section 10.8 RELATIVE RIGHTS

(a) This Article defines the relative rights of and between the Holders and holders of Senior Debt. Nothing in this Indenture shall:

(i) impair, as between the Company and the Holders, the obligations of the Company, which are absolute and unconditional, to pay principal of and interest on the Securities in accordance with their terms;

(ii) affect the relative rights of the Holders and creditors of the Company other than their rights in relation to holders of Senior Debt; or

(iii) prevent the Trustee or any Holder from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to the Holders as described herein.

(b) If the Company fails because of this Article to pay principal of or interest on a Security on the due date, the failure is still a Default or Event of Default.

Section 10.9 SUBORDINATION MAY NOT BE IMPAIRED BY THE COMPANY OR HOLDERS OF SENIOR DEBT

(a) No right of any present or future holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Securities and the Obligations related thereto shall be prejudiced or impaired by any act or failure to act by any such holder of Senior Debt or by the Company, the Trustee or any Agent or by the failure of the Company to comply with this Indenture, regardless of any knowledge thereof which any such holder may have or otherwise be charged with.

(b) Without limiting the effect of the preceding paragraph, any holder of Senior Debt may at any time and from time to time without the consent of or notice to any other holder or to the Trustee, without impairing or releasing any of the rights of any holder of Senior Debt under this Indenture, upon or without any terms or conditions and in whole or in part:

(i) change the manner, place or term of payment, or change or extend the time of payment of, renew or alter any Senior Debt or any other liability of the Company to such holder, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the provisions of this Article 10 shall apply to the Senior Debt as so changed, extended, renewed or altered;

(ii) notwithstanding the provisions of Section 5.1, sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, any Senior Debt or any other liability of the Company to such holder or any other liabilities incurred directly or indirectly in respect thereof or hereof or any offset thereagainst;

(iii) exercise or refrain from exercising any rights or remedies against the Company or others or otherwise act or refrain from acting or, for any reason, fail to file, record or otherwise perfect any security interest in or lien on any property of the Company or any other Person; and

(iv) settle or compromise any Senior Debt or any other liability of the Company to such holder, or any security therefor, or any liability incurred directly or indirectly in respect thereof.

(c) All rights and interests under this Indenture of any holder of Senior Debt and all agreements and obligations of the Trustee, the Holders, and the Company under Article 6 and under this Article 10 shall remain in full force and effect irrespective of (i) any lack of validity or enforceability of any agreement or instrument relating to any Senior Debt or (ii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Trustee, any Holder, or the Company.

(d) Any holder of Senior Debt is hereby authorized to demand specific performance of the provisions of this Article 10, whether or not the Company shall have complied with any of the provisions of this Article 10 applicable to it, at any time when the Trustee or any Holder shall have failed to comply with any of these provisions. The Trustee and the Holders irrevocably waive any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

(e) Each Holder by accepting a Security hereby agrees that the subordination provisions contained in this Indenture are for the benefit of the holders of Senior Debt and, as such, these subordination provisions shall not impose any obligations on the holders of any Senior Debt with respect to either the transaction documents to which the Senior Debt relates or to the Senior Debt itself.

Section 10.10 LIMITATIONS ON REMEDIES IN EVENT OF DEFAULT

Notwithstanding anything to the contrary herein including in this Article 10, the Company, the Trustee, and each Holder by accepting a Security, hereby agrees that they shall not take any actions to file a petition in bankruptcy against the Company, any Subsidiary or Affiliate without the prior written consent of the holders of the Senior Debt or unless one year and one day shall have elapsed after the Senior Debt have been indefeasibly paid in full, in cash, and the related transaction documents to which the holders of Senior Debt are a party have been terminated.

Section 10.11 DISTRIBUTION OR NOTICE TO REPRESENTATIVE

(a) Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their representatives.

(b) Upon any payment or distribution of assets of the Company referred to in this Article 10, the Trustee and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which bankruptcy, dissolution, winding-up, liquidation or reorganization proceedings are pending or upon any certificate of any representative of any holder of Senior Debt or of the liquidating trustee or agent or other Person making any distribution, delivered to the Trustee or to the Holders, for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10.

Section 10.12 RIGHTS OF TRUSTEE AND PAYING AGENT

(a) Notwithstanding the provisions of this Article 10 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment or distribution by the Trustee, or the taking of any action by the Trustee, and the Trustee or Paying Agent may continue to make payments on the Securities unless it shall have received at its Corporate Trust Office at least five Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Securities to violate this Article, which notice, unless specified by a holder of Senior Debt as such, shall not be deemed to be a Payment Notice. The Trustee may conclusively rely on such notice. Only the Company or a holder of Senior Debt may give the notice. Nothing in this Article 10 shall apply to amounts due to, or impair the claims of, or payments to, the Trustee under or pursuant to Section 7.7.

(b) The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 10.13 AUTHORIZATION TO EFFECT SUBORDINATION

Each Holder of a Security by his, her or its acceptance thereof authorizes and directs the Trustee on behalf of such Holder to take such action as may be necessary or appropriate to effectuate, as between the holders of Senior Debt and the Holders, the subordination as provided in this Article 10, and appoints the Trustee his attorney-in-fact for any and all such purposes.

Section 10.14 APPLICABILITY TO PAYING AGENT

In case at any time any Paying Agent (other than the Trustee or the Company) shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article 10 shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article 10 in addition to or in place of the Trustee.

Section 10.15 CERTAIN ACKNOWLEDGMENTS TO AND AGREEMENTS IN FAVOR OF HOLDERS OF SENIOR DEBT

(a) Until the Senior Payout Date, the Trustee and each Holder agrees as follows:

(i) It will not challenge, avoid, subordinate or contest or directly or indirectly support any other Person in challenging, avoiding, subordinating or contesting in any judicial or other proceeding, including without limitation any Bankruptcy proceeding, the priority, attachment, validity, extent, perfection or enforceability of any Lien or other adverse claim held by any holder of Senior Debt.

(ii) It will not interfere with any state law collection or foreclosure action brought by or on behalf of any holder of Senior Debt with respect to any collateral securing Obligations owed to any such holder, including without limitation any judicial or non-judicial foreclosure action.

(iii) It will not object to or oppose a sale or other disposition of any collateral securing Obligations owed to any holder of Senior Debt, free and clear of Liens or other claims of the Holders under this Indenture, under Section 363 of the U.S. Bankruptcy Code or any other applicable law if the holders of Senior Debt have consented to such sale or disposition.

(iv) It agrees to turn over to the holders of Senior Debt any "adequate protection" of its interest in any Collateral that it receives in any case or proceeding relating to any Bankruptcy to the extent necessary to make the holders of Senior Debt whole, and agrees that it will not seek to have the automatic stay lifted with respect to any Collateral, appoint a Chapter 11 trustee under Section 1104 of the U.S. Bankruptcy Code or convert or dismiss such case or proceeding under Section 1112 of the U.S. Bankruptcy Code, in each case without the prior written consent of the holders of Senior Debt.

(v) In the event any proceeds of Collateral are received by a Holder or the Trustee for application to Obligations under this Indenture other than as expressly permitted by the terms of this Indenture, such proceeds shall be received by the Holder or Trustee, as the case may be, in trust for the benefit of the holders of Senior Debt, and the Holder or the Trustee, as the case may be, shall promptly turn over such proceeds to the holders of Senior Debt (or the trustee(s) for the Senior Debt, if any) in the same form as received, with any necessary endorsement. Upon the Senior Payout Date, any remaining proceeds of the Collateral shall be delivered to the Trustee and applied to the Obligations hereunder, except as otherwise required pursuant to applicable law. In the event any proceeds of collateral securing any Senior Debt and related Obligations are received by a Holder or the Trustee, such Person will hold such proceeds in trust for the benefit of the holders of Senior Debt and shall promptly turn over such proceeds to the holders of Senior Debt for application in accordance with the terms of the transaction documents to which such Senior Debt relates.

(b) The holders of Senior Debt have permitted the incurrence of the Obligations under this Indenture in reliance on this Agreement. Accordingly, each of the Trustee and each Holder expressly waives: (i) notice of acceptance by the holders of Senior Debt of this Agreement; (ii) notice of the existence or fact of non-payment of all or any part of any Senior Debt and related Obligations; (iii) all diligence in collection or protection of or realization upon all or any part of any collateral or any other guaranty or security and any requirement that any holder of Senior Debt protect, secure, perfect or insure any Lien or any Property (as defined below) subject thereto or exhaust any right or take any action against the obligor or any other Person or any such Property; (iv) promptness, diligence, notice of acceptance and any other notice with respect to any Senior Debt and related Obligations; and (v) to the fullest extent permitted by applicable law, and except as otherwise expressly provided hereunder for the benefit of the holders of Senior Debt, all of its rights as a secured creditor (other than the right to receive notice of the sale or other disposition of the Collateral and the right to receive, in accordance with Section 9-615 of the UCC, proceeds of such sale or other disposition, if any, remaining after the application of such proceeds to pay in full, in cash, the Senior Debt and related Obligations and the occurrence of the Senior Payout Date) in connection with any dealing in the Collateral (or other collateral) by a holder of Senior Debt. For the purposes hereof, "Property" means, with respect to any Person, all property and interests in property of such Person, whether real, personal or mixed, whether now owned or existing or hereafter acquired or arising and wheresoever located.

(c) Each of the Trustee and each Holders hereby waives, to the fullest extent permitted by applicable law, any rights it may have under applicable law to assert the doctrine of marshaling or otherwise to require a holder of Senior Debt to marshal any property of the Company, the Guarantor or any other direct or indirect Subsidiary or Affiliate of the Company for the benefit of the Trustee or any Holder and any valuation, stay or appraisement laws.

(d) The Company, Guarantor, Trustee and each Holder acknowledge and agree that (i) all SPV Collateral constitutes property of the relevant SPV Entity and/or the relevant Master Trust and, in either case, is subject to the first priority perfected security interest of the applicable holder of Senior Debt (or an agent or other intermediary on behalf of such holder) pursuant to the transaction documents to which such Senior Debt relates, (ii) none of the Company, the Guarantor, the Trustee or any Holder has any lien, claim, encumbrance, security interest or other interest in any of such SPV Collateral (it being acknowledged and agreed that the Guarantor's membership interest in GWG DLP Funding II, LLC does not constitute SPV Collateral), (iii) if an asset or other item of Property hereafter becomes included in the SPV Collateral or the Company or the Guarantor (or any other Person) otherwise transfers (or purports to transfer) any asset or other item of Property to an SPV Entity or the Master Trust, then any lien, claim, encumbrance, security interest or other interest the Company, the Guarantor, the Trustee or any Holder (or such other Person) or any Holder may have in such asset or other Property shall be automatically and irrevocably released without any further action by any Person, and (iv) if for any reason the Company, the Guarantor, the Trustee or any Holder is determined to have retained or to hold any interest in any such asset or Property, then any lien, claim, encumbrance, security interest or other interest that the

Company, the Guarantor, the Trustee or any Holder, as the case may be, may have in such asset or Property shall in all respects be junior and subordinate to the security interest of the holder of Senior Debt (or its agent, as the case may be) for the benefit of itself and the other related holders of Senior Debt that are the beneficiaries of such security interest under the transaction documents to which such Senior Debt relates.

Section 10.16 OTHER SUBORDINATION MATTERS

(a) The agreements contained in this Article 10 shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Senior Debt is rescinded or must otherwise be returned by any holder of Senior Debt upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made.

(b) The Trustee shall notify all holders of Senior Debt (of whose identity the Trustee has received reasonable advance written notice) of the existence of any Default or Event of Default under Section 6.1 promptly after a Responsible Officer of the Trustee actually becomes aware thereof; provided, that at least five Business Days prior to the notification of any holder of Senior Debt under this Section, the Trustee shall provide the Company with notice of its intent to provide such notification; provided further, that no defect in the form or delivery of the Trustee's notice to the Company shall preclude the timely notice by the Trustee to the holders of Senior Debt.

(c) The holders of Senior Debt may assign any or all of their respective rights under this Article 10 to any other Person and without the consent of any other party or Person.

ARTICLE 11
GUARANTEE

Section 11.1 GUARANTEE

(a) Subject to this Article 11, the Guarantor unconditionally guarantees to each Holder of the Securities that:

(i) the principal of and interest on the Securities will be promptly paid in full when due, whether upon maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Securities, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder, will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in the case of any extension of time of or for the payment or renewal of any Securities or any such other Obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether upon stated maturity, by acceleration or otherwise.

(b) Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantor will be obligated to pay the same immediately. The Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(c) The Guarantor hereby agrees that its obligations hereunder are unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any provisions hereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Guarantee will not be discharged except by complete performance of the obligations contained in the Securities and this Indenture.

(d) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantor or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantor, any amount paid either to the Trustee or such Holder, then this Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

(e) The Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Holders in respect of any Obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. The Guarantor further agrees that, as between the Guarantor, on the one hand, and the Holders and the Trustee, on the other hand, (i) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such obligations as provided in Article 6, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantor for the purpose of this Guarantee.

Section 11.2 LIMITATION ON GUARANTOR LIABILITY

The Guarantor, and by its acceptance of the Securities, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to the Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantor hereby irrevocably agree that the Obligations of the Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other guarantor in respect of the obligations of such other guarantor hereunder, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent transfer or conveyance.

Section 11.3 EXECUTION AND DELIVERY OF GUARANTY

To evidence its Guarantee set forth in Section 11.1, the Guarantor hereby agrees that a notation of such Guarantee substantially in the form attached hereto as ***Exhibit C*** will be endorsed by an Officer of such Guarantor on each Security authenticated and delivered by the Trustee or the Company and that this Indenture will be executed on behalf of such Guarantor by one of its Officers. The Guarantor hereby agrees that its Guarantee set forth in Section 11.1 will remain in full force and effect notwithstanding any failure to endorse on each Security a notation of such Guarantee. If an Officer

whose signature is on this Indenture or on the Guarantee no longer holds that office at the time the Trustee authenticates the Security on which a Guarantee is endorsed, the Guarantee will be valid nevertheless. The delivery of any Security by the Trustee, after the authentication thereof hereunder, will constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantor.

Section 11.04 RELEASES

(a) In the event of any sale or other disposition of all or substantially all of the assets of the Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the membership interests in the Guarantor, in each case to a Person that is not (either before or after giving effect to such transactions) the Company or an Affiliate of the Company, then the Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the membership interests in the Guarantor) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of the Guarantor) will be released and relieved of any obligations under the Guarantee and the Lien on the Collateral of such Guarantor under the Pledge and Security Agreement; provided, that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Indenture, and the Guarantor ceases to be a majority-owned Subsidiary of the Company or any affiliate thereof, as a result of the sale or other disposition.

(b) Upon satisfaction and discharge of this Indenture in accordance with Article 8, the Guarantor will be released and relieved of any obligations under its Guarantee.

ARTICLE 12
COLLATERAL AND SECURITY

Section 12.1 COLLATERAL DOCUMENTS

(a) The due and punctual payment of the principal of and interest, if any, on the Securities when and as the same shall be due and payable on any Payment Date (whether upon maturity, by acceleration, repurchase, redemption or otherwise), and interest on the overdue principal of and defaulted interest (to the extent permitted by law), if any, on the Securities and performance of all other obligations of the Company and the Guarantor to the Holders of Securities or the Trustee under this Indenture and the Securities, according to the terms hereunder or thereunder, shall be secured as provided in the Collateral Documents. Each Holder of Securities, by its acceptance thereof, consents and agrees to the terms of the Collateral Documents (including without limitation the provisions respecting the foreclosure on and release of the Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms and authorizes and directs the Trustee to enter into the Collateral Documents and to perform its obligations and exercise its rights thereunder in accordance therewith.

(b) The Company and the Guarantor shall do or cause to be done all such acts and things as may be necessary or proper, or as may be required by the provisions of any Collateral Document, to assure and confirm to the Trustee the security interest in the Collateral contemplated hereby, by any Collateral Document or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of the Holders of Securities under this Indenture, according to the intent and purposes herein expressed. The Company shall take, or shall cause its Subsidiaries to take, upon request of the Trustee, any and all actions reasonably required to cause the Collateral Documents

to create and maintain, as security for the Obligations of the Company and Guarantor hereunder, a valid and enforceable perfected Lien in and on all of the Collateral, in favor of the Trustee for the benefit of the Holders of Securities under this Indenture, which security interest is superior to and prior to the rights of all third Persons and subject to no other Liens other than Permitted Liens.

(c) The Company and the Guarantor shall pledge as additional Collateral all After-Acquired Property, subject to Permitted Liens. The Company and the Guarantor shall also use all commercially reasonable efforts to ensure that any material contract or agreement relating to After-Acquired Property will not contain provisions that would impair or prevent the creation of a security interest therein or result in such contract or After-Acquired Property being excluded from the Collateral.

(d) The Company, the Guarantor and the Trustee are also party to (i) the Intercreditor Agreement, which agreement is a Collateral Document, the purpose of which is to ensure ratable and pari passu rights with respect to certain Collateral as among the Holders of the Securities and the holders of Guarantor Secured Notes, and (ii) the Pledge and Security Agreement, which agreement is a Collateral Document, the purpose of which is to effect the grant of security interests in the Collateral. The terms and conditions of the Intercreditor Agreement and the Pledge and Security Agreement are incorporated herein by this reference.

Section 12.2 RECORDING AND OPINION

(a) The Company shall furnish to the Trustee contemporaneously with the execution and delivery of this Indenture and the Collateral Documents an Opinion of Counsel stating that in the opinion of such counsel the Collateral Documents are effective to create a Lien in the collateral described therein to the extent that the Company has rights in or the power to transfer such collateral.

(b) The Company shall otherwise comply with the provisions of TIA §314(b).

Section 12.3 RELEASE OF COLLATERAL

(a) Subject to paragraphs (b), (c) and (d) below, Collateral shall automatically be released from the Lien and security interest created by the Collateral Documents at any time or from time to time in accordance with the provisions of the Collateral Documents or as provided hereby. In addition, upon the request of the Company pursuant to an Officers Certificate certifying that all conditions precedent hereunder have been met and stating whether or not such release is in connection with an asset sale by the Company or the Guarantor (at the sole cost and expense of the Company and without any recourse, representation or warranty), the Trustee shall release Collateral that is sold, conveyed or disposed of in compliance with the provisions of this Indenture; provided, that if such sale, conveyance or disposition constitutes a sale of assets, the Net Proceeds of such asset sale are applied in accordance with the applicable provisions of this Indenture. Upon receipt of such Officers Certificate, the Trustee shall, at the sole cost and expense of the Company and without recourse, representation or warranty, execute, deliver or acknowledge any necessary or proper instruments of termination, satisfaction or release to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Collateral Documents.

(b) No Collateral shall be released from the Liens and security interest created by the Collateral Documents pursuant to the provisions of the Collateral Documents unless there shall have been delivered to the Trustee the Officers Certificate required by this Section.

(c) At any time when a Default or Event of Default shall have occurred and be continuing, the maturity of the Securities shall have been accelerated (whether by declaration or otherwise), and the Trustee shall have delivered a notice of acceleration to the Company, no release of Collateral pursuant to the provisions of the Collateral Documents shall be effective as against the Holders of Securities.

(d) The release of any Collateral from the terms of this Indenture and the Collateral Documents shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to the terms hereof. To the extent applicable, the Company shall cause TIA §313(b), relating to reports, and TIA §314(d), relating to the release of property or securities from the Lien and security interest of the Collateral Documents and relating to the substitution therefor of any property or securities to be subjected to the Lien and security interest of the Collateral Documents, to be complied with. Any certificate or opinion required by TIA §314(d) may be made by an Officer of the Company except in cases where TIA §314(d) requires that such certificate or opinion be made by an independent Person, which Person shall be an independent engineer, appraiser or other expert selected or approved by the Trustee in the exercise of reasonable care.

Section 12.4 CERTIFICATES OF THE COMPANY; OPINION OF COUNSEL

The Company or the Guarantor, as applicable, shall furnish to the Trustee, prior to each proposed release of Collateral pursuant to any Collateral Document, (i) all documents required by TIA §314(d) and (ii) an Opinion of Counsel to the effect that such accompanying documents constitute all documents required by TIA §314(d). The Trustee may, to the extent permitted by Section 7.2 and Section 7.3, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and such Opinion of Counsel.

Section 12.5 CERTIFICATES OF THE TRUSTEE

In the event that the Company or the Guarantor wishes to release Collateral in accordance with the Collateral Documents and has delivered the certificates and documents required by the Collateral Documents and Section 12.3 and Section 12.4, the Trustee shall determine whether it has received all documentation required by TIA §314(d) in connection with such release and, based on such determination and the Opinion of Counsel delivered pursuant to Section 12.4, shall deliver a certificate to the Collateral Agent setting forth such determination.

Section 12.6 AUTHORIZATION OF ACTIONS TO BE TAKEN BY THE TRUSTEE UNDER THE COLLATERAL DOCUMENTS

Subject to the provisions of Section 7.2 and Section 7.3, the Trustee may, on behalf of the Holders of Securities, take all actions it deems necessary or appropriate in order to (a) enforce any of the terms of the Collateral Documents and (b) collect and receive any and all amounts payable in respect of the Obligations of the Company or Guarantor hereunder. The Trustee shall have power to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Collateral Documents or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the

interests of the Holders of Securities in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders of Securities or of the Trustee). Notwithstanding the foregoing, the Trustee shall be entitled to seek direction from the Holders regarding those actions to be taken and a majority in principal amount of the then-outstanding Securities shall have the right to direct those actions to be taken by the Trustee, on the condition that indemnification for the Trustee's fees and expenses, in a form reasonably satisfactory to the Trustee, shall have been provided. Nevertheless, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that the Trustee determines may be unduly prejudicial to the rights of other Holders, or that may involve the Trustee in personal liability.

Section 12.7 AUTHORIZATION OF RECEIPT OF FUNDS BY THE TRUSTEE UNDER THE COLLATERAL AGREEMENT

The Trustee is authorized to receive any funds for the benefit of the Holders of Securities distributed under the Collateral Documents, and to make further distributions of such funds to the Holders of Securities according to the provisions of this Indenture.

Section 12.8 TERMINATION OF SECURITY INTEREST

Upon the payment in full of all Obligations of the Company and the Guarantor under this Indenture and the Securities, or upon legal defeasance, the Trustee shall, at the request and sole cost and expense of the Company, deliver a certificate to the Company stating that such Obligations have been paid in full, and release the Liens pursuant to this Indenture and the Collateral Documents.

ARTICLE 13
GENERAL PROVISIONS

Section 13.1 TRUST INDENTURE ACT CONTROLS

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA §318(c), the imposed duties shall control.

Section 13.2 NOTICES

(a) Any notice, instruction, direction, request or other communication by the Company, the Trustee or any other holder of Senior Debt to the others is duly given if in writing and delivered in person or mailed by first-class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the other's address:

If to the Company:

GWG Holdings, Inc.
220 South Sixth Street, Suite 1200
Minneapolis, MN 55402
Attention: Chief Executive Officer and Chief Financial Officer
Telecopier: (612) 746-0445

With a copy to:

Maslon Edelman Borman and Brand, LLP
3300 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Attention: Paul Chestovich
Telecopier: (612) 642-8305

If to the Trustee:

Bank of Utah
200 E. South Temple, Suite 210
Salt Lake City, UT 84111
Attention: GWG Holdings, Inc., Administrator
Telecopier: (801) 746-3519

If to a holder of Senior Debt, such address as such holder of Senior Debt shall have provided in writing to the Company and the Trustee.

(b) The Company, the Trustee or a holder of Senior Debt by notice to the Company and the Trustee may designate additional or different addresses for subsequent notices or communications.

(c) All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: (i) at the time delivered by hand, if personally delivered; (ii) on the date mailed if deposited in the mail, postage prepaid and certified; (iii) three Business Days after deposit in the mail, postage prepaid, first class but not certified; (iv) when receipt is acknowledged, if faxed; (v) on the next Business Day after having been sent by electronic communication to a pre-designated e-mail address; (vi) the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery; or (vii) when actually received by the recipient, if sent in some other manner not specified above.

(d) Any notice or communication to a Holder shall be mailed by certified first-class mail to his address shown on the register kept by the Registrar or sent by electronic communication to a pre-designated e-mail address. Notices mailed or sent by electronic communication as described in the preceding sentence shall be deemed to have been duly given (i) on the date mailed if deposited in the mail, postage prepaid and certified, or (ii) on the next Business Day after having been sent by electronic communication. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

(e) If a notice or communication is mailed in the manner provided in subparagraphs (c) or (d) above within the time prescribed, it is duly given, whether or not the addressee receives it.

(f) If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 13.3 COMMUNICATION BY HOLDERS WITH OTHER HOLDERS

Holders may communicate, pursuant to TIA §312(b), with other Holders with respect to their rights under this Indenture or the Securities. The Trustee shall be subject to §312(b). The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA §312(c).

Section 13.4 CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 13.5) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 13.5) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

Section 13.5 STATEMENTS REQUIRED IN CERTIFICATE OR OPINION

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA §314(a)(4)) shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion whether such covenant or condition has been complied with; and

(d) a statement whether, in the opinion of such Person, such condition or covenant has been complied with.

Section 13.6 RULES BY TRUSTEE AND AGENTS

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.7 NO RECOURSE AGAINST OTHERS

No director, Officer, employee, agent, manager or stockholder of the Company as such, shall have any liability for any Obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such Obligations or their creation. Each Holder by accepting a Security waives and releases all such liability.

Section 13.8 DUPLICATE ORIGINALS

The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture.

Section 13.9 GOVERNING LAW

THE INTERNAL LAW OF THE STATE OF DELAWARE SHALL GOVERN THIS INDENTURE AND THE SECURITIES, WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS THEREOF.

Section 13.10 NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.11 SUCCESSORS

All agreements of the Company in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 13.12 SEVERABILITY

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13.13 SPECIFIC PERFORMANCE

The holders of Senior Debt shall be entitled to specific performance of those provisions of this Indenture set forth in Article 10 and Article 12, and the Trustee and each Holder by accepting a Security hereby waives any rights to contest the entitlement of any holders of Senior Debt to the same.

Section 13.14 COUNTERPART ORIGINALS

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 13.15 TABLE OF CONTENTS, HEADINGS, ETC.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions thereof.

Section 13.16 TRUSTEE'S CAPACITY.

Bank of Utah ("BOU") is executing this Agreement solely in its capacity as Trustee and not in its individual capacity (except as expressly stated herein) and in no case shall BOU (or any entity acting as Trustee hereunder) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Trustee hereunder, all such liability, if any, being expressly waived by the parties hereto and any Person claiming by, through, or under such party; provided, however, that BOU (or any such successor trustee) shall be personally liable hereunder for its own gross negligence or willful misconduct or for its breach of its covenants, representations and warranties contained herein, to the extent covenanted or made in its individual capacity.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

OBLIGOR:

GWG HOLDINGS, INC.

By: _____
Name: _____
Title: _____

GUARANTOR:

GWG LIFE SETTLEMENTS, LLC

By: _____
Name: _____
Title: _____

TRUSTEE:

BANK OF UTAH, not in its individual capacity but solely as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF DEBENTURE

EXHIBIT B

FORM OF SUBSCRIPTION AGREEMENT

EXHIBIT C

FORM OF GUARANTEE NOTATION

FOR VALUE RECEIVED, the Guarantor (which term includes any successor Person under the Indenture) has, unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture dated as of _____, 2011 (the "Indenture") by and among GWG Holdings, Inc. (the "Company"), the Guarantor party thereto and Bank of Utah, as trustee (the "Trustee"), (i) the due and punctual payment of the principal of, premium and interest on, these Securities, whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal of and interest on these Securities, if any, if lawful, and the due and punctual performance of all other obligations of the Company to the Holders or the Trustee all in accordance with the terms of the Indenture and (ii) in case of any extension of time of payment or renewal of these Securities or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

The obligations of the Guarantor to the Holders of Securities and to the Trustee pursuant to the Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee.

Capitalized terms used but not defined herein have the meanings given to them in the Indenture.

GWG LIFE SETTLEMENTS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF PLEDGE AND SECURITY AGREEMENT

EXHIBIT E

FORM OF INTERCREDITOR AGREEMENT

Exhibit 4.2

FORM OF DEBENTURE

THIS RENEWABLE SECURED DEBENTURE (THE "DEBENTURE") OF GWG HOLDINGS, INC. (THE "COMPANY") IS SUBJECT TO THE TERMS OF THE INDENTURE, WHICH AMONG OTHER PROVISIONS, CONTAINS REQUIREMENTS RELATING TO ANY TRANSFER OF THIS DEBENTURE BY THE HOLDER, INCLUDING THE PRIOR CONSENT OF THE COMPANY TO ANY SUCH TRANSFER. THE INDENTURE HAS BEEN FILED AS EXHIBIT 4.1 TO THE COMPANY'S REGISTRATION STATEMENT ON FORM S-1 FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ON OR ABOUT _____, 2011, PURSUANT TO WHICH THIS DEBENTURE HAS BEEN ISSUED BY THE COMPANY.

THE COMPANY MAY REDEEM THIS DEBENTURE, IN WHOLE OR IN PART, IN ACCORDANCE WITH THE TERMS OF THE INDENTURE.

GWG HOLDINGS, INC.

Incorporated under the Laws of Delaware

RENEWABLE SECURED DEBENTURES

Registered No.: _____	Registered Principal Amount: $_____
Issue Date: _____	Interest Rate: _____
Term: _____	Interest Payment Schedule: _____
Maturity Date: _____	Payment Date (for interest): _____

GWG Holdings, Inc., a corporation created under the laws of the State of Delaware (the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars ($_____) on the Maturity Date and to pay accrued and unpaid interest hereon from the Issue Date set forth above, or from the most recent Payment Date to which interest has been paid or duly provided for, beginning on the first Payment Date after the Issue Date (the "Initial Payment Date") and on each subsequent Payment Date thereafter at the Interest Rate set forth above, until the principal hereof is paid or made available for payment; **provided, however**, that if the Payment Date is within five Business Days of the Issue Date, then the first payment will be made in the following month and will include the interest earned since the Issue Date. Interest shall accrue on the principal amount for the period from the later of the Issue Date of this Debenture or the last Payment Date upon which an interest payment was made until and including the day before the following Payment Date. Initially capitalized terms used but not defined herein shall have the respective meanings given such terms in the Indenture.

The principal hereof is subject to optional redemption by the Company and optional repurchase at the request of the Holder, as provided in the Indenture, and if not so redeemed or repurchased, shall be due and payable in full on the Maturity Date, which also shall constitute a Payment Date (as such term is defined in the Indenture). The principal and interest so payable and punctually paid or duly provided for on any Payment Date, as provided in the Indenture, will be paid to the Person in whose name this Debenture is registered (the "Holder") at the close of business on the Regular Record Date (or Maturity Record Date, as applicable) for such Payment Date. Payment of the principal of and interest on this

Debenture will be made at the office of the Paying Agent, or in such other office as may be selected in accordance with the Indenture, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, provided, however, that at the option of the Company payment of interest may be made in United States dollars by wire or by check mailed to the address of the Person entitled thereto as such address shall appear in the Securities Register.

Reference is hereby made to the further provisions of this Debenture set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the Certificate of Authentication hereon has been executed by or on behalf of the Trustee referred to on the reverse hereof by manual signature, this Debenture shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

No recourse shall be had for the payment of the principal or interest of this Debenture against any Company incorporator, stockholder, officer, director, employee or agent by virtue of any statute or by enforcement of any assessment or otherwise; and any and all liability of incorporators, stockholders, directors, officers, employees and agents of the Company being released hereby.

IN WITNESS WHEREOF, the Company has caused this Renewable Secured Debenture to be signed in its name by the manual or facsimile signature of its Chief Executive Officer and attested to by the manual or facsimile signature of its Secretary.

GWG HOLDINGS, INC.

By: _____ Dated: _____
Name: _____
Title: _____

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

This Debenture is one of the Renewable Secured Debentures referred to in the within-mentioned Indenture.

BANK OF UTAH (as Trustee)

By: _____ Dated: _____
Authorized Signature

REVERSE SIDE OF DEBENTURE

This Debenture is one of a duly authorized issue of Renewable Secured Debentures of the Company designated as its Renewable Secured Debentures (the "Debentures") in the maximum aggregate principal amount of up to $250,000,000, issued and to be issued under an Indenture, dated as of _____, 2011 (the "Indenture"), between the Company and Bank of Utah, as Trustee (the "Trustee," which term includes any successor Trustee under the Indenture). Reference is hereby made to the Indenture and all indentures supplemental thereto for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Company, the Trustee and the Holders, and for a statement of the terms upon which the Debentures are, and are to be, authenticated and delivered. Capitalized and certain other terms used herein and not otherwise defined have the meanings set forth in the Indenture.

The Debentures are general obligations of the Company. The payment of the principal of and interest on this Debenture is expressly subordinated, as provided in the Indenture, to the payment of all Senior Debt and, by the acceptance of this Debenture, the Holder hereof agrees, expressly for the benefit of the present and future holders of Senior Debt, to be bound by the provisions of the Indenture relating to such subordination and authorizes and appoints as such Holder's attorney-in-fact, the Trustee, to take such action on such Holder's behalf as may be necessary or appropriate to effectuate such subordination.

The Company may, at its option, at any time redeem this Debenture either in whole or from time to time in part prior to the Maturity Date by providing at least thirty 30 days written notice to the Holder. If this Debenture shall be redeemed by call for redemption and payment be duly provided therefor as specified in the Indenture, interest shall cease to accrue on this Debenture.

This Debenture may be transferred and exchanged only as provided in the Indenture. This Debenture may not be assigned, transferred or otherwise alienated without the prior written consent of the Company and shall be subject to the Company's right to demand and receive an opinion of Holder's legal counsel (which counsel shall be reasonably acceptable to the Company) that the transfer does not violate any applicable securities laws. The Company may also require a signature guarantee.

Approximately 30 days prior to the Maturity Date, the Company will send the Holder a Notice of Maturity to notify the Holder of the Maturity Date. If in the Notice of Maturity the Company does not notify the Holder of its intention to repay this Debenture, and unless at least 15 days prior to the Maturity Date, the Holder has not demanded repayment of this Debenture, this Debenture shall be automatically renewed for an additional term equal to the term of the maturing Debenture and shall be deemed to have been renewed by the Holder and the Company as of the Maturity Date, such that a new Debenture shall be deemed to have been issued as of such Maturity Date. This Debenture will continue to renew as described herein absent some action permitted under the Indenture and this Debenture by either the Holder or the Company. Interest on the renewed Debenture shall accrue from the Issue Date thereof, which is the first day of such renewed term. This renewed Debenture will be deemed to have identical terms and provisions as the maturing Debenture, including provisions relating to payment, except that the interest rate payable during the term of the renewed Debenture shall be the interest rate which is being offered by the Company on other Debentures with the same term as of the Issue Date of such renewal. If other Debentures with the same term are not then being offered on the Issue Date of such renewal, the interest rate upon renewal will be the rate specified by the Company on or before the Maturity Date, or the Debenture's existing rate if no such rate is specified. If the Company gives notice to the Holder of the Company's intention to repay the Debenture at maturity, the Company shall pay the Holder the principal amount and accrued and unpaid interest thereon on the Payment Date next following the Maturity Date, and, provided such payment is timely made, no interest will accrue after the Maturity Date. Otherwise, if the Holder requests repayment at least 15 prior to the Maturity Date, no interest will accrue after the

Maturity Date and the Holder will be sent payment upon the Payment Date next following the Maturity Date; provided that any interest paid to the Holder accruing after the Maturity Date shall be deducted from such payment.

If an Event of Default shall occur and be continuing, the outstanding principal of this Debenture may be declared due and payable in the manner and with the effect provided in the Indenture. The Company shall pay all costs of collection, whether or not judicial proceedings are instituted, in the manner provided in the Indenture. The Indenture provides that such declaration and its consequences may, in certain events, be waived by the Holders of a majority in principal amount of the Debentures outstanding.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of Debentures at the time outstanding. The Indenture also contains provisions permitting the Holders of specified percentages of aggregate principal amount of the Debentures at the time outstanding, on behalf of the Holders of all of the Debentures, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Debenture shall be conclusive and binding upon such Holder and upon all future Holders of this Debenture and of any Debenture issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Debenture.

No reference herein to the Indenture and no provision of this Debenture or of the Indenture or amendment or modification hereof or thereof shall alter or impair the obligation of the Company to pay the principal of and interest on this Debenture at the times, place and rate and in the coin or currency herein prescribed.

In the event of a consolidation or merger of the Company into, or of the transfer of its assets substantially as an entirety to, a successor entity in accordance with the Indenture, such successor entity shall assume payment of the Debenture and the performance of every covenant of the Indenture on the part of the Company, and in the event of any such transfer, the Company (or the successor entity in the event of a subsequent consolidation, merger or transfer) shall be discharged from all obligations and covenants in respect of the Debentures and the Indenture and may be dissolved and liquidated, all as more fully set forth in the Indenture.

The Debentures are originally issuable in such denominations as may be designated from time to time by the Company, but in no event in an original denomination less than $1,000. Subject to the provisions of the Indenture (including without limitation Section 2.6 thereof), the transfer of this Debenture is registerable in the Securities Register, upon surrender of this Debenture for registration of transfer at the office or agency of the Registrar duly endorsed by or accompanied by a written instrument of transfer in the form printed on this Debenture or in another form satisfactory to the Company and the Registrar duly executed by the Holder hereof or such Holder’s attorney, duly authorized in writing, and thereupon one or more new Debentures, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. The Registrar may assess service charges for any such registration or transfer or exchange, and the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Debenture for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Debenture is

registered as the owner hereof for all purposes, whether or not this Debenture be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Debenture shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to the conflict of law provisions thereof.

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer this Debenture)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

.....

.....

.....

(Please print name and address of transferee above)

this Debenture, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, as attorney-in-fact, to transfer the within Debenture on the books kept for registration of the issuing corporation, with full power of substitution.

Dated: _____

Signature: _____

(Signature must conform in all respects to name of holder as specified on the face of the Debenture)

Social Security or Other Identifying Number of Transferee: _____

Signature Guaranteed:

Exhibit 4.3

GWG HOLDINGS, INC.

RENEWABLE SECURED DEBENTURE SUBSCRIPTION AGREEMENT

To purchase a renewable secured debenture, please complete this form and write a check payable to GWG Holdings, Inc. Send this subscription agreement along with your check and any other documents requested below to GWG Holdings, Inc., 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota 55402, or to your broker-dealer. If you have any questions, please call GWG Holdings, Inc. at 877-494-2388, or your broker-dealer.

DEBENTURE PURCHASE AMOUNT: $_____
Note: minimum principal amount of $25,000.
Above such minimum principal amount, debentures must be purchased in $1,000 increments.

INTEREST PAYMENT SCHEDULE (please select one for each debenture):

Debenture Term	Principal	Monthly Interest Payments*	Annual Interest Payments	Upon Maturity
Six month	$_____	☐	☐	☐
One year	$_____	☐	☐	☐
Two years	$_____	☐	☐	☐
Three years	$_____	☐	☐	☐
Four years	$_____	☐	☐	☐
Five years	$_____	☐	☐	☐
Seven years	$_____	☐	☐	☐
Total	$_____			

* The monthly payment date is the 15th calendar day (or, if such date is not a business day, then the next business day thereafter).

FORM OF OWNERSHIP (please select one):

☐ Individual Investor

☐ Joint Tenants with right of survivorship
Note: Both joint tenants must sign this agreement.

☐ Corporation, LLC, Partnership, Limited Partnership or Trust
Note: Please include a trust resolution or the appropriate corporation or partnership documents authorizing you to make this investment.

☐ Tenants in Common
Note: Both joint tenants must sign this agreement.

☐ IRA, Employee Benefit Plan or other retirement plan

☐ Other (e.g., custodian for minor)

DEBENTURE PURCHASER:

Full name of Individual Investor, Joint Tenants, Tenants in Common or custodian for minor:

First name *Middle name* *Last name* *SSN* *Birthdate*

Full name of second Joint Tenant, Tenant in Common or minor beneficiary (if applicable):

First name *Middle name* *Last name* *SSN* *Birthdate*

Full name of Corporation, LLC, Partnership, Limited Partnership or Trust:

Print legal name *TIN*

Full name and title of authorized agent, partner, representative or trustee (as applicable):

First name *Middle name* *Last name* *Title*

PRIMARY ADDRESS (correspondence will be sent to this address): *

Address *City* *State* *Zip code*

Daytime phone *Evening phone*

*Email address **

* All reports, notices and information will be sent to the email address indicated above. In the event GWG Holdings receives notice that an email transmission has failed to be delivered, reports, notice and information will be mailed to the address above. Please note that the indenture for the renewable secured debentures permits GWG Holdings to charge you the cost of mailing such reports, notices and information. See section 2.14 of the indenture. If you do not wish to receive reports and information in electronic format by email, please contact GWG Holdings at 877-494-2388.

DIRECT DEPOSIT: GWG Holdings will electronically deposit your principal and interest payments to the account listed on your Direct Deposit Form (attached below). Please complete and sign the reverse side of the Direct Deposit Form for automatic deposit to either your checking or savings account.

PASSWORD: When you call GWG Holdings to discuss your investment, you may be asked to verify your identification by answering the following question. What is your mother's maiden name?

Answer: _____.

CERTIFICATION: Under penalties of perjury, I hereby declare and certify that:

- I am a bona fide resident of the state listed in the primary mailing address;
- I have received and read the prospectus (and all documents incorporated by reference into the prospectus) provided by GWG Holdings, Inc. and understand the risks associated with this investment;
- I have determined that this investment is suitable for me;
- I understand that the debentures are an obligation of GWG Holdings, Inc. only and are not bank certificates of deposit and are not guaranteed or insured by the FDIC or any other entity (other than GWG Life Settlements, LLC, a wholly owned subsidiary of GWG Holdings, Inc.), the debentures are illiquid and do not trade in a secondary market, and that I risk the loss of my entire principal amount and all accrued but unpaid interest when purchasing the debentures;
- the social security number or tax identification number listed above is correct; and
- I am not subject to backup withholding, either because the Internal Revenue Service has not notified me that I am subject to backup withholding as a result of a failure to report all interest or dividends or I have been notified that I am no longer subject to backup withholding.

I understand that my purchase offer is subject to the terms contained in the prospectus, may be rejected in whole or in part and will not become effective until accepted by GWG Holdings, Inc.

SIGNATURES:

Individuals, Joint Tenants, Tenants in Common or Custodians for Minors:

_____
Individual, First Joint Tenant, Tenant in Common or custodian for minor

_____
(Second Joint Tenant or Tenant in Common, if applicable)

_____
Date

Corporation, LLC, Partnership, Limited Partnership or Trust:

_____
Name of Corporation, LLC, Partnership, Limited Partnership of Trust

_____
Signature of Signor and Title

_____
Date

DIRECT DEPOSIT FORM

Direct Deposit Account Information (please check one):

- ☐ I currently receive direct deposit payments from an existing GWG investment. Please deposit all principal and interest payments for this/these new debenture(s) into the same account.
- ☐ Please deposit my payments into the account listed below. ***Note***: If this option is chosen, the account owner must attach a VOIDED check (or deposit slip if the account is a savings account) to the reverse side of this form.

Account Owner Name(s): _____ ☐ Checking ☐ Savings ☐ Other

Account Number: _____

Bank Routing Number (9 digits): ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Bank Name: _____ Branch Location: _____

Note: Some financial institutions (e.g., brokerage firms, custodians, mutual savings banks, credit unions, money market funds, etc.) also require "for further credit" information to correctly indentify direct deposit accounts. If your financial institution requires this additional information, please list it below. If you are unsure if this additional information is required, please call your financial institution.

For further credit: _____

DIRECT DEPOSIT AUTHORIZATION

As the investor of record and authorized signatory of the account listed above, I hereby authorize GWG Holdings, Inc., its affiliates, or its agents (collectively referred to hereinafter as "GWG") to deposit interest and principal payments owed to me by initiating account credit entries to my financial institution listed on this form. Further, I authorize my financial institution to accept and to credit any credit entries initiated by GWG to the listed account. In the event of an erroneous credit entry, I also authorize GWG to debit the account for an amount not to exceed the original amount of the erroneous credit. This authorization shall remain in full force and effect until GWG and my financial institution have received written notice from me of its termination in such time and in such manner as to afford GWG and my financial institution reasonable opportunity to act on it. In the event the listed account is closed, I will promptly notify GWG of an alternate account into which payments can be made.

By: _____ _____

Authorized Signature Date

Mail to: GWG Holdings, Inc., 222 South Sixth Street, Suite 1200, Minneapolis, MN 55402.

[REVERSE SIDE OF DIRECT DEPOSIT FORM]

ATTACH VOIDED CHECK or DEPOSIT SLIP HERE

FORM OF PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (this "*Security Agreement*") is entered into as of _____, 2011 by and among GWG Holdings, Inc., a Delaware corporation ("*Holdings*"), GWG Life Settlements, LLC, a Delaware limited liability company ("*GWG Life*," and referred to collectively with Holdings as the "*Entity Grantors*"), Jon R. Sabes and Steven F. Sabes (collectively, the "*Individual Grantors*," and referred to collectively with the Entity Grantors as the "*Grantors*"), and Bank of Utah in its capacity as indenture trustee under the Indenture (defined below) and collateral trustee hereunder (the "*Trustee*") for the benefit of the Holders (as defined in the Indenture).

INTRODUCTION

The Entity Grantors and the Trustee are parties to that certain Indenture of approximately even date herewith (as the same may be amended or supplemented from time to time, the "*Indenture*"). The Grantors are entering into this Security Agreement in order to secure the obligations owing in respect of Securities offered and sold under the Indenture (the "*Secured Obligations*"). The Trustee serves as indenture trustee under the Indenture and agrees to serve as collateral trustee hereunder for the benefit of the Holders of all Securities issued under the Indenture.

NOW THEREFORE, the Grantors and the Trustee hereby agree as follows:

Article 1
Definitions

1.1. Terms Defined in the Indenture. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Indenture.

1.2. Terms Defined in UCC. Terms defined in the UCC which are not otherwise defined in this Security Agreement shall have the meanings assigned to such terms in the UCC. In this regard, the following capitalized terms used in this Security Agreement shall have the meanings set forth in the UCC: Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Securities Account, and Supporting Obligations.

1.3. Other Definitions. As used in this Security Agreement, and in addition to the terms defined elsewhere in this Security Agreement, the following terms shall have the following meanings:

"*Collateral*" means all of the assets of the Entity Grantors, including but not limited to Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, letters of credit, Letter-of-Credit Rights, Securities Accounts, Pledged Deposits, Supporting Obligations, wherever located, in which any Entity Grantor now has or hereafter acquires any right or interest, and the proceeds (including but limited to as set forth in the definition of Equity Rights), insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto.

"*Collateral Documents*" has the meaning set forth in the Indenture.

"*Default*" means an event described in Section 6.1.

"*Equity Collateral*" shall mean all of the common stock held by Jon R. Sabes and Steven F. Sabes in Holdings, together with all rights and Equity Rights related thereto.

"*Equity Rights*" means any securities, dividends, instruments or other distributions and any other right or property which any Grantor shall become entitled to receive for any reason whatsoever with respect to, or in substitution or exchange for, any Collateral or Equity Collateral, as applicable; excluding, however, at any particular point in time, any such property that shall have already been distributed and received by an Individual Grantor on account of Equity Collateral.

"*Governmental Authority*" means any country or nation, or any state or other political subdivision thereof or any entity exercising executive, legislative or judicial, regulatory or administrative functions of or pertaining to government.

"*Material Adverse Effect*" means a material adverse effect on (a) the business, assets, operations or condition (financial or otherwise) of the Entity Grantors or (b) the validity or enforceability of this Agreement or the Indenture or the rights or remedies of the Trustee and/or the Holders thereunder.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or Governmental Authority.

"*Pledged Collateral*" means, collectively, the Collateral of the Entity Grantors and the Equity Collateral of the Individual Grantors pledged pursuant to this Security Agreement.

"*Pledged Deposits*" means all time deposits of money (other than Deposit Accounts and Instruments), whether or not evidenced by certificates, which an Entity Grantor may from time to time designate as pledged to the Trustee or to any secured party as security for any Secured Obligations, and all rights to receive interest on said deposits.

"*Pledged Securities*" means (i) the equity securities comprising the Equity Collateral owned by the Individual Grantors, and (ii) any other equity interests comprising Collateral that are owned by any Entity Grantor.

"*Receivables*" means the Accounts, Chattel Paper, Documents, Investment Property, Instruments or Pledged Deposits, and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

"*Registration Statement*" has the meaning set forth in the Indenture.

"*Securities*" has the meaning set forth in the Indenture.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

Article 2
Grant of Security Interest and Pledge

2.1. Grant by Entity Grantors. To secure the prompt and complete payment and performance of the Secured Obligations, the Entity Grantors hereby pledge, assign and grant to the Trustee, on behalf of and for the benefit of the Holders, a security interest in all of each such Entity Grantor's right, title and interest, whether now owned or hereafter acquired, in and to the Collateral.

2.2. Grant by Individual Grantors. To secure the prompt and complete payment and performance of the Secured Obligations, the Individual Grantors hereby pledge the Equity Collateral to the Trustee, on behalf of and for the benefit of the Holders.

Article 3
Representations and Warranties of Entity Grantors

The Entity Grantors jointly and severally represent and warrant to the Trustee as follows:

3.1. Title, Authorization, Validity and Enforceability. Each Entity Grantor has good and valid rights in or the power to transfer the Collateral owned by it and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 5.1.4. Each Entity Grantor has full corporate or limited liability company power and authority to grant to the Trustee the security interest in the Collateral pursuant hereto. The execution and delivery by each Entity Grantor have been duly authorized by proper corporate and limited liability company proceedings, as applicable. This Security Agreement constitutes a legal, valid and binding obligation of each Entity Grantor and creates a security interest which is enforceable against such Entity Grantor in all Collateral it now owns or hereafter acquires, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), and (iii) requirements of reasonableness, good faith and fair dealing.

3.2. No Conflicts or Violation. Neither the execution and delivery by any Entity Grantor of this Security Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof, will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on such Entity Grantor, (ii) such Entity Grantor's certificate of incorporation or formation, limited liability company agreement or by-laws (or similar documents, as applicable), or (iii) the provisions of any indenture, instrument or agreement to which such Entity Grantor is a party or is subject, or by which it or its property may be bound or affected, or conflict with or constitute a default thereunder, or result in or require the creation or imposition of any Lien in or on the property of such Entity Grantor pursuant to the terms of any such indenture, instrument or agreement (other than any Lien of the Trustee on behalf of the Holders).

3.3. Offices. The Entity Grantors' mailing address and the principal location of their place of business or chief executive office is 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota 55402.

3.4. Accounts and Chattel Paper. The names of the obligors, amounts owing, due dates and other information with respect to the Accounts and Chattel Paper owned by each Entity Grantor are and will be correctly stated in all books and records of such Entity Grantor relating thereto.

3.5. No Financing Statements or Security Agreements. No financing statement or security agreement describing all or any portion of the Collateral which has not lapsed or been terminated naming any Entity Grantor as debtor has been filed or is of record in any jurisdiction except financing statements (i) naming the Trustee on behalf of the Holders as the secured party and (ii) in respect of Liens permitted by the Indenture or under Section 5.1.4.

3.6. Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body required for the due execution, delivery or performance by the Entity Grantors of their respective obligations under the Indenture or any Collateral Documents remains unobtained or unfulfilled.

3.7. Compliance with Laws.

3.7.1 Each of the Entity Grantors is in material compliance with the requirements of all applicable laws, a breach of any of which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

3.7.2 No Entity Grantor has failed to obtain any licenses, permits, franchises or other governmental authorizations necessary for the ownership of its properties or the conduct of its business, which failure could reasonably be expected to have a Material Adverse Effect.

3.7.3 Each Entity Grantor has complied with all licensure requirements in each state in which it is required to be specifically registered as a purchaser, owner or servicer of life insurance policies.

3.8. No Proceedings. There is no order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority to which any Entity Grantor is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against any Entity Grantor or its direct or indirect subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Furthermore, there is no action, suit, arbitration, regulatory proceeding or investigation pending, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality (A) asserting the invalidity of the Indenture or any Collateral Documents, (B) seeking to prevent the issuance of the Securities or the consummation of the transactions contemplated by the Indenture or the Registration Statement, or (C) seeking to adversely affect the federal income tax attributes of any Entity Grantor.

3.9. Investment Company Act, Etc. No Entity Grantor is an “investment company” within the meaning of the Investment Company Act of 1940; or a “holding company” or “subsidiary company” of a “holding company,” or an “affiliate” of a “holding company” or a “subsidiary company” of a “holding company,” within the meaning of the Public Utility Holding Company Act of 1935.

3.10. Accuracy of Information. All information heretofore furnished by or on behalf of any Entity Grantor in connection with the Collateral Documents, or any transaction contemplated thereby, is true and accurate in all material respects (without omission of any information necessary to prevent such information from being materially misleading).

3.11. No Material Adverse Change. Since December 31, 2010, there has been no material adverse change in the financial condition, business or operations (taken as a whole) of any Entity Grantor with respect to its ability to perform its obligations under the Indenture or any Collateral Documents.

3.12. Trade Names and Subsidiaries. Neither Entity Grantor has used any other names, trade names or assumed names for the six-year period preceding the date of this Security Agreement (other than Holdings, which prior to June 12, 2011 had existed under the name GWG Holdings, LLC). Neither Entity Grantor has any subsidiaries or owns or holds, directly or indirectly, any equity interest in any other entity, except as follows: (i) Holdings holds a direct equity interest in GWG Life, GWG Member, LLC (a Delaware limited liability company), GWG Broker Services, LLC (a Delaware limited liability company), and indirect equity interests in GWG DLP Funding II, LLC (owned by GWG Life), an associated master trust under the name of GWG DLP Master Trust II (owned by GWG DLP Funding II, LLC), and The Life Insurance Elite Fund (owned by GWG Member, LLC); and (ii) GWG Life owns a direct equity interest in GWG DLP Funding II, LLC, and an indirect equity interest in an associated master trust under the name of GWG DLP Master Trust II (owned by GWG DLP Funding II, LLC).

Article 4
Representations and Warranties of Individual Grantors

Each Individual Grantor, severally but not jointly, hereby represents and warrants to the Trustee as follows:

4.1. Title, Authorization, Validity and Enforceability. Each Individual Grantor has good and valid rights in or the power to transfer the Equity Collateral owned by it and title to the Equity Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 5.1.4. This Security Agreement constitutes a legal, valid and binding obligation of each Individual Grantor and creates a security interest which is enforceable against such Individual Grantor in all Equity Collateral it now owns or hereafter acquires.

4.2. No Conflicts or Violation. Neither the execution and delivery by any Individual Grantor of this Security Agreement, the creation and perfection of the security interest in the Equity Collateral granted hereunder, nor compliance with the terms and provisions hereof, will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on such Individual Grantor, or (ii) the provisions of any indenture, instrument or agreement to which such Individual Grantor is a party or is subject, or by which such Individual Grantor or any of the Equity Collateral may be bound or affected, or conflict with or constitute a default thereunder, or result in or require the creation or imposition of any Lien in or on such Equity Collateral pursuant to the terms of any such indenture, instrument or agreement (other than any Lien of the Trustee on behalf of the Holders).

4.3. Accuracy of Information. All information heretofore furnished by or on behalf of any Individual Grantor in connection with the Collateral Documents, or any transaction contemplated thereby, is true and accurate in all material respects (without omission of any information necessary to prevent such information from being materially misleading).

Article 5
Covenants of the Grantors

From the date of this Security Agreement and thereafter until this Security Agreement is terminated, each of the Grantors agrees:

5.1. General.

5.1.1 Inspection. Each Grantor will permit the Trustee (i) to inspect the Pledged Collateral, (ii) to examine and make copies of the records of such Grantor relating to the Pledged Collateral and (iii) to discuss the Pledged Collateral and the related records of such Grantor with, and to be advised as to the same by, such Grantor's officers and employees, all at such reasonable times and intervals as the Trustee may determine, upon reasonable notice by the Trustee to such Grantor and all at such Grantor's expense.

5.1.2 Records and Reports; Notice of Default. Each Grantor shall keep and maintain complete, accurate and proper books and records with respect to the Pledged Collateral owned by such Grantor, and furnish to the Trustee, such reports relating to the Pledged Collateral as the Trustee shall from time to time reasonably request. Each Grantor will give prompt notice in writing to the Trustee of the occurrence of any Default under Section 6.1 and of any other development, financial or otherwise, which could reasonably be expected to materially and adversely affect the Pledged Collateral.

5.1.3 Financing Statements. Each Grantor hereby authorizes the Trustee to file, and if requested will execute and deliver to the Trustee, all financing statements reasonably describing the Pledged Collateral owned by such Grantor and other documents and take such other actions as may from time to time reasonably be requested by the Trustee, subject in all cases to Liens permitted under the Indenture and any Collateral Documents, or any other agreement describing the rights of the Trustee (on behalf of the Holders) relative to other creditors of some or all of the Grantors.

5.1.4 Liens. No Grantor will create, incur, or suffer to exist any Lien on the Pledged Collateral owned by such Grantor except Liens (i) permitted pursuant to the Indenture this Security Agreement and/or any intercreditor agreement, or any other agreement describing the rights of the Trustee relative to other creditors of some or all of the Grantors, and (ii) created under any debt or obligation senior in right of payment or priority or pari passu in right of payment or priority, and (iii) disclosed to Trustee promptly.

5.1.5 Disposition of Collateral Outside Ordinary Course. No Entity Grantor is authorized to sell or otherwise dispose of the Collateral outside of the ordinary course of business unless consented to by the Trustee, with the consent or at the direction of the Holders of at least a majority in principal amount of the then-outstanding Securities. No Individual Grantor is authorized to sell or otherwise dispose of the Equity Collateral outside of the ordinary course of business (unless consented to by the Trustee with such consent not to be unreasonably withheld, or unless consented to be the Trustee with the consent or at the direction of the Holders of at least a majority in principal amount of the then-outstanding Securities). In this regard, the “ordinary course of business” means any private or public resale of the Equity Collateral initiated by an Individual Grantor in an amount that does not cause the remaining Equity Collateral to represent less than 10% of the Equity Collateral held by the Individual Grantor as of the date of this Security Agreement.

5.1.6 Change in Corporate Existence, Type or Jurisdiction of Organization, Location, Name. Each Entity Grantor will: (a) preserve its existence and entity structure as in effect on the date of this Security Agreement; (b) not change its name or jurisdiction of organization; (c) not maintain its place of business (if it has only one) or its chief executive office (if it has more than one place of business) at a location other than a location specified in Section 3.3; unless, in each such case, such Entity Grantor shall have given the Trustee not less than ten days’ prior written notice of such event or occurrence and the Trustee shall have either (x) determined in good faith that such event or occurrence will not adversely affect the validity, perfection or priority of the Trustee’s security interest in the Collateral, or (y) taken such steps (with the cooperation of such Grantor to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Trustee’s security interest in the Collateral owned by such Entity Grantor.

5.2. Certificated and Uncertificated Securities. Upon request, each Grantor will deliver to the Trustee immediately upon execution of this Security Agreement the originals of all Pledged Securities (to the extent certificated) and Instruments constituting Pledged Collateral (if any then exist). In addition, each Grantor will permit the Trustee from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of securities not represented by certificates which are Pledged Collateral owned by such Grantor to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of securities not represented by certificates and all replacements thereof to reflect the Lien of the Trustee granted pursuant to this Security Agreement.

5.3. No Interference. Each Grantor agrees that it will not interfere with any right, power and remedy of the Trustee provided for in this Security Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Trustee of any one or more of such rights, powers or remedies.

Article 6
Default and Remedies

6.1. Default. The occurrence of any one or more of the following events shall constitute a Default:

6.1.1 Any representation or warranty made by or on behalf of any Grantor under this Security Agreement shall be materially false as of the date on which made;

6.1.2 The breach by any Grantor of any of the terms or provisions of Article 8;

6.1.3 The breach by any Grantor (other than a breach which constitutes a Default under Sections 6.1.1, 6.1.2 or 6.1.4) of any of the terms or provisions of this Security Agreement which breach is not remedied or not begun to have been remedied within 30 days after the giving of written notice to such Grantor by the Trustee; or

6.1.4 The occurrence of any "Event of Default" under, and as defined in, the Indenture.

6.2. Remedies. Upon the occurrence of a Default hereunder, the Trustee may, and at the direction of the Holders of at least a majority in principal amount of the then-outstanding Securities shall, exercise any or all of the following rights and remedies (subject in all cases to any provisions, in favor of any debt that is senior in right of payment or priority, contained in the Indenture, this Security Agreement or any other Collateral Documents):

6.2.1 Those rights and remedies provided in this Security Agreement and the Indenture.

6.2.2 Those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Pledged Collateral) or under any other applicable law (including without limitation any law governing the exercise of a right of setoff or bankers' lien) when a debtor is in default under a security agreement.

6.2.3 Without notice (except as specifically provided in Section 10.1 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other Person, enter the premises of any Entity Grantor where any Collateral is located to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice and may take place at any Grantor's premises of elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Trustee may deem commercially reasonable.

6.2.4 Concurrently with written notice to the applicable Grantor, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a

holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon and to otherwise act with respect to the Pledged Collateral as though the Trustee was the outright owner thereof.

The Trustee, on behalf of the Holders, may comply with any applicable state or federal law requirements in connection with a disposition of the Pledged Collateral, and such compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Pledged Collateral. The Trustee shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Trustee and the Holders, the whole or any part of the Pledged Collateral so sold, free of any right of equity redemption, which equity redemption the Grantor hereby expressly releases.

Until the Trustee is able to effect a sale, lease, or other disposition of Pledged Collateral, the Trustee shall have the right to hold or use Pledged Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Pledged Collateral or its value or for any other purpose deemed appropriate by the Trustee. The Trustee may, if it so elects, seek the appointment of a receiver or keeper to take possession of Pledged Collateral and to enforce any of the Trustee's remedies (for the benefit of the Trustee and Holders), with respect to such appointment without prior notice or hearing as to such appointment.

Notwithstanding the foregoing, neither the Trustee nor any Holder shall be required to (i) make any demand upon, or pursue or exhaust any of their rights or remedies against, any Grantor, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of their rights or remedies with respect to any Pledged Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Pledged Collateral or any guarantee of the Secured Obligations or to resort to the Pledged Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Pledged Collateral.

Each Grantor recognizes that the Trustee may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with this Section 6.2. Each Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Trustee shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act of 1933, or under applicable state securities laws, even if the applicable Grantor and the issuer would agree to do so.

6.3. Grantors' Obligations Upon Default. Upon the request of the Trustee after the occurrence of a Default, each Grantor will (subject in all cases to any provisions in favor of any debt that is senior in right of payment or priority contained in the Indenture, this Security Agreement or any other Collateral Documents):

6.3.1 Assemble and make available to the Trustee the Pledged Collateral and all books and records relating thereto at any place or places specified by the Trustee;

6.3.2 Permit the Trustee, by the Trustee's representatives and agents, to enter, occupy and use any premises where all or any part of the Pledged Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Pledged Collateral, or the books and records relating thereto, or both, to remove all or any part of the

Pledged Collateral, or the books and records relating thereto, or both, and to conduct sales of the Pledged Collateral, without any obligation to pay the Grantor for such use and occupancy; and/or

6.3.3 Take, or cause an issuer of Pledged Securities to take, any and all actions necessary to register or qualify the Pledged Collateral to enable the Trustee to consummate a public sale or other disposition of such Pledged Securities.

Article 7
Waivers, Amendments and Remedies

No delay or omission of the Trustee or any secured party to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Trustee and each Grantor. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Trustee and the Holders until the Secured Obligations have been paid in full.

Article 8
Proceeds; Collection of Receivables

8.1. Collection of Receivables. Subject to any provisions of the Indenture, this Security Agreement or any other Collateral Documents, including any intercreditor agreement or other agreement describing the rights of the Trustee relative to other creditors of some or all of the Grantors, the Trustee may at any time after the occurrence and during the continuation of a Default, by giving each Grantor written notice, elect to require that any Receivables be paid directly to the Trustee for the benefit of the Holders. In such event, each Entity Grantor shall, and shall permit the Trustee to, promptly notify the account debtors or obligors under the Receivables owned by such Entity Grantor of the Trustee's interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under such Receivables directly to the Trustee. Upon receipt of any such notice from the Trustee, each Entity Grantor shall thereafter hold in trust for the Trustee, on behalf of the Holders, all amounts and proceeds received by it with respect to the Receivables and immediately and at all times thereafter deliver to the Trustee all such amounts and proceeds in the same form as so received, whether by cash, check, draft or otherwise, with any necessary endorsements. The Trustee shall hold and apply funds so received as provided by the terms of Sections 8.2 and 8.2.

8.2. Special Collateral Account. Subject in all cases to any provisions of the Indenture, this Security Agreement or any other Collateral Documents, including any intercreditor agreement or other agreement describing the rights of the Trustee relative to other creditors of some or all of the Grantors, after the occurrence and during the continuation of a Default, the Trustee may require all future cash proceeds of the Pledged Collateral to be deposited in a special non-interest-bearing cash collateral account with the Trustee and held there as security for the Secured Obligations. No Grantor shall have any control whatsoever over said cash collateral account. The proceeds of the Pledged Collateral shall be applied by the Trustee to payment of the Secured Obligations as provided under the Indenture.

Article 9
The Trustee

9.1. Collateral Trustee. Bank of Utah has been appointed collateral trustee for the Holders hereunder. It is expressly understood and agreed by the parties to this Security Agreement that any

authority conferred upon the Trustee hereunder is subject to the terms of the delegation of authority made by the Holders to the Trustee pursuant to the Indenture, and that the Trustee has agreed to act (and any successor Trustee shall act) as such hereunder only on the express conditions contained in the Indenture and this Article 9. Any successor Trustee appointed pursuant to the Indenture shall be entitled to all the rights, interests and benefits of the Trustee hereunder.

9.2. No Implied Duty. The Trustee will not have any fiduciary duties nor will it have responsibilities or obligations other than those expressly assumed by it in this Security Agreement and the Indenture. The Trustee will not be required to take any action that is contrary to applicable law or any provision of this Security Agreement and the Indenture.

9.3. Appointment of Agents and Advisors. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, accountants, appraisers or other experts or advisors selected by it in good faith as it may reasonably require and will not be responsible for any misconduct or negligence on the part of any of them.

9.4. Solicitation of Instructions.

9.4.1 The Trustee may at any time solicit written confirmatory instructions, or an order of a court of competent jurisdiction, as to any action that it may be requested or required to take, or that it may propose to take, in the performance of any of its obligations under this Security Agreement or the Indenture.

9.4.2 No written direction given to the Trustee that in the sole judgment of the Trustee imposes, purports to impose or might reasonably be expected to impose upon the Trustee any obligation or liability not set forth in or arising under this Security Agreement, or the Indenture will be binding upon the Trustee unless the Trustee elects, at its sole option, to accept such direction.

9.5. Limitation of Liability. The Trustee will not be responsible or liable for any action taken or omitted to be taken by it hereunder or under the Indenture, except for its own gross negligence, bad faith or willful misconduct as determined by a court of competent jurisdiction.

9.6. Entitled to Rely. The Trustee may seek and rely upon, and shall be fully protected in relying upon, any judicial order or judgment, upon any advice, opinion or statement of legal counsel, independent consultants and other experts selected by it in good faith, and upon any certification, instruction, notice or other writing delivered to it by any of the Grantors in compliance with the provisions of this Security Agreement or the Indenture, without being required to determine the authenticity thereof or the correctness of any fact stated therein or the propriety or validity of service thereof. The Trustee may act in reliance upon any instrument comporting with the provisions of this Security Agreement or the Indenture, or any signature reasonably believed by it to be genuine and may assume that any Person purporting to give notice or receipt or advice or make any statement or execute any document in connection with the provisions hereof or the Indenture has been duly authorized to do so.

9.7. Actions by Trustee. As to any matter not expressly provided for by this Agreement, or the Indenture, the Trustee will act or refrain from acting as directed by the Holders of at least a majority in principal amount of the then-outstanding Securities, and will be fully protected if it does so, and any action taken, suffered or omitted pursuant to hereto or thereto shall be binding on the Holders.

9.8. Security or Indemnity in favor of the Trustee. The Trustee will not be required to advance or expend any funds or otherwise incur any financial liability in the performance of its duties or

the exercise of its powers or rights hereunder unless it has been provided with security or indemnity reasonably satisfactory to it against any and all liability or expense which may be incurred by it by reason of taking or continuing to take such action.

9.9. Rights of the Trustee. In the event there is any bona fide, good faith disagreement between the other parties to this Security Agreement or the Indenture resulting in adverse claims being made in connection with Pledged Collateral held by the Trustee, and the terms of this Security Agreement or the Indenture do not unambiguously mandate the action the Trustee is to take or not to take in connection therewith under the circumstances then existing, or the Trustee is in doubt as to what action it is required to take or not to take hereunder or under the Indenture, it will be entitled to refrain from taking any action (and will incur no liability for doing so) until directed otherwise in writing by a request signed by all the parties hereto entitled to give such direction or by order of a court of competent jurisdiction.

9.10. Limitations on Duty of Trustee in Respect of Collateral.

9.10.1 Beyond the exercise of reasonable care in the custody of Pledged Collateral in its possession, the Trustee will have no duty as to any Pledged Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto and the Trustee will not be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Liens on the Pledged Collateral. The Trustee will be deemed to have exercised reasonable care in the custody of the Pledged Collateral in its possession if the Pledged Collateral is accorded treatment substantially equal to that which it accords its own property, and the Trustee will not be liable or responsible for any loss or diminution in the value of any of the Pledged Collateral by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Trustee in good faith.

9.10.2 The Trustee will not be responsible for the existence, genuineness or value of any of the Pledged Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Pledged Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence, bad faith or willful misconduct on the part of the Trustee, for the validity or sufficiency of the Pledged Collateral or any agreement or assignment contained therein, for the validity of the title of the Grantors to the Pledged Collateral, for insuring the Pledged Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Pledged Collateral. The Trustee hereby disclaims any representation or warranty to the present and future Holders concerning the perfection of the Liens granted hereunder or in the value of any of the Pledged Collateral.

Article 10
General Provisions

10.1. Notice of Disposition of Pledged Collateral; Etc. Each Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Pledged Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Entity Grantors, addressed as set forth in Section 3.3, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Trustee or any secured party arising out of the repossession, retention or sale of the Pledged Collateral, except such as arise

solely out of the gross negligence or willful misconduct of the Trustee or such secured party as finally determined by a court of competent jurisdiction. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Trustee or any other secured party, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Pledged Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security Agreement, or otherwise. Except as otherwise specifically provided herein, each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Pledged Collateral.

10.2. Limitation on Duties with Respect to Pledged Collateral. The Trustee shall have no obligation to clean-up or otherwise prepare the Pledged Collateral for sale. The Trustee and each secured party shall use reasonable care with respect to the Pledged Collateral in its possession or under its control. Neither the Trustee nor any secured party shall have any other duty as to any Pledged Collateral in its possession or control or in the possession or control of any agent or nominee of the Trustee or such other secured party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

10.3. Performance of Grantor's Obligations. Without having any obligation to do so, the Trustee may perform or pay any obligation which any Grantor has agreed to perform or pay in this Security Agreement and such Grantor shall reimburse the Trustee for any reasonable amounts paid by the Trustee pursuant to this Section. Each Grantor's obligation to reimburse the Trustee pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

10.4. Authorization to Take Certain Action. Each Grantor irrevocably authorizes the Trustee at any time and from time to time in the sole discretion of the Trustee and appoints the Trustee as its attorney in fact (i) to execute on behalf of such Grantor as debtor and to file financing statements necessary or desirable in the Trustee's sole discretion to perfect and to maintain the Trustee's security interest in the Collateral, (ii) to endorse and collect any future cash proceeds of the Pledged Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Pledged Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Trustee in its sole discretion deems necessary or desirable to maintain the Trustee's security interest in the Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Collateral owned by such Grantor and which are Securities or with financial intermediaries holding other Investment Property as may be necessary or advisable to give the Trustee Control over such Securities or other Investment Property, (v) subject to the terms hereof, to enforce payment of the Instruments, Accounts and Receivables in the name of the Trustee or such Grantor, (vi) to apply the future proceeds of any Pledged Collateral received by the Trustee to the Secured Obligations as provided in Article 8 and (vii) to discharge past-due taxes, assessments, charges, fees or Liens on the Pledged Collateral (except for such Liens as are specifically permitted hereunder or under the Indenture), and each Grantor agrees to reimburse the Trustee on demand for any reasonable payment made or any reasonable expense incurred by the Trustee in connection therewith, provided that this authorization shall not relieve any Grantor of any of its obligations under this Security Agreement or under the Indenture.

10.5. Specific Performance of Certain Covenants. Each Grantor acknowledges and agrees that a breach of any of the covenants contained in Sections 5.1.4, 5.1.5 or 6.3 or in Article 8 will cause irreparable injury to the Trustee and the Holders, that the Trustee and the Holders have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Trustee or

the Holders, to seek and obtain specific performance of other obligations of the Grantors contained in this Security Agreement, that the covenants of the Grantors contained in the Sections referred to in this Section 10.5 shall be specifically enforceable against the Grantors.

10.6. Use and Possession of Certain Premises. Upon the occurrence of a Default (but subject to any provisions of the Indenture, this Security Agreement or any other Collateral Documents, including any intercreditor agreement or other agreement describing the rights of the Trustee relative to other creditors of some or all of the Grantors), the Trustee shall be entitled to occupy and use any premises owned or leased by the Grantors where any of the Pledged Collateral or any records relating to the Pledged Collateral are located until the Secured Obligations are paid or the Pledged Collateral is removed therefrom, whichever first occurs, without any obligation to pay any Grantor for such use and occupancy.

10.7. Reinstatement. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors, or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

10.8. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantors, the Trustee and the Holders and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that the Grantors shall not have the right to assign their rights or delegate their obligations under this Security Agreement or any interest herein, without the prior written consent of the Trustee. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Trustee, for the benefit of the Trustee and the Holders, hereunder.

10.9. Survival of Representations. All representations and warranties of the Grantors contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

10.10. Taxes and Expenses. Any taxes payable or ruled payable by a federal or state authority in respect of this Security Agreement shall be paid by the Grantors, together with interest and penalties, if any. The Grantors shall reimburse the Trustee for any and all reasonable out-of-pocket expenses and internal charges (including the fees, charges and disbursements of one U.S. counsel paid or incurred by the Trustee in connection with the collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Grantors in the performance of actions required pursuant to the terms hereof shall be borne solely by the Grantors.

10.11. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

10.12. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Indenture has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been indefeasibly paid in cash and performed in full.

10.13. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Grantors and the Trustee relating to the Pledged Collateral and supersedes all prior agreements and understandings among the Grantors and the Trustee relating to such Pledged Collateral.

10.14. **Governing Law; Jurisdiction; Waiver of Jury Trial.**

10.14.1 THIS SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF DELAWARE WITHOUT REGARD TO ITS CONFLICTS-OF-LAW PROVISIONS.

10.14.2 Each Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the state courts sitting in Hennepin County, Minnesota, and of the United States District Court of the District of Minnesota, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Security Agreement or the Indenture, or for recognition or enforcement of any judgment, and each Grantor hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such state or, to the extent permitted by law, in such federal court. Each Grantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Security Agreement or the Indenture shall affect any right that the Trustee, the Holders may otherwise have to bring any action or proceeding relating to this Security Agreement or the Indenture against any Grantor or its properties in the courts of any jurisdiction.

10.14.3 Each Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Security Agreement or the Indenture in any court referred to in Section 10.14.2. Each Grantor hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

10.14.4 Each party to this Security Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.17 of this Security Agreement, and each of the Grantors hereby appoints Holdings as its agent for service of process. Nothing in this Security Agreement or the Indenture will affect the right of any party to this Security Agreement to serve process in any other manner permitted by law.

10.14.5 **WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR THE INDENTURE (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH GRANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER GRANTOR HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER GRANTOR WOULD NOT, IN THE EVENT OF**

LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER GRANTORS HAVE BEEN INDUCED TO ENTER INTO THIS SECURITY AGREEMENT AND THE OTHER COLLATERAL DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.15. Severability. Any provision in this Security Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Security Agreement are declared to be severable.

10.16. Counterparts; Delivery. This Security Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Security Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Security Agreement.

10.17. Notices. Any notice required or permitted to be given under this Security Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in Section 13.2 of the Indenture. Any party may change its address for service of notice upon it by a notice in writing to the other parties as described in Section 13.2 of the Indenture.

10.18. Conflicts with Indenture. In the event of any direct conflict between the provisions of this Security Agreement and the provisions of the Indenture, including without limitation any direct conflict relating to (i) the rights and remedies (or the limitations upon such rights and remedies) of the Holders upon a Default or (ii) the subordination provisions contained in the Indenture (whether in Article 10 of the Indenture or otherwise), the provisions of the Indenture shall control.

* * * * *

IN WITNESS WHEREOF, each of the Grantors and the Trustee have executed this Security Agreement as of the date first above written.

GRANTORS:

GWG HOLDINGS, INC.

By: _____
Name:
Title:

GWG LIFE SETTLEMENTS, LLC

By: _____
Name:
Title:

JON R. SABES

_____

STEVEN F. SABES

_____

TRUSTEE:

BANK OF UTAH

By: _____
Name:
Title:

Exhibit 4.5

FORM OF INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT is dated as of _____, 2011, and entered into by and among GWG Lifenotes Trust, a Minnesota trust in its capacity as the representative of the holders of Notes (as defined below) (including its successors and assigns from time to time, the "GWG Trust"), Lord Securities Corporation, a Delaware corporation in its capacity as the trustee of the GWG Trust (including its successors and assigns from time to time, the "GWG Trustee," and together with the GWG Trust, collectively referred to herein as the "Notes Representative"), and Bank of Utah, a Utah corporation in its capacity, as applicable, as (i) collateral trustee for the Debentures (as defined below) and (ii) indenture trustee under the Indenture (as defined below) (in each case including its successors and assigns from time to time, the "Debentures Representative"). Capitalized terms used herein but not otherwise defined herein have the meanings set forth in Section 1 below.

INTRODUCTION

A. GWG Life Settlements, LLC, a Delaware limited liability company ("GWG Life"), is party to a Second Amended and Restated NISA dated as of November 15, 2010 (as amended, restated, supplemented, extended or otherwise hereafter modified from time to time, the "NISA"). The other parties to the NISA are the GWG Trust, the GWG Trustee, and the holders of promissory notes issued from to time (as lenders) pursuant to the NISA. Approximately $55.7 million in principal amount of promissory notes issued under the NISA (the "Notes") are outstanding as of the date hereof.

B. Pursuant to the terms of the NISA, GWG Life granted the Notes Representative a security interest in the Note Collateral (as defined below) to secure repayment of GWG Life's obligations under the NISA and the Notes.

C. GWG Holdings, Inc., a Delaware corporation ("GWG Holdings"), has entered into that certain Indenture dated as of the date hereof (as amended, restated, supplemented, extended or otherwise hereafter modified from time to time, the "Indenture"). The other parties to the Indenture are GWG Life, in its capacity as guarantor, and the Debentures Representative. Under the Indenture, GWG Holdings may issue up to $250 million of secured debentures (the "Debentures").

D. Pursuant to the terms of that certain Pledge and Security Agreement dated as of the date hereof (as amended, restated, supplemented, extended or otherwise hereafter modified from time to time, the "Debenture Security Agreement"), GWG Holdings and GWG Life have pledged to the Debentures Representative the Debenture Collateral (as defined below) to secure repayment of GWG Holdings' obligations under the Indenture and the Debentures.

E. The parties desire to enter into this Agreement to (i) establish the relative lien priorities, rights and remedies with respect to the Shared Collateral (as defined below) (ii) establish the relative priorities with respect to payment of the obligations owing under the NISA, and the Indenture and related Debenture Security Agreement, and (iii) appoint the Notes Representative as Collateral Agent (as defined below) for the Notes Representative (and the holders of Notes it represents) and for the Debentures Representative (in its capacity as collateral agent for the holders of the Debentures), for the purposes of the holding of the Shared Collateral for the benefit of the holders of the Notes and the Debentures, and enforcing the Liens respecting the Shared Collateral.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Definitions.

1.1 Defined Terms. In addition to the terms defined elsewhere in this Agreement, the following capitalized terms shall have the meanings set forth below:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common Control with such specified Person.

"Bankruptcy Code" means Title 11 of the U.S. Code.

"Bankruptcy Law" means the Bankruptcy Code and any similar federal, state or foreign law for the relief of debtors.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power or by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative thereto.

"Debenture Collateral" means any collateral subject to a Lien in favor of the Debentures Representative for the benefit of the Debenture Holders, excluding any Shared Collateral.

"Debenture Documents" means the Indenture and the other Collateral Documents (as defined in the Indenture) and each of the other agreements, documents and instruments providing for or evidencing any Debenture Obligation, and any other document or instrument executed or delivered at any time in connection with any Debenture Obligations, including any intercreditor or joinder agreement among holders of Debenture Obligations, to the extent such are effective at the relevant time, as each may be modified from time to time.

"Debenture Holders" means the holders of the Debentures, from time to time.

"Debenture Obligations" means all loans, advances, debts, liabilities and monetary obligations owing to any Debenture Holder or any of them or any of their respective successors and assigns, of any kind or nature, present or future, arising under the Debenture Documents, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest (whether or not such interest would be an allowed claim in a bankruptcy or similar proceeding against GWG Life, GWG Holdings or any of their Affiliates), charges, expenses, fees, reasonable attorneys' fees and disbursements and paralegals' fees, and any other sums chargeable to GWG Life, GWG Holdings or any of their Affiliates under any of the Debenture Documents.

"Debenture Secured Parties" means and includes, at any relevant time, the Debentures Representative in its capacity as collateral trustee for the benefit of the Debenture Holders and any successor or other party that constitutes a secured party under the Debenture Security Agreement.

"Debenture Security Agreement" has the meaning set forth in the Introduction of this Agreement.

"Debenture Security Documents" means the Collateral Documents (as defined in the Indenture) and any other agreement, document or instrument pursuant to which a Lien is granted or purported to be granted securing any Debenture Obligations or under which rights or remedies with respect to such Liens are governed.

"Debentures" has the meaning set forth in the Introduction of this Agreement.

"Debtor Parties" means GWG Life, GWG Holdings and each of their Affiliates that have executed and delivered, or may from time to time hereafter execute and deliver, a NISA Document or a Debenture Document.

"Indenture" has the meaning set forth in the Introduction of this Agreement.

"Insolvency or Liquidation Proceeding" means, with respect to any Person, any (a) insolvency, bankruptcy, receivership, reorganization, readjustment, composition or other similar proceeding relating to such Person or its property or creditors in such capacity, (b) proceeding for any liquidation, dissolution or other winding up of such Person, voluntary or involuntary, whether or not involving insolvency or proceedings under the Bankruptcy Code, whether partial or complete and whether by operation of law or otherwise, (c) assignment for the benefit of creditors of such Person or (d) other marshalling of the assets of such Person.

"Lien" means any mortgage, pledge, assignment, lien, security interest or other charge or encumbrance of any kind, including the retained security title of a conditional vendor or a lessor.

"NISA" has the meaning set forth in the preamble hereof.

"NISA Documents" means the NISA and each of the other agreements, documents and instruments providing for or evidencing any Note Obligations, and any other document or instrument executed or delivered at any time in connection with any Note Obligations, including any intercreditor or joinder agreement among holders of Note Obligations, to the extent such are effective at the relevant time, as each may be modified from time to time.

"Note Collateral" means any collateral subject to a Lien in favor of the Note Secured Parties, excluding any Shared Collateral.

"Note Obligations" means all loans, advances, debts, liabilities and monetary obligations owing to any Note Holder or any of them or any of their respective successors and assigns, of any kind or nature, present or future, arising under the NISA Documents, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest (whether or not such interest would be an allowed claim in a bankruptcy or similar proceeding against GWG Life, GWG Holdings or any of their Affiliates), charges, expenses, fees, reasonable attorneys' fees and disbursements and paralegals' fees, and any other sums chargeable to GWG Life, GWG Holdings or any of their Affiliates under any of the NISA Documents.

"Note Secured Parties" means and includes, at any relevant time, the Notes Representative and the "Secured Parties" as defined in the NISA.

"Note Security Documents" means the NISA and any other agreement, document or instrument pursuant to which a Lien is granted or purported to be granted securing any Note Obligations or under which rights or remedies with respect to such Liens are governed.

"Notes" has the meaning set forth in the Introduction of this Agreement.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government.

"Ratably" or "Ratable" means, with respect to any amount to be allocated between the Notes Representative (for the benefit of the holders of Notes) and the Debentures Representative (for the benefit of the Debenture Holders), the allocation of a portion of such amount to (a) the Notes Representative such that the ratio that the amount allocated to the Notes Representative bears to the total amount to be so allocated equals the ratio of the Note Obligations to the Total Obligations and (b) the Debentures Representative such that the ratio that the amount allocated to the Debentures Representative bears to the total amount to be so allocated equals the ratio of the Debenture Obligations to the Total Obligations.

"Representatives" means collectively, the Notes Representative and the Debentures Representative.

"Security Documents" means, collectively, the Note Security Documents and the Debenture Security Documents.

"Shared Collateral" means all real, personal and mixed property and interests owned or hereafter acquired by GWG Life, GWG Holdings or their Affiliates with respect to which a Lien is granted or purported to be granted as security for both the Note Obligations and the Debenture Obligations.

"Total Obligations" means, as of the date of determination, an amount equal to the Note Obligations plus the Debenture Obligations.

"Triggering Event" shall mean or occur upon either of the following:

(i) The Collateral Agent's receipt of written notice from the Notes Representative that (A) an Event of Default (as defined in the NISA Security Documents or the NISA) has occurred and, (B) the unpaid principal amount of the Note(s) under the NISA have been declared to be then due and payable; or

(ii) The Collateral Agent's receipt of written notice from the Debentures Representative that (A) an Event of Default (as defined in the Debenture Security Documents or Indenture) has occurred and, (B) the unpaid principal amount of the Debenture(s) under the Indenture have been declared to be then due and payable.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections shall be construed to refer to Sections of this Agreement, (e) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified

or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.3 Joint Preparation; Construction of Indemnities and Releases. This Agreement has been reviewed and negotiated by sophisticated parties with access to legal counsel, and no rule of construction shall apply hereto or thereto which would require or allow this Agreement to be construed against any party because of its role in drafting such document. All indemnification and release-of-liability provisions of this Agreement shall be construed broadly (and not narrowly) in favor of the Persons receiving indemnification or releases of liability.

Section 2. Lien Priorities.

2.1 Relative Priorities. Notwithstanding the date, manner or order of grant, attachment or perfection of any Liens securing the Note Obligations granted on the Shared Collateral or of any Liens securing the Debenture Obligations granted on the Shared Collateral, and notwithstanding any provision of the UCC or any applicable law, or any provisions contained in the NISA Documents or the Debenture Documents, or any other circumstance whatsoever, the Notes Representative, for itself and on behalf of each of the Note Secured Parties, the Debentures Representative and, by virtue of accepting the Debentures, the holders of Debenture, hereby agree that: the Liens in and to the Shared Collateral, securing the Note Obligations and the Debenture Obligations, regardless of how acquired, whether by judgment, grant, possession, statute, operation of law, subrogation or otherwise, shall be *pari passu* in all respects and no Lien in the Shared Collateral in favor of the Notes Representative shall have priority over any Lien in the Shared Collateral in favor of the Debentures Representative. Similarly, no Lien in Shared Collateral in favor of the Debentures Representative shall have priority over any Lien in the Shared Collateral in favor of the Notes Representative. The relative priorities of the Liens of the holders and the Representatives in the Note Collateral and the Debenture Collateral, respectively, that does not constitute Shared Collateral, shall not be affected by this Agreement. The provision of *pari passu* and equal priority as between the Liens of the Notes Representative and the Debentures Representative shall not be deemed to subordinate the Liens of the Notes Representative or the Debentures Representative to any other Person.

2.2 Prohibition on Contesting Liens. Each of (i) the Debentures Representative and, by virtue of accepting the Debentures, the holders of Debentures, and (ii) the Notes Representative, for itself and on behalf of each of the Note Secured Parties, agrees that they shall not (and hereby waive any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), (A) the priority, validity or enforceability of a Lien held by or on behalf of any of the Note Secured Parties in the Shared Collateral or any of the Debenture Secured Parties in the Shared Collateral, as the case may be, or (B) the validity or enforceability of this Agreement.

2.3 Priorities Not Affected by Amendments. Subject to the terms of this Agreement, either the holders of Notes or the holders of Debentures may extend, amend, modify, supplement or restate their respective financing arrangements with GWG Life and GWG Holdings without affecting the priorities established by this Agreement. No part of the Total Obligations may be refinanced unless such new lender or holder expressly agrees to be bound by this Agreement.

Section 3. Appointment of Collateral Agent.

3.1 Appointment of Collateral Agent. Each of the Notes Representative and the Debentures Representative hereby designates the Notes Representative to act as the contractual representative for the parties hereto (the "Collateral Agent") with respect to the security provisions contained in the Security

Documents. The provisions of this Section 3 extend to the Notes Representative only in its capacity as Collateral Agent. Each of the Notes Representative and the Debentures Representative hereby authorizes the Collateral Agent to take such action on its behalf under the provisions of this Agreement and the Security Documents, and to exercise such powers and perform such duties hereunder and thereunder as are specifically delegated to it hereunder or under the Security Documents or required of the Collateral Agent by the terms hereof or thereof, together with such other powers as are reasonably incidental thereto. The Notes Representative agrees to act as the Collateral Agent upon the express terms and conditions contained herein.

3.2 Nature of Duties of the Collateral Agent. The Collateral Agent shall have no duties or responsibilities, except those expressly set forth in this Agreement or the Security Documents. The Collateral Agent shall have and may exercise such powers hereunder and under the Security Documents as are specifically delegated to the Collateral Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Neither the Collateral Agent, nor any of its directors, officers, employees, legal counsel or agents (each a "Protected Party") shall be liable to the Notes Representative, the Debentures Representative or the holders of the Notes or the Debentures, for any damages caused by any action taken or omitted by a Protected Party hereunder or under the Security Documents (including those damages caused by the sole negligence, comparative negligence or concurrent negligence of any Protected Party), unless caused solely by the gross negligence or willful misconduct of the Protected Party seeking protection under this Section 3.3. The duties of the Collateral Agent shall be mechanical and administrative in nature; and the Collateral Agent, in its capacity as such, shall not have by reason of this Agreement or the Security Documents a fiduciary relationship in respect of the Debentures Representative or the Notes Representative. Nothing in this Agreement is intended to or shall be so construed as to impose upon the Collateral Agent any duties or obligations in respect of this Agreement or the Security Documents, except as expressly set forth herein.

3.3 Lack of Reliance on the Collateral Agent. The Collateral Agent shall not (i) be responsible to the Notes Representative or the Debentures Representative for any recitals, statements, information, representations or warranties herein, in any Security Document, or in any document, certificate or other writing delivered in connection herewith or therewith or for the execution, effectiveness, genuineness, validity, enforceability, collectability, priority or sufficiency of this Agreement, the Security Documents or the financial condition of GWG Life, GWG Holdings or their Affiliates; or (ii) be required to make any inquiry concerning (A) the performance or observance by others of any of the terms, provisions or conditions of this Agreement or the Security Documents, including the content of notices, opinions, certificates and directions given under this Agreement or the Security Documents, (b) the financial condition of GWG Life, GWG Holdings or their Affiliates, or (c) the existence or possible existence of any "default" or "event of default" under the NISA Documents or Debenture Documents.

3.4 Certain Rights of the Collateral Agent. If the Collateral Agent shall request instructions from the Representatives with respect to any act or omission in connection with this Agreement or the Security Documents, then the Collateral Agent shall be entitled to refrain from taking such action unless and until the Collateral Agent shall have received written instructions from any Representative pursuant to the terms hereof; and the Collateral Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Representative shall have any right of action whatsoever against the Collateral Agent as a result of the Collateral Agent acting or refraining from acting under this Agreement or the Security Documents in accordance with the written instructions given in accordance with this Agreement, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all the Representatives. The Collateral Agent shall be fully justified in failing or refusing to take any action hereunder or under the Security Documents unless it shall first be indemnified to its satisfaction by the Representatives against any and all liability and expense which may be incurred by the

Collateral Agent by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 3 or any indemnity or instructions provided by any or all of the Representatives, the Collateral Agent shall not be required to take any action which, in the reasonable belief of the Collateral Agent, exposes the Collateral Agent to personal liability or which, in the reasonable belief of the Collateral Agent, is contrary to this Agreement, the Security Documents, or applicable law.

3.5 Reliance by the Collateral Agent. The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, statement, certificate or facsimile transmission, e-mail, order or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person. The Collateral Agent may consult with legal counsel, accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

3.6 The Collateral Agent in its Individual Capacity. The Notes Representative shall have the same rights and powers hereunder as the Debentures Representative and may exercise the same as though it were not performing the duties of the Collateral Agent specified herein except as expressly noted to the contrary; and the term "Representatives" or any similar term shall, unless the context clearly otherwise indicates, include the Notes Representative in its individual capacity as the trustee of the GWG Trust under the terms of the NISA and not in its capacity as the Collateral Agent.

3.7 Representatives as Owners. The Collateral Agent may deem and treat each Representative as the owner of its portion of the Total Obligations as described herein for all purposes hereof unless and until the Collateral Agent is notified of a change in Representative.

3.8 Successor Collateral Agent.

(a) The Collateral Agent may resign at any time by giving at least 30 days' prior written notice thereof to the Representatives, which resignation shall be effective upon the appointment of a successor Collateral Agent by a ratable vote of the Representatives.

(b) Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties under this Agreement. After any retiring Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Collateral Agent under this Agreement.

3.9 Employment of Collateral Agent and Counsel. The Collateral Agent may execute any of its duties as the Collateral Agent hereunder or under the Security Documents by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Representatives for the default or misconduct of any such employees, agents or attorneys in fact reasonably selected by it in good faith unless such default or misconduct is a direct result of the gross negligence or willful misconduct of the Collateral Agent in monitoring the activities of such employees, agents or attorneys-in-fact. The Collateral Agent shall be entitled to advice of independent legal counsel concerning all matters pertaining to the collateral agency hereby created and its duties hereunder or under the Security Documents.

3.10 Limitation on Liability of the Representatives and the Collateral Agent. The Representatives and the Collateral Agent shall not be deemed, as a result of the execution and delivery of this Agreement or the Security Documents, or the consummation of the transactions contemplated by this Agreement and the Security Documents, to have assumed any obligation of GWG Life, GWG Holdings

or their Affiliates with respect to the Collateral or any liability under or with respect to any of the contracts, agreements, leases, instruments or documents which are, or which may hereafter be, assigned to the Collateral Agent for the benefit of the Representatives.

Section 4. Enforcement.

4.1 Exercise of Remedies.

(a) Upon the occurrence and during the continuance of any Triggering Event, the Collateral Agent shall, upon a request from any Representative specifying the particular action(s) being requested by such Representative, and subject to the other provisions of this Agreement, commence to take, or direct the appropriate trustee or agent to take, those requested actions provided for in this Agreement or the Security Documents relating to the pursuit of remedies which the Collateral Agent deems appropriate in its reasonable judgment to realize the value and benefits of the Shared Collateral.

(b) The holders of a majority in principal amount of the then-outstanding Total Obligations may direct the time, method and place of conducting any proceeding for any remedy available to the Collateral Agent under this Agreement or the Security Documents, on the condition that indemnification for the Collateral Agent's fees and expenses, in a form reasonably satisfactory to the Collateral Agent, shall have been provided. The Collateral Agent may refuse to follow any direction that conflicts with the law or this Agreement or that may involve personal liability for the Collateral Agent.

(c) The Representatives agree that upon the occurrence of a Triggering Event, all payments made to any Representative on account of the Shared Collateral shall be shared by the Notes Representative and the Debentures Representative (for the benefit of their respective holders) in accordance with Section 4.2.

(d) Each Representative agrees: (i) to deliver to each other Representative and the Collateral Agent, as applicable, at the same time it makes delivery to GWG Life and/or GWG Holdings, a copy of any (A) notice declaring the occurrence of an event of default under its respective loan documents, (B) notice of intent to accelerate or notice of acceleration of its portion of the Total Obligations, and (ii) to deliver to each other Representative and the Collateral Agent, at the same time it makes delivery to any other Person, a copy of any notice of the commencement of any judicial proceeding and a copy of any other notice with respect to the exercise of remedies with respect to any portion of the Total Obligations. Any failure by a party hereto to furnish a copy under this clause (c) shall not limit or affect the rights and obligations hereunder.

(e) Nothing in this Section 4.1 shall impair the right of any Representative to exercise its rights of set-off, offset or netting, if any (except, with respect to any item of Shared Collateral or the proceeds therefrom), with no obligation to any other Representative.

4.2 Proceeds.

(a) The Representatives hereby agree between themselves that (i) prior to the occurrence of a Triggering Event, each Representative shall be entitled to receive and retain for its holders' accounts, and shall never be required to disgorge to the Collateral Agent or any other Representative (or their respective holders), scheduled payments or voluntary prepayments, payments for the redemption or purchase of principal, interest, fees and premium, if any,

settlement payments and any other payments due under the respective loan documents, all in compliance with the terms thereof, and (ii) upon the occurrence and during the continuance of a Triggering Event, all such amounts received on account of any Shared Collateral by any Representative or the Collateral Agent shall constitute proceeds of such Shared Collateral (the "Proceeds"), shall be turned over to the Collateral Agent, and shall be shared by the Representatives (for the benefit of their holders), Ratably, and in accordance with Section 4.2(b) below.

(b) All Proceeds received by the Collateral Agent after the occurrence of a Triggering Event shall be applied in accordance with this Section 4.2. To the extent any Representative ever receives any portion of such Proceeds in excess of its Ratable share (or to the extent the Collateral Agent receives reimbursement in excess of expenses actually incurred), the party receiving those excess Proceeds agrees to promptly make all necessary transfers so as to give full effect to this Section 4.2. All Proceeds received by the Collateral Agent after the occurrence of a Triggering Event shall be applied in the following order:

First, to reimburse the Collateral Agent for expenses incurred in the exercise of rights and remedies under this Agreement;

Second, Ratably to the Notes Representative and Debentures Representative until the Total Obligations are fully satisfied; and

Third, to the extent that any Proceeds remain, to GWG Life and/or GWG Holdings.

4.3 Notice of Amount of Indebtedness. Upon receipt of any Proceeds to be distributed pursuant to Section 4.2, the Collateral Agent shall give the Representatives notice thereof, and each Representative shall, within three Business Days, notify the Collateral Agent of the amount of the Total Obligations owing to it. Such notification shall state the amount of the Total Obligations owing to it and how much is then due and owing. If requested by the Collateral Agent, each Representative shall demonstrate that the amounts set forth in its notice are actually owing to such Representative (for the benefit of its holders) to the reasonable satisfaction of the Collateral Agent. Notwithstanding the foregoing, the Collateral Agent may conclusively rely on information in such notices without any investigation. In the event that any Representative fails to timely notify the Collateral Agent of the amount of the Total Obligations owed to it, the Collateral Agent shall distribute such Proceeds on any basis deemed reasonable by it and not in bad faith.

4.4 Cooperation. The Representatives agree that, so long as any Note Obligations and Debenture Obligations are outstanding, they shall not be entitled to commence, or join with any Person in commencing, any enforcement, collection, involuntary petition, execution, levy or foreclosure action or proceeding (including, without limitation, any Insolvency or Liquidation Proceeding), except in conjunction with the Collateral Agent in the exercise of remedies under this Agreement.

4.5 Permitted Actions. The Notes Representative, for itself and on behalf of each of the Notes Secured Parties, the Debentures Representative, and, by virtue of accepting the Debentures, the Debenture holders agree that the Notes Representative and the Debentures Representative may make such demands or file such claims in respect of the Notes Obligations or the Debentures Obligations, as applicable, as are necessary to prevent the waiver or bar of such claims under applicable statutes of limitations or other statutes, court orders, or rules of procedure at any time.

4.6 Sharing of Information and Access. In the event that the Notes Representative or Debentures Representative shall, in the exercise of its rights under the NISA Documents or the Debenture

Documents, as applicable, or otherwise, receive possession or control of any books and records related to the Shared Collateral, such Representative shall, upon request of the other Representative or the Collateral Agent, either make such books and records available to the requesting party for inspection and duplication or provide to such requesting party copies thereof.

4.7 Insurance. Proceeds of shared Collateral include insurance proceeds and, therefore, this Agreement shall govern the ultimate disposition of casualty insurance proceeds (whether or not a Triggering Event has occurred). The Collateral Agent shall be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to the Shared Collateral. The Collateral Agent shall have the sole and exclusive right, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of Shared Collateral. All proceeds of such insurance shall be remitted to the Collateral Agent, and each Representative shall cooperate in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.2.

Section 5. Insolvency or Liquidation Proceedings.

5.1 Relief From Stay. Until the discharge of the Notes Obligations has occurred, the Debentures Representative, and, by virtue of accepting the Debentures, the Debenture holders, agree not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceedings in respect of any portion of the Shared Collateral without the Notes Representative's (for itself and on behalf of each of the Notes Secured Parties) express written consent. Until the discharge of the Debentures Obligations has occurred, the Notes Representative and the holders of Notes agree not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceedings in respect of any portion of the Shared Collateral without the Debentures Representative's (for itself and on behalf of each of the Debenture Secured Parties) express written consent.

5.2 No Contest.

(a) The Debentures Representative, on behalf of itself and the Debenture Secured Parties, agrees that prior to the discharge of the Note Obligations, none of them shall contest (or support any other Person contesting) any (i) request by the Notes Representative or any Notes Secured Party for adequate protection of its interest in the Shared Collateral, or (ii) objection by the Notes Representative or any Notes Secured Party to any motion, relief, action or proceeding based on a claim by the Notes Representative or any Notes Secured Party that its interest in the Shared Collateral is not adequately protected (or any other similar request under any law applicable to an Insolvency or Liquidation Proceeding), so long as any Liens granted to the Notes Representative as adequate protection of its interests are subject to this Agreement.

(b) The Notes Representative, on behalf of itself and the Notes Secured Parties, agrees that prior to the discharge of the Debenture Obligations, none of them shall contest (or support any other Person contesting), any (i) request by the Debentures Representative or any Debenture Secured Party, for adequate protection of its interest in the Shared Collateral, or (ii) objection by the Debentures Representative or any Debenture Secured Party to any motion, relief, action or proceeding based on a claim by the Debentures Representative or any Debenture Secured Party that its interest in the Shared Collateral is not adequately protected (or any other similar request under any law applicable to an Insolvency or Liquidation Proceeding), so long as any Liens granted to the Debentures Representative as adequate protection of its interests are subject to this Agreement.

5.3 Asset Sales. The Representatives agree, for themselves and on behalf of their respective secured parties, that neither will oppose any sale of Shared Collateral consented to by the Collateral

Agent pursuant to Section 363(f) of the Bankruptcy Code (or any similar provision under the law applicable to any Insolvency or Liquidation Proceeding) so long as the proceeds of such sale are applied in accordance with this Agreement. If the sale of such collateral consists of Shared Collateral, and/or Note Collateral or Debenture Collateral, and the Representatives are unable to agree with the Collateral Agent as to the allocation of the purchase price between the Shared Collateral, the Note Collateral and/or the Debenture Collateral, then any of the parties may apply to the court in such Insolvency or Liquidation Proceeding to make a determination of the allocation of such purchase price, and the court's determination shall be binding upon the parties.

Section 6. Reliance; Waivers; Etc.

6.1 Reliance. Other than any reliance on the terms of this Agreement, the Notes Representative hereby acknowledges, on behalf of itself and the holders of Notes and Notes Secured Parties, that it and such holders of Notes and Notes Secured Parties have, independently and without reliance on the Debentures Representative or any holder of Debentures or Debenture Secured Party, and based on documents and information deemed by them appropriate, made their own credit analyses and decisions to enter into and be bound by the terms of this Agreement; and they will continue to make their own credit decision in taking or not taking any action under the NISA or this Agreement. On their part, by virtue of accepting the Debentures, the holders of Debentures and the Debentures Representative hereby agree that they have, independently and without reliance on the Notes Representative, the holders of Notes or any Notes Secured Party, and based on documents and information deemed by them appropriate, made their own credit analyses and decision to enter into and be bound by the terms of this Agreement; and they will continue to make their own credit decision in taking or not taking any action under the Debenture Documents or this Agreement.

6.2 No Warranties or Liability. The Notes Representative hereby acknowledges and agrees, on behalf of itself and the Notes Secured Parties, that each of the Debentures Representative and the Debenture Secured Parties have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Debenture Documents, the ownership of any Debenture or Shared Collateral, the perfection or priority of any Liens thereon or the enforceability of any waivers granted herein. The Debentures Representative and the holders of Debentures will be entitled to manage and supervise their respective securities under the Debenture Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Debentures Representative and, by virtue of accepting the Debentures, the holders of Debentures, hereby acknowledge and agree that the Notes Representative and the Notes Secured Parties have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the NISA Documents, the ownership of any Notes or Shared Collateral or the perfection or priority of any Liens thereon. The Notes Secured Parties will be entitled to manage and supervise their respective securities under their respective NISA Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Debentures Representative and the Debenture Secured Parties shall have no duty to the Notes Representative or any of the Notes Secured Parties, and the Notes Representative and the Notes Secured Parties shall have no duty to the Debentures Representative or any of the Debenture Secured Parties, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with GWG Life, GWG Holdings or their Affiliates (including the NISA Documents and the Debenture Documents), regardless of any knowledge thereof which they may have or be charged with.

6.3 No Waiver of Lien Priorities. No right of the Collateral Agent to enforce any provision of this Agreement or any Security Agreement shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Debtor Party or by any act or failure to act by the Collateral Agent,

or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the NISA Documents or any of the Debenture Documents, regardless of any knowledge thereof with which the Collateral Agent may have or be otherwise charged.

6.4 Obligations Unconditional. All rights, interests, agreements and obligations of the Notes Representative and the Notes Secured Parties, and the Debentures Representative and the Debenture Secured Parties, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any NISA Documents or any Debenture Documents or the perfection of any liens thereunder;

(b) except as otherwise set forth in this Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the Note Obligations or Debenture Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any NISA Document or any Debenture Document;

(c) any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Note Obligations or Debenture Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of any Debtor Party; or

(e) any other circumstances which otherwise might constitute a defense (other than payment in full of the relevant obligation) available to, or a discharge of, any Debtor Party in respect of the Note Obligations or Debenture Obligations.

Section 7. Right to Payment.

GWG Holdings and GWG Life shall be entitled to use proceeds from life insurance policies and other property of such entities, including but not limited proceeds from "Conveyed Property," "Collections" and "Collateral" as such terms are defined in the NISA, to satisfy obligations under the Debentures or otherwise as set forth in the "Use of Proceeds" section of the prospectus relating to the Debentures (either directly or indirectly through distribution or dividend by GWG Life to GWG Holdings for such ultimate purpose). This right shall apply to, and permit GWG Holdings to make (and permit GWG Life to make corresponding distributions or dividends to GWG Holdings so that GWG Holdings may make) payments from, proceeds from life insurance policies and all other property, including proceeds from "Conveyed Property," "Collections" and "Collateral" regardless of whether or not such proceeds are initially placed in the "LifeNotes Account" as that term is defined in the NISA. To the extent necessary, this covenant shall be deemed an amendment to any applicable provisions of Article V of the NISA.

Section 8. General Provisions.

8.1 Conflicts. In the event of any direct conflict between the provisions of this Agreement and the provisions of the NISA Documents or the Debenture Documents, the provisions of this Agreement shall govern and control.

8.2 Effectiveness; Continuing Nature of this Agreement; Severability. This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement and the Representatives may continue to extend credit and other financial accommodations and lend monies to or for the benefit of any Debtor Party in reliance hereon. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to any Debtor Party shall include any such Debtor Party as debtor and debtor in possession, and any receiver or trustee for any Debtor Party (as the case may be) in any Insolvency or Liquidation Proceeding.

8.3 Amendments; Waivers. No amendment, modification or waiver of any of the provisions of this Agreement by the Notes Representative or the Debentures Representative shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, no Debtor Party shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent such Debtor Party's property or rights are directly and adversely affected.

8.4 Financial Information Concerning GWG Holdings, GWG Life and Subsidiaries. Each of the Representatives (on behalf of their holders and secured parties) acknowledge that they shall be responsible for keeping themselves informed of (a) the financial condition of GWG Life, GWG Holdings and their Affiliates and all endorsers and/or guarantors of their respective outstanding portion of the Total Obligations, and (b) all other circumstances bearing upon the risk of nonpayment of their respective portion of the Total Obligations. Neither Representative, nor their respective secured parties have any duty to advise the other Representative (or its secured parties) of information known to it or them regarding such condition or any such circumstances or otherwise.

8.5 SUBMISSION TO JURISDICTION; WAIVERS.

(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF MINNEAPOLIS, MINNESOTA. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY HERETO IRREVOCABLY (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (B) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 8.7; AND (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(b) **EACH OF THE PARTIES HERETO AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY**

BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER HEREOF, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 8.5(b) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

8.6 Notices. All notices to the holders of Notes, Note Secured Parties, the holders of Debentures or the Debenture Secured Parties permitted or required under this Agreement shall also be sent to the Notes Representative and the Debentures Representative, respectively. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, faxed, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service and upon receipt of electronic mail, facsimile or U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

8.7 Further Assurances. The Notes Representative, on behalf of itself and the Notes Secured Parties, and the Debentures Representative, agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the Collateral Agent, Notes Representative or the Debentures Representative may reasonably request to effectuate the terms of and the lien priorities contemplated by this Agreement.

8.8 APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO CONFLICTS-OF-LAW PRINCIPLES.

8.9 Binding on Successors and Assigns. This Agreement shall be binding upon the Notes Representative, the Notes Secured Parties, the holders of Notes the Debentures Representative, the Debenture Secured Parties, the holders of Debentures, and their respective successors and assigns. If either of the Notes Representative or the Debentures Representative resigns or is replaced pursuant to the NISA or the Indenture, as applicable, its successor shall be deemed to be a party to this Agreement and shall have all of the rights of and be subject to all of the obligations of this Agreement.

8.10 Specific Performance. The Representatives may demand specific performance of this Agreement and each representative irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by any Representative.

8.11 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

8.12 Counterparts; Delivery. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by facsimile or .pdf shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

8.13 Authorization. By its signature, each Person executing this Agreement on behalf of a party represents and warrants to the other parties that it is duly authorized to execute this Agreement.

8.14 No Third-Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and their respective successors and assigns, and shall inure to the benefit of each of the Notes Secured Parties, the holders of Notes, the Debenture Secured Parties, and the holders of Debentures. No other Person shall have or be entitled to assert rights or benefits hereunder.

8.15 Provisions Solely to Define Relative Rights. The provisions of this Agreement are, and are intended solely, for the purpose of defining the relative rights of the Notes Secured Parties and holders of Notes on the one hand and the Debenture Secured Parties and holders of Debentures on the other hand. No Debtor Party or any creditor thereof shall have any rights hereunder. Nothing in this Agreement is intended to or shall impair the obligations of any Debtor Party, which are absolute and unconditional, to pay the Note Obligations and the Debenture Obligations as and when the same shall become due and payable in accordance with their terms.

8.16 Termination. This Agreement shall terminate and be of no further force and effect upon the payment in full of either the Note Obligations or the Debenture Obligations (in a manner which is not in contravention of the terms of this Agreement).

* * * * *

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

NOTES REPRESENTATIVE:

GWG LIFENOTES TRUST,
as Notes Representative

By: Lord Securities Corporation
Its: Trustee

By: _____
Name: _____
Title: _____

Attention: _____
Fax: (__) ___-____
Telephone: (___) ____-____

DEBENTURES REPRESENTATIVE:

BANK OF UTAH,
as Debentures Representative,

By: _____
Name: _____
Title: _____

Attention: _____
Fax: (__) ___-____
Telephone: (___) ____-____

COLLATERAL AGENT:

GWG LIFENOTES TRUST,
as Collateral Agent

By: Lord Securities Corporation
Its: Trustee

By: _____
Name: _____
Title: _____

Attention: _____
Fax: (__) ___-____
Telephone: (___) ____-____

Exhibit 10.1

EXECUTION COPY

CREDIT AND SECURITY AGREEMENT

among

GWG DLP FUNDING II, LLC
as a Borrower

UNITED LENDING SPV, LLC
as a Borrower

GWG LIFE SETTLEMENTS, LLC
as a Seller and Life Settlement Master Servicer

UNITED LENDING, LLC
as a Seller and Premium Finance Master Servicer

OPPORTUNITY BRIDGE FUNDING, LLC
as a Seller

GWG HOLDINGS, LLC
as Performance Guarantor

AUTOBAHN FUNDING COMPANY LLC,
as the Lender

and

DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK,
as the Agent

Dated as of July 15, 2008

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LIST OF SCHEDULES AND EXHIBITS

Schedules

Exhibits

THIS CREDIT AND SECURITY AGREEMENT is made as of July 15, 2008, among **GWG DLP FUNDING II, LLC,** a Delaware limited liability company, as a Borrower, **UNITED LENDING SPV, LLC,** a Delaware limited liability company, as a Borrower, **GWG LIFE SETTLEMENTS, LLC,** a Delaware limited liability company, as a Seller and the Life Settlement Master Servicer, **UNITED LENDING, LLC,** a Delaware limited liability company, as a Seller and the Premium Finance Master Servicer, **OPPORTUNITY BRIDGE FUNDING, LLC**, as a Seller, **GWG HOLDINGS, LLC,** a Delaware limited liability company, as the Performance Guarantor, **AUTOBAHN FUNDING COMPANY LLC**, a Delaware limited liability company, as the Lender, and **DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK**, as the Agent.

PRELIMINARY STATEMENTS

A. The Borrowers may from time to time request the Lender to make Advances hereunder, the proceeds of which will be used to purchase Assets from the Sellers pursuant to the Sale and Servicing Agreement. The Lender has agreed to make such Advances on the terms and conditions set forth herein in an aggregate amount not to exceed at any one time outstanding the Borrowing Limit.

B. To secure its obligations hereunder and under the other Related Documents, the Borrowers have agreed to grant to the Agent, for the benefit of the Secured Parties, a security interest in the Assets and the other Collateral.

C. GWG Life Settlements, LLC has been appointed to act as the Master Servicer of the Purchased Policies pursuant to the Life Settlement Servicing Agreement, and United Lending, LLC has been appointed to act as the Master Servicer of the Purchased Loans pursuant to the Sale and Servicing Agreement.

D. The Performance Guarantor owns 100% of the equity interests in the Sellers and has agreed to execute the Performance Guaranty, pursuant to which it absolutely and unconditionally guarantees the obligations of the Sellers (including in their capacities as Master Servicers) hereunder and under the other Related Documents.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Certain Defined Terms.

As used in this Agreement and its schedules and exhibits, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"*Accrual Basis Accounting*" has the meaning specified in Section 5.01(a)(i).

"*Advance*" means a loan made by the Lender to a Borrower pursuant to Article II.

"*Advance Amount*" means, with respect to any Asset for which any Liquidation Proceeds are received, the product of (i) the Maximum Advance Rate and (ii) the Collateral Balance of such Asset immediately prior to the sale or payment that gave rise to such Liquidation Proceeds.

"*Advance Rate*" means, at any time, a fraction (expressed as a percentage), the numerator of which is equal to the Facility Amount, and the denominator of which is equal to the Net Eligible Receivables Balance.

"*Adverse Claim*" means a lien, security interest, charge or encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person.

"*Affected Party*" has the meaning specified in Section 2.10.

"*Affiliate*" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such specified Person. For the purposes of this definition, "*control*" when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing.

"*Agent*" means DZ Bank, in its capacity as agent for the Secured Parties hereunder, and any successor thereto in such capacity appointed pursuant to Section 7.07.

"*Agreement*" means this Credit and Security Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time hereafter.

"*Alternative Rate*" means, with respect to any Alternative Rate Interest Period, an interest rate per annum equal to LIBOR plus the Applicable Margin; *provided, however*, that the "*Alternative Rate*" for any Alternative Rate Interest Period shall be the Base Rate plus the Applicable Margin (a) if a Eurodollar Disruption Event has occurred, (b) if such Advance is less than $250,000 or (c) for the first three Business Days of such Alternative Rate Interest Period, if the Agent does not receive notice, by the third Business Day preceding the first day of such Alternative Rate Interest Period, that such Advance will not be funded through the issuance of the Lender's commercial paper.

"*Alternative Rate Interest Period*" means any Interest Period (or portion thereof) during which an Advance is not funded through the issuance of the Lender's commercial paper or during which such Advance is otherwise to accrue Interest by reference to the Alternative Rate.

"*Annualized Default Rate*" means a percentage determined as of the last day of each Monthly Period equal to (i) the product of (a) the aggregate Collateral Balance of all Assets that became Defaulted Assets during such Monthly Period (such Collateral Balance being determined without giving effect to any charge-off of such Assets) and (b) 12, divided by (ii) the average Eligible Asset Balance for such Monthly Period. For purposes of this definition, the term "Asset" shall include any Asset that has been repurchased by a Seller, or for which a Seller has made a substitution, pursuant to the Sale and Servicing Agreement.

"*Applicable Margin*" has the meaning specified in the Fee Letter.

"*Approved Initial Lender*" means any Person approved in writing by the Agent in its sole discretion as an "Approved Initial Lender" hereunder.

"*Asset*" means any Purchased Loan or Purchased Policy.

"*Asset Documents*" means, (i) with respect to any Loan, the related Loan Documents and (ii) with respect to any Purchased Policy, the related Purchased Policy Documents.

"*Assignment*" has the meaning specified in the Sale and Servicing Agreement.

"*Assignment and Acceptance*" means an assignment agreement entered into by the Lender and an assignee pursuant to Section 9.04 in form and substance reasonably satisfactory to the Agent.

"*Available Funds*" means, with respect to any Monthly Settlement Date, the sum (without duplication) of the following:

(a) all Collections received in respect of the Assets or any Other Conveyed Property during the most recently ended Monthly Period;

(b) all amounts paid by or on behalf of a Seller in respect of Assets repurchased by it pursuant to the Sale and Servicing Agreement during the most recently ended Monthly Period;

(c) all investment earnings earned on investments in the Collection Account and the Reserve Account during the most recently ended Monthly Period;

(d) all amounts paid to or for the account of the Borrowers on or prior to such Monthly Settlement Date pursuant to any applicable Hedge Agreement (to the extent not previously distributed hereunder); and

(e) all other amounts deposited to the Collection Account during the most recently ended Monthly Period pursuant to this Agreement or any other Related Document and not enumerated above;

provided that, if (i) on any Monthly Settlement Date, there would not be sufficient funds, after application of Available Funds, as defined above, to pay the items specified in (i) through (ix) of Section 2.05(a), then Available Funds for that Monthly Settlement Date will include, in addition to the Available Funds as defined above, amounts on deposit in the Collection Account which would have constituted Available Funds for the Monthly Settlement Date immediately succeeding that Monthly Settlement Date, up to the amount necessary to pay such items, and the Available Funds for the immediately succeeding Monthly Settlement Date will be adjusted accordingly; and *provided, further* that the Available Funds for any Monthly Settlement Date will exclude any portion of the amounts described in clauses (a) through (e) above that have been released from the Collection Account prior to such Monthly Settlement Date pursuant to Section 2.05(c) or (d).

"*Available Liquidation Proceeds*" has the meaning specified in Section 2.05(a).

"*Backup Servicer*" means Wells Fargo Bank, N.A., in its capacity as backup servicer under the Backup Servicing Agreement, and any successor thereto in such capacity.

"*Backup Servicer Fees*" means the fees payable to the Backup Servicer pursuant to the Backup Servicing Agreement.

"*Backup Servicing Agreement*" means that certain Backup Servicing Agreement dated as of July 15, 2008 among the Backup Servicer, the Master Servicers and the Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"*Bankruptcy Code*" means Title 11 of the United States Code (11 U.S.C. Section 101 et seq.), as amended from time to time, and any successor statute.

"*Base Rate*" means, on any date, a fluctuating rate of interest per annum equal to the rate of interest published on such date in the New York edition of the Wall Street Journal as the prime rate or, in the event no such rate is so published on such date, the rate of interest announced by DZ Bank from time to time (or by another money center bank selected by DZ Bank from time to time in its discretion) as its prime or base commercial lending (or equivalent) rate. The prime or base commercial lending (or equivalent) rate used in computing the Base Rate is not intended to be the lowest rate of interest charged by DZ Bank (or such other money center bank, as applicable) in connection with extensions of credit to debtors. The Base Rate shall change as and when the applicable prime or base commercial lending (or equivalent) rate changes.

"*Benefit Plan*" means any employee benefit plan as defined in Section 3(3) of ERISA in respect of which a GWG Party or any ERISA Affiliate of a GWG Party is, or at any time during the immediately preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"*Borrowers*" means GWG DLP Funding II, LLC, a Delaware limited liability company, and United Lending SPV, LLC, a Delaware limited liability company.

"*Borrowing*" means a borrowing consisting of one or more Advances made on the same date.

"*Borrowing Base*" means, at any time, the sum of (a) the product of the Maximum Advance Rate and the Net Eligible Asset Balance and (b) all Collections on the Assets then on deposit in the Collection Account (net of any accrued but unpaid Interest, Facility Fees and all other fees and expenses of the Borrowers).

"*Borrowing Base Certificate*" means a certificate, in substantially the form of Exhibit A, executed by the Master Servicers and the Borrowers and delivered to the Agent pursuant to Section 3.02 on a Borrowing Date or pursuant to Section 2.05(d) on the date of any withdrawal from the Collection Account, together with an updated portfolio tape with respect to the Assets satisfactory to the Agent.

"*Borrowing Base Deficiency*" means, at any time the amount, if any, by which (a) the Facility Amount exceeds (b) the Borrowing Base.

"*Borrowing Date*" means the date of any Borrowing hereunder.

"*Borrowing Limit*" means $100,000,000.

"*Bridge Loan*" means a Loan the proceeds of which are used to pay off outstanding amounts due and payable by the Obligor under a premium finance loan previously entered into by such Obligor in order to finance premiums due under a Policy owned by such Obligor.

"*Bridge Loan Lender*" means, with respect to any Bridge Loan, Opportunity Bridge Funding, as the initial lender party to the related Loan Agreement and initial funder of such Loan.

"*Bridge Loan Take-Out Agreement*" has the meaning specified in paragraph (iii) of "*Eligible Loan*" on Schedule I.

"*Business Day*" means a day of the year (other than a Saturday or a Sunday) on which (a) banks are not authorized or required to close in New York City, Minneapolis, MN and The Depositary Trust Company of New York is open for business and (b) if the term "Business Day" is used in connection with the determination of LIBOR, dealings in dollar deposits are carried on in the London interbank market.

"*Change of Control*" means the occurrence of any of the following: (i) GWG Life Settlements, LLC shall cease to own, free and clear of all Adverse Claims, all of the outstanding membership interests and other equity of, and voting rights with respect to, GWG DLP Funding II, LLC, (ii) United Lending, LLC shall cease to own, free and clear of all Adverse Claims, all of the outstanding membership interests and other equity of, and voting rights with respect to, United Lending SPV, LLC, (iii) the Performance Guarantor shall cease to own, free and clear of all Adverse Claims, all of the outstanding membership interests and other equity of, and voting rights with respect to, the Sellers or (iv) the owners of the outstanding membership interests of the Performance Guarantor as of the date hereof and any other owners of the outstanding membership interests of the Performance Guarantor approved by the Agent in its sole discretion (the "*Approved Owners*") shall cease to own, free and clear of all Adverse Claims, 100% of each class of outstanding membership or other equity interests of the Performance Guarantor or shall otherwise cease to have control (as such term is defined in the definition of "Affiliate") over the Performance Guarantor.

"*Chronically Ill*" means, with respect to an Insured, any of (i) suffering an illness or condition that could reasonably be expected to cause the death of such Insured within twenty-four (24) months, (ii) being unable to perform at least two (2) activities of daily living (i.e., eating, toileting, transferring, bathing, dressing or continence), (iii) requiring substantial supervision to protect such Insured from threats to health or safety due to severe cognitive impairment and (iv) having a level of disability similar to that described in clause (ii) as determined by the United States Secretary of Heath and Human Services; provided, however, if any law provides a more encompassing definition of the term "Chronically Ill" or any term having a similar meaning, such definition shall prevail with respect to any Policy of which the transfer of an interest therein is governed by such law.

"*Closing Date*" means July 15, 2008.

"*Code*" means the Internal Revenue Code of 1986, as amended or any successor statute.

"*Collateral*" has the meaning specified in Section 2.13.

"*Collateral Account Agreemen*t" means the Collateral Account Agreement of even date herewith among the Borrowers, the Master Servicers, the Agent and the Collateral Account Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time, and any successor agreement entered into by the Borrowers, the Master Servicers, the Agent and any successor Collateral Account Bank.

"*Collateral Account Bank*" means Wells Fargo Bank, N.A., in its capacity as Collateral Account Bank under the Collateral Account Agreement, and any successor thereto in such capacity.

"*Collateral Account Bank Fees*" means the fees payable to the Collateral Account Bank pursuant to the Collateral Account Agreement.

"*Collateral Assignment*" means, (i) with respect to any Policy securing a Loan, the assignment of such Policy executed by the related Obligor, as the original owner of such Policy, in favor of the Premium Finance Borrower and (ii) in the case of a Purchased Policy, the assignment of such Policy by the Titling Trust to the Agent, in each case in such form as the Agent may approve in writing, such approval not to be unreasonably withheld, as acknowledged and consented to by the relevant Qualified Life Insurance Carrier.

"*Collateral Balance*" means (i) with respect to any Loan, the outstanding principal balance of such Loan as of the date of determination, (ii) with respect to a Purchased Policy (other than an Escrow Policy), the Purchase Price for such Policy together with the amount of all premiums in respect of such Policy that have been paid by or on behalf of the Life Settlement Borrower or the Titling Trust during the period such Policy was included in the Collateral hereunder and (iii) with respect to an Escrow Policy, the lesser of (A) the Purchase Price for such Policy and (B) the funds currently held by an Eligible Escrow Agent pursuant to an Eligible Escrow Agreement in respect of such Purchase Price; *provided* that upon receipt of any Liquidation Proceeds for a Policy, the Collateral Balance of such Policy shall be deemed to be zero.

"*Collection Account*" means a segregated account established by the Agent and maintained with a bank selected by the Agent in the name of the Borrowers for the benefit of the Secured Parties.

"*Collections*" means (a) all cash collections and other cash proceeds of any Asset included in the Collateral or any Other Conveyed Property relating to any Asset included in the Collateral with respect thereto, including, without limitation, all payments of principal, interest and Finance Charges with respect to such Asset (in the case of Loan) and all Net Death Benefits (in the case of a Purchased Policy) and all prepayments, recoveries, investment earnings, insurance proceeds, fees, Liquidation Proceeds and other cash proceeds of any Other Conveyed Property with respect to such Asset available for application to amounts payable in respect of such Asset, (b) any amounts paid to or for the account of the Borrowers pursuant to the terms of any Related Document and (c) all other cash collections and other cash proceeds of the Collateral.

"*Commercial Paper Remittance Report*" means a report furnished by a Borrower to the Agent in substantially the form attached as Exhibit D.

"*Consolidated Net Income*" means, with reference to any period and any Person, the net income (or loss) of such Person and its Subsidiaries calculated on a consolidated basis for such period in accordance with GAAP; *provided* that the Consolidated Net Income for the Sellers and their respective Subsidiaries for any period shall reflect and include (without duplication) the accrued interest on the Loans included in the applicable Seller's managed portfolio and accrued Expected IRR on the Policies included in the applicable Seller's management portfolio during such period.

"*Contestable Policy*" means a Policy for which the contestability period has not expired.

"*Contestable Policy Limit*" means the product of (a) the greater of (x) the Eligible Asset Balance and (y) $30,000,000 and (b) 20% or such greater percentage specified in a written notice from the Agent.

"*Contingent Obligation*" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or application for a letter of credit.

"*CP Interest Period*" means any Interest Period (or portion thereof) during which an Advance is funded through the issuance of the Lender's commercial paper.

"*CP Rate*" means, for any CP Interest Period for any Advance, the *per annum* rate equivalent to the weighted average cost of or related to the issuance of commercial paper by the Lender (as determined by the Agent, and which shall include (without duplication) interest or discount on such commercial paper, the fees and commissions of placement agents and dealers, incremental carrying costs incurred with respect to commercial paper maturing on dates other than those on which corresponding funds are received by the Lender and other borrowings by the Lender to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market) to the extent such commercial paper is allocated, in whole or in part, by the Lender or the Agent on its behalf to fund or maintain such Advance during such CP Interest Period; *provided*, *however*, that if any component of any such rate is a discount rate, in calculating the "*CP Rate*" the Agent shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate *per annum*.

"*Custodian*" means Wells Fargo Bank, N.A., in its capacity as custodian under the Custodian Agreement, and any successor thereto in such capacity.

"*Custodian Agreement*" means the Custodian Agreement in form and substance reasonably satisfactory to the Agent to be entered into among the Master Servicers, the Borrowers, the Agent and the Custodian, together with all instruments, documents and agreements executed in connection therewith, as such agreement may from time to time be amended, restated, supplemented and/or otherwise modified in accordance with the terms thereof.

"*Custodian Fees*" means the fees payable to the Custodian by the Borrowers pursuant to the Custodian Agreement.

"*Custodian File*" means, with respect to any Asset, the related "Asset File" as defined in the Custodian Agreement.

"*Custodian Receipt*" means, with respect to any Assets, an "Asset File Collateral Receipt" (as defined in the Custodian Agreement).

"*Default Funding Rate*" means the Base Rate plus 2.25%.

"*Defaulted Asset*" means any Asset as to which one or more of the following has occurred:

(a) in the case of a Loan, the outstanding principal balance of such Asset, together with all accrued and unpaid interest thereon, is not paid in full on or prior to the maturity date of such Asset; or any portion of any other payment due thereunder remains unpaid 90 or more days past the original due date for such payment;

(b) such Asset has become a Liquidated Asset;

(c) in the case of a Loan, any Servicer, any GWG Party, the Agent or the Lender makes or needs to make a premium payment to maintain coverage under the related Policy beyond the original term of the related Asset;

(d) in the case of a Purchased Policy, if such Purchased Policy was acquired during its contestability period, 12 months have elapsed since the end of such contestability period;

(e) the applicable Qualified Life Insurance Carrier has suffered an Insolvency Event;

(f) the related Policy, in the case of a Loan, or the Purchased Policy is no longer in force or a lapse in coverage under such Policy has occurred; or

(g) the related Policy, in the case of a Loan, or the Purchased Policy is determined to be unenforceable by a court of competent jurisdiction, another Governmental Authority or any Servicer.

As used in this definition, the term "Asset" shall include any Loan or Policy that has been repurchased by a Seller, or for which a Seller has made a substitution, pursuant to the Sale and Servicing Agreement.

"*Deposit Account*" means a deposit account established in the name of the applicable Borrower for the benefit of the Agent into which Collections in respect of a Loan or Purchased Policy are deposited.

"*Deposit Account Bank*" means a bank at which a Deposit Account is maintained, which bank shall be Wells Fargo Bank, N.A. or such other bank as the Agent may approve in writing.

"*Deposit Account Bank Fees*" means the fees payable to the Deposit Account Bank pursuant to the Deposit Account Control Agreements.

"*Deposit Account Control Agreement*" means a deposit account control agreement in such form as the Agent may approve, executed by a Borrower, the Agent and the applicable Deposit Account Bank and providing the Agent with "control" (within the meaning of Section 9-104 of the UCC as in effect on the date hereof in the State of New York) over the related Deposit Account.

"*Determination Date* " means, with respect to any Monthly Settlement Date, the fifth Business Day immediately preceding such Monthly Settlement Date.

"*DZ Bank*" means DZ Bank AG Deutsche Zentral-Genossenschaftsbank and any successor thereto.

"*Electronic Ledger*" means the electronic master record of a Seller with respect to all of its loans, insurance policies and other receivables.

"*Eligible Asset*" has the meaning specified on Schedule I.

"*Eligible Asset Balance*" means, at any time, the aggregate Collateral Balance of the Eligible Assets at such time.

"*Eligible Escrow Agent*" means Wells Fargo Bank, N.A., or another escrow agent that has been approved in writing by the Agent.

"*Eligible Escrow Agreement*" means (i) the Escrow Agreement dated as of the Closing Date among GWG Life Settlements, Wells Fargo Bank, N.A., as escrow agent, and the Agent, as amended restated, supplemented or otherwise modified from time to time or (ii) another escrow agreement among GWG Life Settlements, an Eligible Escrow Agent and the Agent in form and substance satisfactory to the Agent.

"*Eligible Hedge Counterparty*" means a Hedge Counterparty that (i) has a long-term unsecured, non-credit enhanced debt rating (a "Debt Rating") from at least two out of the following three rating agencies: Moody's, Fitch and Standard & Poor's, or has its obligations under the relevant Hedge Agreement guaranteed by another Person that has such Debt Ratings pursuant to a guaranty in form and substance satisfactory to the Agent, (ii) such Debt Ratings are not less than "A" by Fitch (if rated by Fitch), "A" by Standard & Poor's (if rated by Standard & Poor's) and "A2" by Moody's (if rated by Moody's) and (iii) has been approved by the Agent as an Eligible Hedge Counterparty hereunder.

"*Eligible Investments*" means any one or more of the following types of investments, excluding any security with the "r" symbol attached to the rating from Standard & Poor's and all mortgage-backed securities:

(a) direct interest-bearing obligations of, and interest-bearing obligations guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States;

(b) demand or time deposits in, certificates of deposit of, demand notes of, or bankers' acceptances issued by any depository institution or trust company having the Required Rating (as defined below) (at the time of such investment or contractual commitment providing for such investment) organized under the laws of the United States or any state and subject to supervision and examination by federal and/or state banking authorities (including, if applicable, the Agent, or any agent of the Agent acting in its commercial capacity);

(c) short-term repurchase obligations pursuant to a written agreement (i) with respect to any obligation described in clause (a) above, where the Agent has taken actual or constructive delivery of such obligation in accordance with Section 4.1 of the Sale and Servicing Agreement, and (ii) entered into with the corporate trust department of a depository institution or trust company having the Required Rating (at the time of such investment or contractual commitment providing for such investment) organized under the laws of the United States or any state thereof, the deposits of which are insured by the Federal Deposit Insurance Corporation (including, if applicable, the Agent, or any agent of the Agent acting in its commercial capacity);

(d) short-term securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States or any state having the Required Rating (at the time of such investment or contractual commitment providing for such investment);

(e) commercial paper that (i) is payable in United States dollars and (ii) has the Required Rating;

(f) freely redeemable shares in money market funds rated in the highest applicable rating category by Moody's, Standard & Poor's and (if rated by Fitch) by Fitch; or

(g) debt obligations of any corporation maturing or putable at par or better not more than one week from the date of acquisition and backed by a letter of credit as to principal and interest issued by a banking institution having the Required Rating (at the time of such investment or contractual commitment providing for such investment).

Eligible Investments may be purchased by or through the Agent or any of its Affiliates. For purposes of this definition "*Required Rating*" shall mean a short-term unsecured debt rating of at least "A-1" by Standard & Poor's, "P-1" by Moody's and, if rated by Fitch, "F1" by Fitch.

"*Eligible Loan*" has the meaning specified on Schedule I.

"*Eligible Medical Underwriter*" means American Viatical Services LLC, 21st Services, Fasano Associates, ISC Services or Examination Management Services, Inc. or any other Person that estimates life expectancies in the ordinary course of business and has been approved in writing by the Agent in its sole discretion as an "Eligible Medical Underwriter" hereunder.

"*Eligible Policy*" has the meaning specified on Schedule I.

"*Equity Funded Amount*" means, with respect to any Asset for which any Liquidation Proceeds are received, the product of (i) one minus the Maximum Advance Rate and (ii) the Collateral Balance of such Asset immediately prior to the sale or payment that gave rise to such Liquidation Proceeds.

"*ERISA*" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"*ERISA Affiliate*" means (a) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as any GWG Party; (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with any GWG Party or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as any GWG Party, any corporation described in clause (a) above or any trade or business described in clause (b) above.

"*Escrow Policy*" means a Policy the Purchase Price for which is currently being held by an Eligible Escrow Agent in accordance with an Eligible Escrow Agreement.

"*Eurodollar Disruption Event*" means, with respect to any Interest Period, any of the following: (a) a determination by the Lender or any Funding Source that it would be contrary to law or to the directive of any central bank or other Governmental Authority (whether or not having the force of law) to obtain United States dollars in the London interbank market to make, fund or maintain any Advance for such Interest Period, (b) a determination by the Agent that the rate at which deposits of United States dollars are being offered to the Lender or any Funding Source in the London interbank market does not accurately reflect the cost to the Lender or such Funding Source of making, funding or maintaining any Advance for such Interest Period, (c) the inability of the Lender or any Funding Source to obtain United States dollars in the London interbank market to make, fund or maintain any Advance for such Interest Period or (d) a determination by the Agent that adequate and reasonable means do not exist for ascertaining a rate for LIBOR as provided in the definition thereof for such Interest Period.

"*Event of Default*" has the meaning assigned to that term in Section 6.01.

"*Excess Concentration Amount*" means, the sum (without duplication) of:

(i) the aggregate, for all Qualified Life Insurance Carriers (treating each Qualified Life Insurance Carrier and its Affiliates as a single Qualified Life Insurance Carrier), of the amount (if any) by which (A) the Insurance Company Concentration for such Qualified Life Insurance Carrier, exceeds (B) the Insurance Company Concentration Limit for such Qualified Life Insurance Carrier;

(ii) the amount (if any) by which (A) the aggregate Collateral Balance of the Eligible Assets consisting of or secured by Policies issued by all Qualified Life Insurance Carriers that do not have financial strength ratings of at least "AA-" from Standard & Poor's and at least "Aa3" from Moody's, exceeds (B) 25% of the greater of (x) the Eligible Asset Balance and (y) $30,000,000;

(iii) the aggregate, for all Insureds, of the amount (if any) by which (A) the aggregate Collateral Balance of the Eligible Assets secured by or consisting of a Policy relating to the same Insured exceeds (B) 5% of the greater of (x) the Eligible Asset Balance and (y) $30,000,000;

(iv) if the Eligible Asset Balance is greater than or equal to $30,000,000 and if the aggregate Origination Expenses for all Eligible Assets that are Purchased Policies exceeds 20% of the Collateral Balance under such Purchased Policies, an amount which (when subtracted from the aggregate Origination Expenses of such Purchased Policies) would eliminate such excess;

(v) if the Eligible Asset Balance is greater than or equal to $30,000,000 and if the average Collateral Balance of Eligible Assets is greater than $1,250,000, an amount which (when subtracted from the aggregate Collateral Balance of the Eligible Assets for which the Collateral Balance exceeds $1,250,000) would eliminate such excess;

(vi) the aggregate, for all Eligible Assets, of the amount (if any) by which (A) the expected Collateral Balance of the Eligible Asset at the end of the Life Expectancy of the related Insured, exceeds (B) 80% of the Net Death Benefit payable under the related Policy;

(vii) the aggregate, for all Eligible Assets that are Premium Finance Loans, of the amount by which (A) the original Collateral Balance of the Eligible Asset exceeds (B) 10% of the Net Death Benefit payable under the related Policy;

(viii) the aggregate, for all Eligible Assets that are Bridge Loans, of the amount by which (A) the original Collateral Balance of the Eligible Asset exceeds (B) 25% of the Net Death Benefit payable under the related Policy;

(ix) the aggregate, for all Eligible Assets that are Bridge Loans, of the amount by which (A) the original Collateral Balance of the Eligible Asset exceeds (B) 80% of sales price of such Eligible Asset under the related Bridge Loan Take-Out Agreement;

(x) the amount (if any) by which (A) the aggregate Collateral Balance of the Eligible Assets for which the Life Expectancy of the related Insured exceeds 168 months exceeds (B) 15% of the greater of (x) the Eligible Asset Balance and (y) $30,000,000;

(xi) if the Eligible Asset Balance is greater than or equal to $30,000,000 and if the weighted average Life Expectancy for all Insureds relating to Eligible Assets (weighted by the respective Collateral Balances of such Assets and based on the Life Expectancies used for purposes of calculating the Values of the Policies) exceeds 144 months, an amount which (when subtracted from the aggregate Collateral Balance of the Assets for which the Life Expectancy of the related Insured exceeds 144 months) would eliminate such excess;

(xii) the aggregate, for all Insureds relating to Eligible Assets, of the amount (if any) by which (A) the aggregate Collateral Balance of the Eligible Assets related to Insureds with primary residences in any one Qualified State (other than California, New York and any other state approved in writing by the Agent as being excluded from the calculations under this clause) exceeds (B) 20% of the greater of (x) the Eligible Asset Balance and (y) $30,000,000;

(xiii) if the Eligible Asset Balance is greater than or equal to $30,000,000 and if the weighted average Expected IRR for all Eligible Assets that are Eligible Policies (weighted by the respective Collateral Balances of such Assets) is less than LIBOR (at the time of acquisition) plus 5.00%, an amount which (when subtracted from the aggregate Collateral Balance of the Assets for which the Expected IRR is less than LIBOR (at the time of acquisition) plus 5.00%) would eliminate such deficiency;

(xiv) the amount (if any) by which (A) the aggregate Collateral Balance of the Eligible Assets that are Bridge Loans exceeds (B) 30% of the greater of (x) the Eligible Asset Balance and (y) $30,000,000; and

(xv) the amount (if any) by which (A) the aggregate Collateral Balance of the Eligible Assets that are Contestable Policies exceeds (B) the Contestable Policy Limit.

"*Excess Spread*" means, at any time, a per annum rate (expressed as a percentage and determined by the Master Servicers and agreed upon by the Agent) equal to (i) the Weighted Average Annualized Portfolio Yield at such time, minus (ii) the Facility Rate at such time.

"*Executive Order*" means Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism.

"*Exit Fee*" has the meaning specified in the Fee Letter.

"*Expected IRR*" means, with respect to any Policy, the expected internal rate of return on the Purchase Price of such Policy to the Life Expectancy of the related Insured, as determined by the related Master Servicer as of the date on which such Policy was acquired by the Life Settlement Borrower in accordance with customary industry practice and based on procedures and assumptions satisfactory to the Agent; *provided* that if the Agent in good faith disagrees with such calculation, then the Agent may, in its discretion, re-calculate the Expected IRR, and such re-calculation by the Agent shall be conclusive and binding absent manifest error.

"*Facility Amount*" means, at any time, the sum of (i) the aggregate face amount of all commercial paper notes issued by the Lender to fund or maintain Advances hereunder (net of all unearned discount with respect to any such notes issued on a discount basis), plus (ii) the aggregate outstanding principal amount of Advances hereunder that were not funded through the issuance of the Lender's commercial paper notes, plus (iii) the aggregate accrued and unpaid Interest and Facility Fees hereunder (without duplication of amounts described in clause (i)).

"*Facility Fees*" means, collectively, the Program Fees and the Non-Use Fees.

"*Facility Rate*" means, at any time, the sum of (i) the weighted average Interest Rate on the Advances then outstanding hereunder (adjusted in a manner satisfactory to the Agent to reflect any Hedge Transactions then in effect), plus (ii) the rate per annum at which Program Fee accrues, plus (iii) the Collateral Account Bank Fees, Custodian Fees, Life Settlement Servicing Fees, Master Servicing Fees and Backup Servicer Fees that were payable during the most recently ended Monthly Period, each expressed as a percentage of the average daily aggregate Collateral Balance of the Eligible Assets during such Monthly Period and converted to an equivalent rate per annum.

"*Fee Letter*" means that certain letter agreement dated as of the date hereof among the Borrowers, the Lender and the Agent, as it may be amended or modified and in effect from time to time.

"*Final Payout Date*" means the date following the Program Maturity Date on which all Advances, all Interest thereon and all other Obligations have been indefeasibly paid in full in cash.

"*Finance Charges*" means, with respect to any Asset that is a Loan, any interest, late charges, fees and other amounts owing by an Obligor pursuant to the related Asset Documents (excluding the Collateral Balance of such Asset).

"*Fitch*" means Fitch Ratings or its successor.

"*Funding Agreement*" means this Agreement and any liquidity agreement, credit support agreement, purchase agreement or other agreement or instrument executed by any Funding Source with or for the benefit of the Lender and relating to this Agreement.

"*Funding Source*" means (i) DZ Bank and (ii) any other insurance company, bank or other financial institution providing liquidity, credit enhancement or back-up purchase support or facilities to the Lender.

"*GAAP*" means generally accepted accounting principles as in effect from time to time in the United States, applied in a manner consistent with that used in preparing the financial statements referred to in Section 4.01(z).

"*Governmental Authority*" means the United States of America, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*GWG Life Settlements*" means GWG Life Settlements, LLC, a Delaware limited liability company.

"*GWG Parties*" means, collectively, the Borrowers, the Titling Trust, the Performance Guarantor, the Master Servicers (excluding any successor Master Servicer that is not a Seller or Affiliate thereof) and the Sellers (in each case, whether as Seller or in any other capacity in connection with the Related Documents).

"*Hedge Agreement*" means an agreement between a Borrower and a Hedge Counterparty that governs one or more Hedge Transactions entered into pursuant to Section 2.06, which agreement shall consist of a "Master Agreement" in a form published by the International Swaps and Derivatives Association, Inc., together with a "Schedule" thereto and one or more "Confirmations" thereunder confirming the specific terms of each such Hedge Transaction. Each Hedge Agreement shall be consistent with customary rating agency criteria for "swap-dependent" transactions and shall otherwise be in form and substance satisfactory to the Agent.

"*Hedge Breakage Costs*" means, for any Hedge Transaction, any amount payable by a Borrower upon the early termination (in whole or in part) of that Hedge Transaction.

"*Hedge Counterparty*" means a counterparty that enters into a Hedge Transaction with a Borrower. Each Hedge Counterparty must be an Eligible Hedge Counterparty at the time the relevant Hedge Transaction is entered into.

"*Hedge Notional Amount Requirement*" means, for any date on which the Excess Spread (determined without giving effect to any Hedge Transactions) is less than 2.0%, a scheduled amortizing notional amount for such date and each Monthly Settlement Date thereafter, such

schedule to match the estimated aggregate outstanding principal balance of the Advances as of such date and each such subsequent Monthly Settlement Date (plus or minus 20% of such aggregate outstanding principal balance), as determined by the Agent in its sole discretion after consultation with the Master Servicers.

"*Hedge Transaction*" means each interest rate hedge transaction (including, without limitation, any interest rate swap, interest rate cap or other hedge transaction acceptable to the Agent) between a Borrower and a Hedge Counterparty that is entered into pursuant to Section 2.06 and is governed by a Hedge Agreement.

"*IEEPA*" means the International Emergency Economic Power Act, 50 U.S.C. § 1701 et. seq.

"*ILIT Trust Agreement*" means an irrevocable life insurance trust agreement of an Obligor between the Insured, as grantor, and the related trustee in such form as the Agent may approve in writing (such approval not to be unreasonably withheld).

"*Indebtedness*" of a Person means such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person's business), (iii) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) obligations of such Person to purchase securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property, (vi) capitalized lease obligations, (vii) net liabilities under interest rate swap, exchange or cap agreements, (viii) Contingent Obligations, (ix) Off Balance Sheet Liabilities, (x) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA and (xi) any other obligation for borrowed money or other financial accommodation which in accordance with GAAP would be shown as a liability on the consolidated balance sheet of such Person.

"*Indemnified Amounts*" has the meaning assigned to that term in Section 8.01.

"*Indemnified Party*" has the meaning assigned to that term in Section 8.01.

"*Independent Director*" means an individual who qualifies as an "Independent Director" (as defined in the limited liability company agreement of each Borrower as in effect on the date of this Agreement) and is an officer or employee of a company that provides independent directors to securitization special purposes entities in the ordinary course of business.

"*Initial Lender*" means, with respect to any Premium Finance Loan, the original lender that was party to the related Loan Agreement and initially funded such Premium Finance Loan.

"*Insolvency Event*" means, with respect to a specified Person, (a) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any

substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, or the commencement of an involuntary case under the federal bankruptcy laws, as now or hereafter in effect, or another present or future federal or state bankruptcy, insolvency or similar law and such case is not dismissed or stayed within 60 days; or (b) the commencement by such Person of a voluntary case under any applicable Federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person or its members, partners, shareholders or other equity holders (or its general partner, board of directors or similar managing entity or governing body, howsoever denominated) in furtherance of any of the foregoing.

"*Insurance Company Concentration*" means, at any time with respect to any Qualified Life Insurance Carrier, the aggregate Collateral Balance of Assets secured by or consisting of Policies issued by such Qualified Life Insurance Carrier. For purposes of the foregoing, each Qualified Life Insurance Carrier and its Affiliates shall be treated as a single Qualified Life Insurance Carrier.

"*Insurance Company Concentration Limit*" means, with respect to any Qualified Life Insurance Carrier, the product of (a) the greater of (x) the Eligible Asset Balance and (y) $30,000,000 and (b) applicable percentage specified below:

(i) if such insurance company has a financial strength rating of "AA-" or better from Standard & Poor's and "Aa3" or better from Moody's, 25%; and

(ii) if such insurance company does not fall within clause (i), 10%.

"*Insured*" means the named insured under a Policy.

"*Interest*" means, for any Advance and any Interest Period, the sum for each day during such Interest Period of the following:

$$\frac{IR \times PB}{360}$$

where:

IR = the Interest Rate for such Advance for such day

PB = the outstanding principal balance of such Advance on such day

provided that no provision of this Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by applicable law; and *provided further* that Interest for any Advance shall not be considered paid by any distribution to the extent that at any time all or a portion of such distribution is rescinded or must otherwise be returned for any reason.

"*Interest Payment Date*" means the Business Day requested by the Borrowers in a Commercial Paper Remittance Report and approved by the Agent not later than 11:00 a.m. (New York time) on the Business Day immediately preceding the first day of the applicable Interest Period; *provided* that (i) no CP Interest Period may be more than 90 days and (ii) if the Agent and the Borrowers have not mutually agreed on the Interest Payment Date with respect to any Advance by 11:00 a.m. (New York time) on the Business Day immediately preceding the first day of such Interest Period, then the Interest Payment Date for such Interest Period will be the Business Day selected by the Agent in its discretion.

"*Interest Period*" means, with respect to any Advance, (i) initially, the period from and including the applicable Borrowing Date to but excluding the next succeeding Interest Payment Date for such Advance, and (ii) thereafter, each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date for such Advance.

"*Interest Rate*" means, for each day during any Interest Period and any Advance, a per annum rate equal to (a) to the extent the Lender funds such Advance on such day through the issuance of its commercial paper, the CP Rate and (b) to the extent the Lender does not fund such Advance on such day through the issuance of its commercial paper, the Alternative Rate; *provided* that from and after the occurrence of a Termination Event, the Interest Rate for all Advances and all Interest Periods shall be equal to the Alternative Rate unless otherwise directed by the Agent in its sole discretion; and *provided further* that from and after the occurrence of an Event of Default, the Interest Rate for all Advances and all Interest Periods shall be equal to Default Funding Rate.

"*Key Employees*" means Jon Sabes and Steve Sabes; *provided* that if any such Person is replaced by a successor that has been approved in writing by the Agent, then such successor shall be deemed to be a Key Employee and the replaced Person shall cease to be a Key Employee.

"*Lender*" means Autobahn Funding Company LLC and its successors and assigns.

"*LIBOR*" means, with respect to any Alternative Rate Interest Period, the interest rate per annum (rounded upwards, if necessary, to the nearest 1/16 of 1%) reported at or about 11:00 a.m., on the date two Business Days prior to the first day of such Alternative Rate Interest Period, on Bloomberg page BBAM 1 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Agent from time to time, for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) as the London Interbank Offered Rate for United States dollar deposits having a term equal to such Alternative Rate Interest Period and in a principal amount of $1,000,000 or more (or, if such Page shall cease to be publicly available or, if the information contained on such Page, in the Agent's sole judgment, shall cease to accurately reflect such London Interbank Offered Rate, such rate as reported by any publicly available recognized source of similar market data selected by the Agent that, in the Agent's sole judgment, accurately reflects such London Interbank Offered Rate); *provided* that if no such rate is available for such Alternative Rate

Interest Period, "LIBOR" shall be a rate per annum at which deposits in United States dollars are offered by the Agent to prime banks in the London interbank market at or about 11:00 A.M. (London time) two Business Days before the first day of such Alternative Rate Interest Period for delivery on such first day and for a period equal to such Alternative Rate Interest Period. If no such rate can be determined as set forth above for a period equal to such Alternative Rate Interest Period, LIBOR for such Alternative Rate Interest Period shall be determined through the use of straight-line interpolation by reference to two rates determined as set forth above, one of which shall be determined as if the Alternative Rate Interest Period were the period of time for which rates are available next shorter than the length of such Alternative Rate Interest Period and the other of which shall be determined as if the Alternative Rate Interest Period were the period of time for which rates are available next longer than the length of such Alternative Rate Interest Period.

"*Life Expectancy*" means the average estimated life expectancy of the Insured as determined by at least two Eligible Medical Underwriters as of the most recent medical evaluation of such Insured prior to the date the related Asset is first included in the Collateral; *provided* that, if the estimated life expectancy of the Insured provided by one Eligible Medical Underwriter (expressed as a number of years from the date of determination to the end of the Life Expectancy of the related Insured) is 25% greater than the estimated life expectancy of the Insured provided by another Eligible Medical Underwriter, for purposes of this definition, the lower estimated life expectancy will be increased by the amount necessary reduce such difference to less than 25%.

"*Life Insurance Trust"* means an irrevocable life insurance trust settled by an Insured (or any other grantor who has a legal and valid insurable interest in the Insured).

"*Life Settlement Borrower*" means GWG DLP Funding II, LLC, a Delaware limited liability company.

"*Life Settlement Master Servicer*" means GWG Life Settlements, in its capacity as master servicer for the Purchased Policies under the Life Settlement Servicing Agreement, and any successor thereto in such capacity.

"*Life Settlement Provider*" means GWG Life Settlements and any other life settlement provider approved from time to time in writing by the Agent acting in its sole discretion.

"*Life Settlement Servicer*" means Wells Fargo Bank, N.A., in its capacity as servicer pursuant to the Life Settlement Servicing Agreement, and any successor thereto in such capacity.

"*Life Settlement Servicing Agreement*" means the Servicing Agreement of even date herewith among the Life Settlement Master Servicer, the Life Settlement Servicer, the Life Settlement Borrower and the Titling Trust, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"*Life Settlement Servicing Fee*" means the "Servicer Fee" payable to the Life Settlement Servicer under (and as defined in) the Life Settlement Servicing Agreement.

"*Liquidated Asset*" means any Asset included in the Collateral (i) that is owed by an Obligor which has suffered an Insolvency Event, (ii) that any Servicer has determined in good faith should be charged-off in accordance with its Operating Policies and Practices or (iii) that has been liquidated through its sale, in the case of a Purchased Policy, and the sale of the related collateral, in the case of a Loan (such Asset shall become a Liquidated Asset as of the earliest date on which any of the foregoing has occurred).

"*Liquidation Fee*" means for (i) any Advance for which Interest is computed by reference to the CP Rate and a reduction of the outstanding principal balance thereof is made for any reason or (ii) any Advance for which Interest is computed by reference to LIBOR and a reduction of the outstanding principal balance of such Advance is made for any reason on any day other than a Monthly Settlement Date or on less than three Business Days' prior written notice, the amount, if any, by which (A) the additional Interest (calculated without taking into account any Liquidation Fee) which would have accrued during the Interest Period in which such reduction occurs (or, in the case of clause (i) above, during the period until the maturity of the underlying commercial paper tranches) on such Advance had such reduction not occurred, exceeds (B) the income, if any, received by the Lender from the investment of the proceeds of such reduction of principal. A certificate as to the amount of any Liquidation Fee (including the computation of such amount) shall be submitted by the Lender (or the Agent on its behalf) to the Borrowers and shall be conclusive and binding for all purposes, absent manifest error.

"*Liquidation Proceeds*" means Collections consisting of (i) the Sales Price received as a result of the sale of a Purchased Policy to a Third Party Buyer pursuant to Section 2.14, (ii) the Net Death Benefit paid by an insurance carrier under a Purchased Policy or a Policy securing a Loan or (iii) the repayment in full of the outstanding principal balance of a Loan together with accrued and unpaid interest thereon due as of the date of such repayment or any other proceeds received in respect of a Policy that secures or secured a Loan (whether in connection with the enforcement of the security interest therein or any other sale of such Policy, but excluding any such proceeds required to be returned to the applicable Obligor pursuant to the terms of the applicable Loan Documents or applicable law), in each case to the extent actually received in cash and deposited into the Collection Account.

"*Loan*" means a loan, advance or other extension of credit to an Obligor made or purchased by United Lending, an Initial Lender or the Bridge Loan Lender, and all rights with respect thereto, whether constituting an account, chattel paper, instrument, investment property or general intangible, and including, without limitation, the obligation of any related Obligor to pay any Finance Charges with respect thereto.

"*Loan Agreement*" means a loan agreement entered into by and between United Lending, an Initial Lender or the Bridge Loan Lender and an Obligor in substantially the form attached as part of Exhibit B-1 hereto (in the case of Premium Finance Loan) or Exhibit B-2 hereto (in the case of a Bridge Loan) or such other form as the Agent may approve in writing (such approval not to be unreasonably withheld).

"*Loan Documents*" means, with respect to any Loan, collectively, (a) the executed original counterpart of the documents which evidence an Obligor's obligation to repay a Loan including the original of any document that constitutes "tangible chattel paper" or an "instrument" for purposes of Article 9 of the UCC and, with respect to each Loan Note, an allonge in the form attached as Exhibit E hereto duly endorsing such instrument in blank or to the Agent, (b) the related Loan Agreement, (c) the related Purchase and Sale Agreement, (d) the related Collateral Assignment, (e) any related escrow agreement and (f) all other instruments, documents and agreements of the type included as part of Exhibit B-1 or Exhibit B-2, as applicable, or otherwise executed and/or delivered under or in connection with any of the foregoing, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

"*Loan Note*" means a promissory note executed by an Obligor in substantially the form attached as part of Exhibit B-1 hereto (in the case of a Premium Finance Loan) or Exhibit B-2 (in the case of a Bridge Loan) or such other form as the Agent may approve in writing (such approval not to be unreasonably withheld).

"*Master Servicer*" means the Life Settlement Master Servicer or the Premium Finance Master Servicer.

"*Master Servicer Default*" has the meaning specified in the Sale and Servicing Agreement.

"*Master Servicer's Certificate*" has the meaning specified in the Sale and Servicing Agreement.

"*Master Servicing Fee*" means the "Master Servicing Fee" payable to a Master Servicer under (and as defined in) the Sale and Servicing Agreement (in the case of the Premium Finance Master Servicer) or the Life Settlement Servicing Agreement (in the case of the Life Settlement Master Servicer).

"*Material Adverse Effect*" means a material adverse effect on (i) the financial condition, business or operations of any GWG Party, (ii) the ability of any GWG Party to perform its obligations under any Related Document, (iii) the legality, validity or enforceability of this Agreement or any other Related Document, (iv) either Borrower's or the Agent's interest in the Collateral or in any significant portion of the Assets included in the Collateral, the Other Conveyed Property or the Collections with respect thereto or the perfection of any such interest or (v) the collectibility of the Assets included in the Collateral generally or of any material portion of such Assets.

"*Maximum Advance Rate*" means at any time a percentage equal to the sum of (i) the product of (A) 60% and (B) a fraction, the numerator of which is the aggregate Collateral Balance of the Eligible Assets that are Bridge Loans at such time, and the denominator of which is the Eligible Asset Balance and (ii) the product of (A) 75% and (B) a fraction, the numerator of which is the aggregate Collateral Balance of all Eligible Assets (other than Bridge Loans) at such time, and the denominator of which is the Eligible Asset Balance.

"*Milliman Model*" means the actuarial pricing model developed by Milliman (version 8.1.1 or such other subsequent version not objected to by the Agent in its reasonable discretion) that is used to establish the value of the Policies.

"*Minimum Excess Spread*" means 2.00%.

"*Monthly Period*" means, with respect to a Monthly Settlement Date or a Determination Date, the calendar month immediately preceding the month in which such Monthly Settlement Date or Determination Date occurs.

"*Monthly Settlement Date*" means the date that is the 10th day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day.

"*Moody's*" means Moody's Investors Service, Inc. or its successor.

"*Multiemployer Plan*" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA which is or was at any time during the current year or the immediately preceding five years contributed to by a GWG Party or any ERISA Affiliate on behalf of its employees.

"*Net Death Benefit*" means, with respect to any Policy, as of any date of determination, the death benefit payable under such Policy net of any Policy Loan (and accrued interest) as of such date of determination.

"*Net Eligible Asset Balance*" means, at any time, (i) the Eligible Asset Balance at such time, minus (ii) the Excess Concentration Amount at such time.

"*Non-Use Fee*" has the meaning specified in the Fee Letter.

"*Obligations*" means all present and future indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrowers to the Lender, the Agent, the Backup Servicer, the Life Settlement Servicer, the Collateral Account Bank, the Deposit Account Bank, any Affected Party and/or any other Secured Party, arising under or in connection with this Agreement or any other Related Document or the transactions contemplated hereby or thereby and shall include, without limitation, all liability for principal of and interest on the Advances, Program Fees, Non-Use Fees, Exit Fees, audit fees, expense reimbursements, indemnifications, and other amounts due or to become due under the Related Documents, including, without limitation, interest, fees and other obligations that accrue after the commencement of a bankruptcy, insolvency or similar proceeding (in each case whether or not allowed as a claim in such proceeding).

"*Obligor*" means (i) in the case of a Loan, the Person (including, without limitation, any applicable Life Insurance Trust) that is the sole owner and duly designated beneficiary of a Policy and which is primarily obligated to make payments under the related Loan and (ii) in the case of a Purchased Policy, the related insurance carrier that issued such Policy.

"*Obligor Concentration*" means, at any time with respect to any Obligor, the aggregate Collateral Balance of the Eligible Assets owing by such Obligor or any Affiliate of such Obligor.

"*OFAC*" means the U.S. Department of Treasury's Office of Foreign Asset Control.

"*Off Balance Sheet Liabilities*" of a Person means (a) any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to accounts or notes receivable sold by such Person or any of its Subsidiaries, (b) any liability under any sale and leaseback transactions which do not create a liability on the consolidated balance sheet of such Person prepared in accordance with GAAP, (c) any liability under any financing lease or so-called "synthetic" lease transaction, or (d) any obligations arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person and its Subsidiaries, prepared in accordance with GAAP.

"*Operating Policies and Practices*" means those operating policies and practices relating to Assets described in Schedule IV, as modified in compliance with this Agreement.

"*Opportunity Bridge Funding*" means Opportunity Bridge Funding, LLC, a Delaware limited liability company.

"*Origination Agreement*" means an agreement in form and substance satisfactory to the Agent, between GWG Life Settlements and another Life Settlement Provider relating to the purchase of Policies, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

"*Origination Expenses*" means, with respect to any Purchased Policy, the amounts described in clauses (ii) and (iii) of the definition of "Purchase Price", subject to the limits described therein.

"*Originator*" means any originating broker or agent approved in accordance with the Operating Policies and Practices that arranged for a Loan to be entered into by the relevant Initial Lender or Bridge Loan Lender, as applicable, or the purchase or settlement of a Purchased Policy.

"*Other Conveyed Property*" has the meaning specified in the Sale and Servicing Agreement.

"*Other Taxes*" has the meaning specified in Section 2.11(b).

"*Parent Group Member*" means, collectively, the Performance Guarantor and its Affiliates (other than the Borrowers).

"*Performance Guarantor*" means GWG Holdings, LLC, a Delaware limited liability company.

"*Performance Guaranty*" means the performance guaranty of even date herewith executed by the Performance Guarantor in favor of the Borrowers and the Agent, as amended, restated, supplemented or otherwise modified from time to time.

"*Permitted Lien*" means (a) an Adverse Claim created in favor of the Agent pursuant to this Agreement and any other documents related hereto and (b) liens for taxes not yet due or being contested in good faith and by appropriate proceedings and with respect to which no tax lien filing has been made.

"*Person*" means an individual, partnership, corporation, limited liability company, joint stock company, trust (including a business or statutory trust), unincorporated association, joint venture, government (or any agency or political subdivision thereof) or other entity.

"*Policies*" means the life insurance policies issued by a Qualified Life Insurance Carrier insuring solely the life of the Insured, and any and all applications, conditional receipts, riders, endorsements, supplements, amendments and all other documents and instruments that modify or otherwise affect the terms and conditions of such policy issued in connection therewith.

"*Policy File*" means, except as otherwise consented to by the Agent, with respect to any Policy, the documents specified as the "Policy File" on Schedule II hereto, in each case in substantially the form attached as part of Exhibit B-2 hereto or such other form as the Agent may approve in writing (such approval not to be unreasonably withheld).

"*Policy Loan*" means, with respect to any Policy, any loan or other cash advance made against the cash value of such Policy.

"*Potential Event of Default*" means an event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default.

"*Premium Finance Loan*" means a Loan the proceeds of which are used to fund payments of premiums due under a related Policy.

"*Premium Finance Borrower*" means United Lending SPV, LLC, a Delaware limited liability company.

"*Premium Finance Master Servicer*" means United Lending, in its capacity as the master servicer for the Purchased Loans under the Sale and Servicing Agreement, and any successor thereto in such capacity.

"*Program Fee*" has the meaning specified in the Fee Letter.

"*Program Maturity Date*" means the earlier of (i) the Scheduled Program Maturity Date and (ii) the date of the declaration or automatic occurrence of the Program Maturity Date pursuant to Article VI.

"*Prohibited Person*" means any Person: (a) listed in the annex to, or otherwise subject to the provisions of, the Executive Order; (b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (c) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering legal requirements, including the PATRIOT Act and the Executive Order; (d) that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; (e) that is named as a "specifically designated national (SDN)" on the most current list published by OFAC at its official website (http://www.treas.gov.ofac/t11sdn.pdf) or at any replacement website or other

replacement official publication of such list or is named on any other U.S. or foreign government or regulatory list issued after September 11, 2001; (f) that is covered by IEEPA, OFAC or any other law, regulation or executive order relating to the imposition of economic sanctions against any country, region or individual pursuant to United States law or United Nations resolution; or (g) that is an affiliate (including any principal, officer, immediate family member or close associate) of a person or entity described in one or more of clauses (a) – (f) of this definition.

"*Purchase and Sale Agreement*" means a Purchase and Sale Agreement between (i) in the case of a Premium Finance Loan, an Initial Lender and United Lending in substantially the form attached as part of Exhibit B-1 hereto or such other form as the Agent may approve in writing (such approval not to be unreasonably withheld) and (ii) in the case of a Purchased Policy, GWG Life Settlements and the Person from whom GWG Life Settlements purchased such Policy in substantially the form attached as part of Exhibit B-3 hereto or such other form as the Agent may approve in writing (such approval not to be unreasonably withheld), as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

"*Purchase Price*" means, with respect to any Purchased Policy, an amount equal to the sum of (i) the Value of such Policy as of the date such Policy was purchased by the applicable Seller, plus (ii) the sum of any origination fees, Life Settlement Provider fees and any broker commission fees actually paid in cash by such Seller (which fees, if paid to parties that are Affiliates of such Seller will be based on a market rate) in connection with its purchase of such Policy (which fees in the aggregate shall not to exceed 30% of the amount described in clause (i)), plus (iii) other reasonable and customary closing expenses actually paid in cash by such Seller (which expenses, if paid to parties that are Affiliates of such Seller will be based on a market rate) in connection with its purchase of such Policy (which expenses in the aggregate shall not exceed $20,000); *provided* that in no event will the Purchase Price for any Purchased Policy exceed the total purchase price (inclusive of the fees and expenses referred to in clauses (ii) and (iii) above, subject to the limits described therein) actually paid in cash by such Seller in connection with its purchase of such Policy.

"*Purchased Loan*" means a Loan in which the Premium Finance Borrower has acquired, or purports to have acquired, an interest pursuant to the Sale and Servicing Agreement; *provided* that, except as otherwise expressly provided herein, the term "Purchased Loan" shall exclude any Loan that has been released from the Collateral pursuant to Section 2.14 hereof.

"*Purchased Policy*" means a Policy in which a Borrower or the Titling Trust has acquired, or purports to have acquired, an interest pursuant to the Sale and Servicing Agreement (but excluding any Policy securing a Purchased Loan, unless and until the Premium Finance Borrower or the Titling Trust becomes the legal and beneficial owner of such Policy by way of foreclosure or otherwise pursuant to the relevant Asset Documents); *provided* that, except as otherwise expressly provided herein, the term "Purchased Policy" shall exclude any Policy that has been released from the Collateral pursuant to Section 2.14 hereof.

"*Purchased Policy Documents*" means, with respect to any Purchased Policy, collectively, (a) the related Origination Agreement (if applicable), (b) the related Purchase and Sale Agreement, (c) the related Collateral Assignment, (d) the related Trust Certificate, (e) the related Policy File, (f) any related escrow agreement and (g) all other instruments, documents and agreements of the type included as part of Exhibit B-3 or otherwise executed and/or delivered under or in connection with any of the foregoing, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

"*Qualified Life Insurance Carrier*" means a life insurance company domiciled in the United States that has a minimum financial strength rating of at least "A-" from Standard & Poor's or "A3" from Moody's, or if rated by both Standard & Poor's and Moody's, "A-" from Standard & Poor's and "A3" from Moody's at the time of the origination of the related Policy.

"*Qualified State*" has the meaning specified on Schedule I.

"*Records*" means, with respect to any Asset, all Asset Documents and other documents, books, records and other information (including, without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) relating to such Asset, any Other Conveyed Property therefor and the related Obligor, the related Insured, the related Originator and the related Initial Lender, Bridge Loan Lender or Life Settlement Provider, as applicable.

"*Related Documents*" means, collectively, this Agreement, the Fee Letter, the Sale and Servicing Agreement, the Life Settlement Servicing Agreement, the Performance Guaranty, the Backup Servicing Agreement, the Trust Agreement, each Trust Certificate, the Titling Trust Security Agreement, each Purchase and Sale Agreement, each Assignment, the Collateral Account Agreement, each Deposit Account Control Agreement, each Eligible Escrow Agreement and all other instruments, documents and agreements executed in connection with any of the foregoing. The Related Documents executed by any party are referred to herein as "such party's Related Documents," "its Related Documents" or by a similar expression.

"*Reserve Account*" means the non-interest bearing trust account established with the Collateral Account Bank pursuant to Section 2.16, which account has been designated as the "Reserve Account", including any subaccounts of such account, and any other account designated as the "Reserve Account" by the Agent.

"*Responsible Officer*" means, (i) with respect to any GWG Party, the President, Chief Executive Officer, Chief Financial Officer or Controller of such GWG Party and any other officer or employee of such GWG Party having responsibility for the administration of the Related Documents and (ii) with respect to Wells Fargo Bank, National Association, the President, Chief Executive Officer, Chief Financial Officer, Controller, any Vice President, any Assistant Vice President or any other officer or employee of Wells Fargo Bank, National Association having responsibility for performing its obligations under this Agreement or any of the Related Documents.

"*Sale and Servicing Agreement*" means that certain General Sale and Servicing Agreement of even date herewith among the Sellers, the Premium Finance Master Servicer and the Borrowers, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"*Sale Price*" has the meaning specified in Section 2.14.

"*Schedule of Assets*" has the meaning specified in the Sale and Servicing Agreement.

"*Scheduled Program Maturity Date*" means July 15, 2013.

"*Secured Parties*" means, collectively, the Lender, the Agent, the Backup Servicer, the Life Settlement Servicer, the Hedge Counterparties, the Affected Parties, other Indemnified Parties and their respective successors and assigns.

"*Seller*" means GWG Life Settlements, United Lending or Opportunity Bridge Funding.

"*Servicer*" means any of the Life Settlement Servicer, the Life Settlement Master Servicer and the Premium Finance Master Servicer.

"*Standard & Poor's*" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"*Subordinated Indebtedness*" means Indebtedness of a GWG Party which (i) matures not earlier than one year after the Scheduled Program Maturity Date and (ii) has been subordinated to the payment of the obligations of such GWG Party under the Related Documents, as evidenced by a written subordination agreement in form and substance reasonably satisfactory to the Agent.

"*Subsidiary*" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Performance Guarantor.

"*Tangible Net Worth*" means, at any date with respect to any Person, (a) the net worth of such Person and its consolidated Subsidiaries, determined in accordance with GAAP, minus (b) the total book value of all intangible assets of such Person and its consolidated Subsidiaries determined in accordance with GAAP (including, without limitation, such items as goodwill, trademarks, trade names, service marks, brand names, copyrights, patents and licenses); *provided* that no Indebtedness of, investment in or receivable owing by any Affiliate of such Person shall be included in the calculation of Tangible Net Worth; *provided, further*, that the Tangible Net Worth for the Sellers and their respective Subsidiaries for any period shall reflect and include (without duplication) the accrued interest on the Loans included in the applicable Seller's managed portfolio and accrued Expected IRR on the Policies included in the applicable Seller's managed portfolio during such period.

"*Taxes*" has the meaning specified in Section 2.11(a).

"*Termination Event*" has the meaning specified in Section 6.02.

"*Third Party Buyer*" has the meaning specified in Section 2.14.

"*Titling Trust*" means GWG DLP Trust II, a Delaware statutory trust.

"*Titling Trust Security Agreement*" means a security agreement executed by the Titling Trust in favor of the Agent, pursuant to which the Titling Trust grants to the Agent a security interest in the Policies held by the Titling Trust, in such form as the Agent may approve in writing.

"*Titling Trust Trustee*" means Wells Fargo Bank, N.A., as trustee under the Trust Agreement, or Wells Fargo Delaware Trust Company, as Delaware trustee under the Trust Agreement or, in either case, any successor trustee or Delaware trustee under the Trust Agreement.

"*Titling Trust Trustee Fees*" means the fees payable to the Titling Trust Trustees pursuant to the Trust Agreement.

"*Treasury Regulations*" means any regulations promulgated by the Internal Revenue Service interpreting the provisions of the Code.

"*Trust Agreement*" means the Trust Agreement of the GWG DLP Trust II dated as of July 15, 2008 among Wells Fargo Bank, N.A., as trustee, Wells Fargo Delaware Trust Company, as Delaware trustee, and the Life Settlement Borrower, as certificateholder, as amended, restated, supplemented or otherwise modified from time to time.

"*Trust Certificate*" means a trust certificate evidencing undivided beneficial ownership of an interest in the assets of the Titling Trust.

"*UCC*" means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

"*United Lending*" means United Lending, LLC, a Delaware limited liability company.

"*United States*" means the United States of America.

"*Value*" means, (i) with respect to any Policy, an amount equal to (x) the present value of the expected Net Death Benefit that will be paid under such Policy minus (y) the present value of all future projected premium payments that will be due under such Policy during the Life Expectancy of the related Insured, in each case calculated using the Milliman Model and otherwise in a manner and using assumptions satisfactory to the Agent and based on a discount rate equal to the Expected IRR of the Policy as of the date such Policy (or the Loan secured by such Policy) was originated or acquired by the applicable Seller and (ii) with respect to any Loan, the Value of the Policy securing such Loan; *provided*, in each case, that if the Agent shall determine in good faith that any GWG Party's or Servicer's calculation of Value for any Asset is inaccurate, then such Value will be determined by the Agent, which calculation by the Agent will be conclusive and binding absent manifest error; and *provided further* that the Value of a Loan will not exceed the Collateral Balance of such Loan. For purposes of calculating the Value of a Policy, the discount rate used to calculate the present value of the Net Death Benefit under the Policy shall be equal to the Expected IRR of such Policy or, in the case of a Policy securing a Loan, the contractual interest rate payable by the Obligor under such Loan.

"*Weighted Average Annualized Portfolio Yield*" means, at any time, the product of (i) (A) in the case of Loans, the weighted average contractual interest rate for all Loans that are Eligible Assets (weighted solely by the respective Collateral Balances of such Loans) and (B) in the case of Purchased Policies, the weighted average Expected IRR for all Purchased Policies that are Eligible Assets (weighted solely by the respective Collateral Balances of such Purchased Policies) and (ii) the Yield Realization Percentage.

"*Yield Realization Percentage*" means, as of any date of determination, a fraction, the numerator of which is equal to the annualized yield by the Borrowers actually realized during the immediately preceding six calendar month period in respect of sold or liquidated Eligible Assets included in the Collateral and the denominator of which is equal to (i) in the case of Loans included in the Collateral, the weighted average annualized contractual interest accrued on such Loans during such six-month period and (ii) in the case of Purchased Policies included in the Collateral, the weighted average Expected IRR on such Purchased Policies for such six-month period; *provided*, that, if less than five Policies are sold and/or liquidated during such six-month period, the immediately preceding twelve month period shall be used for purposes of this definition. The Yield Realization Percentage shall be calculated by the relevant Seller in a manner satisfactory to the Agent; *provided* that if the Agent disagrees with such calculation, then the Agent may re-calculate the Yield Realization Percentage, which calculation by the Agent shall be conclusive and binding absent manifest error.

Section 1.02. Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, as in effect on the date hereof and not specifically defined herein, are used herein as defined in such Article 9. Unless otherwise expressly indicated, all references herein to "Article," "Section," "Schedule" or "Exhibit" means articles and sections of, and schedules and exhibits to, this Agreement. Headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof. Any reference to any law, rule or regulation shall be deemed to be a reference to such law, rule or regulation as the same may be amended or re-enacted from time to time. Any reference to any Person shall include its successors and permitted assigns.

Section 1.03. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

ARTICLE II

THE FACILITY

Section 2.01. Borrowings. On the terms and conditions hereinafter set forth, and subject to the proviso below, the Lender shall make loans (each such loan, an "*Advance*") to the Borrowers from time to time during the period from and including the date hereof to but excluding the Program Maturity Date in an aggregate amount not to exceed, at any one time outstanding, the Borrowing Limit. Under no circumstances shall the Lender be required to make an Advance if, after giving effect to such Advance, a Borrowing Base Deficiency would exist.

Section 2.02. Procedures for Borrowings.

(a) Until the occurrence of the Program Maturity Date, the Lender will make Advances on any Business Day at the request of a Borrower, subject to and in accordance with the terms and conditions of this Article II and Article III.

(b) Each Borrowing shall be made on not less than three Business Days' notice from the related Borrower to the Agent. Each such notice shall specify (A) the aggregate amount of such Borrowing, which shall be in an amount equal to or greater than $250,000 (which amount applies in the aggregate to both Borrowers) and (B) the date of such Borrowing. Any such notice received by the Agent after 11:00 am New York time will be deemed to have been delivered on the following Business Day. On the date of such Borrowing, the Lender shall, upon satisfaction of the applicable conditions set forth in Article III, make available to the applicable Borrower in same day funds, the amount of such Borrowing by payment to the account which such Borrower has designated in writing.

Section 2.03. Increase or Decrease of the Borrowing Limit.

(a) The Borrowers may from time to time, in their discretion, request an increase in the Borrowing Limit. Each such request must be made upon not less than 30 days written notice to the Agent. The Agent and the Lender may, in the sole and absolute discretion of each, grant or deny such request; *provided* that any failure of the Agent or the Lender to respond to such request within such 30-day period shall be deemed to be a denial of such request. If each of the Agent and the Lender agrees in writing to grant such request, such increase will become effective upon the satisfaction of the conditions set forth in Section 2.03(b) below.

(b) Notwithstanding anything herein to the contrary, no increase in the Borrowing Limit will become effective unless both at the time such increase is requested and at the time such increase is to become effective: (x) no event has occurred, or would result from such increase, which constitutes an Event of Default, a Potential Event of Default or a Termination Event and (y) the representations contained in Section 4.01 and the representations of the other GWG Parties contained in the other Related Documents are true and correct on and as of such date as though made on and as of such date.

(c) Subject to the terms of the Fee Letter and the payment of any Prepayment Fee required in connection therewith, the Borrowers may, upon at least 30 Business Days' written notice to the Agent, terminate in whole or reduce in part the portion of the Borrowing Limit that exceeds the outstanding Advances; *provided, however,* that each partial reduction of the Borrowing Limit shall be in an aggregate amount equal to $5,000,000 or an integral multiple thereof.

Section 2.04. Use of Proceeds. The Borrowers will use the proceeds of Advances hereunder solely: (i) to purchase Eligible Assets from the Sellers in accordance with the terms of the Sale and Servicing Agreement, including, in the case of an Escrow Policy, the funding of any related escrow of the Purchase Price therefore with an Eligible Escrow Agent pursuant to an Eligible Escrow Agreement and, in the case of a Premium Finance Loan, the funding of any related escrow of the purchase price payable to the Initial Lender in respect of such Premium Finance Loan pursuant to the terms of the related Loan Documents (an "*Escrow Amount*"); *provided* that (A) in no event may the aggregate of the Escrow Amounts in respect of Premium Finance Loans included in the Eligible Asset Balance exceed $2,000,000, (B) the Agent may at any time in its discretion require that the Escrow Amount for all or any portion of the Premium Finance Loans be held by a third party bank acceptable to the Agent pursuant to an escrow agreement acceptable to the Agent and (C) United Lending shall remain liable for any losses in respect of such Escrow Amount in the event of any bankruptcy, insolvency, receivership or similar proceeding with respect to the Initial Lender as provided in the Sale and Servicing Agreement, (ii) to fund payments of premium due under a Purchased Policy or a Policy securing a Defaulted Asset included in the Collateral and (iii) to make periodic payments of Interest and Facility Fees due and payable under this Agreement.

Section 2.05. Settlement Procedures. The Borrowers shall establish and maintain, or cause to be established and maintained, the Collection Account in the name of the Agent. The Collection Account shall at all times be under the exclusive dominion and control of the Agent and no GWG Party shall have any access thereto or right to make any withdrawal therefrom (except that the Master Servicers will have read-only online access for the purpose of reviewing the activity in the Collection Account).

(a) ***Monthly Settlement Date Distributions.*** On each Monthly Settlement Date, the Agent will direct the Collateral Account Bank to transfer the Available Funds on deposit in the Collection Account (including any portion of such funds set aside pursuant to Section 2.05(c) but net of the portion of such funds set aside pursuant to Section 2.05(f) below) together with (x) prior to the occurrence of the Program Maturity Date, the available funds on deposit in the Reserve Account (but only to the extent the amounts due under clauses (i) through (iv) below cannot be paid in full from the Available Funds on deposit in the Collection Account) and (y) on or after the occurrence of the Program Maturity Date, all available funds on deposit in the Reserve Account, in the following amounts and priority:

(i) *first*, pay to each Hedge Counterparty, on a *pari passu* basis, an amount equal to any net payments (other than fees, expenses and Hedge Breakage Costs) that are due and payable under the Hedge Agreements (if any);

(ii) *second*, pay, on a *pari passu* basis, (A) to the Collateral Account Bank and the Deposit Account Bank an amount equal to the Collateral Account Bank Fees, Deposit Account Bank Fees and other expenses (including indemnities) then due and payable, (B) to the Custodian an amount equal to the Custodian Fees and expenses (including indemnities) then due and payable; (C) to the Backup Servicer an amount equal to the Backup Servicer Fees and expenses (including indemnities) then due and payable, (D) to the Titling Trust Trustees an

amount equal to the Titling Trust Trustee Fees and expenses (including indemnities) then due and payable and (E) to the Life Settlement Servicer or any successor Master Servicer that is not a Seller or an Affiliate thereof the expenses (including indemnities) then due and payable to such party; provided, that the total amount of expenses (including indemnities) payable under this clause (ii) after the Closing Date (excluding Transition Expenses (as defined in the Sale and Servicing Agreement) incurred in consultation with the Agent, which shall not be subject to any cap) will not exceed $100,000 during any twelve calendar month period (the "*Senior Expenses Cap*");

(iii) *third*, pay, on a pari passu basis, (A) to each Master Servicer an amount equal to the accrued and unpaid Master Servicing Fee owing to such Master Servicer and (B) to the Life Settlement Servicer an amount equal to the accrued and unpaid Life Settlement Servicing Fee;

(iv) *fourth*, pay to the Agent for the account of the Lender an amount equal to the accrued and unpaid Interest and Facility Fees and all other Obligations then due and payable (other than the principal balance of the Advances);

(v) *fifth*, pay, on a *pari passu* basis, to each Hedge Counterparty, an amount equal to any fees, expenses and Hedge Breakage Costs which are then due and payable under the Hedge Agreements (if any);

(vi) *sixth*, pay to the Agent for the account of the Lender an amount equal to the lesser of (A) aggregate Advance Amount for all Assets for which any Liquidation Proceeds have been deposited into the Collection Account during the preceding Monthly Period (the "*Available Liquidation Proceeds*") and (B) the aggregate outstanding principal balance of the Advances;

(vii) *seventh*, on and after the Program Maturity Date, and at any other time that a Termination Event has occurred and is continuing, pay all remaining funds to the Agent for the account of the Lender until the Advances have been repaid in full;

(viii) *eighth*, pay to the Agent an amount equal to the Borrowing Base Deficiency (if any) as of such Monthly Settlement Date (determined as if no funds were on deposit in the Collection Account), for application to the repayment of the Advances;

(ix) *ninth*, to pay the amounts described in clause (ii) above, but only to the extent not paid thereunder due to the Senior Expenses Cap;

(x) *tenth*, so long as no Event of Default, Potential Event of Default or Borrowing Base Deficiency exists or would be created thereby, to the extent so directed by the Borrowers, transfer to the Borrowers an amount equal to the lesser of (A) the Available Liquidation Proceeds net of the amount paid to the Agent pursuant to clause (vi) above and (B) the Equity Funded Amount in respect of the

Assets which gave rise to such Liquidation Proceeds, together with an amount which would result in the Borrowers realizing an annualized rate of return on the Equity Funded Amount for such Assets of not more than 18% per annum, as determined by the Agent;

(xi) *eleventh*, if any Advances are to be prepaid on such Monthly Settlement Date pursuant to Section 2.09, transfer to the Agent the amount of such prepayment;

(xii) *twelfth*, any remaining Available Funds shall be remitted to the Reserve Account for future application in accordance with this Section 2.05 or, at the option of the Borrowers, to the Lender to repay all or a portion of the Facility Amount, *provided*, that if the Advance Rate is less than or equal to 50% (after giving effect to all distributions to the Borrowers), any remaining Available Funds may be distributed to the Borrowers so long as no Event of Default, Potential Event of Default or Borrowing Base Deficiency exists or would be created thereby; and *provided further* that, to the extent any portion of such remaining Available Funds is allocable to excess spread collected on the Bridge Loans and the Premium Finance Loans (as determined by the Agent), such portion of the remaining Available Funds may be distributed to the Borrowers so long as no Event of Default, Potential Event or Default or Borrowing Base Deficiency exists or would be created thereby; and

(xiii) *thirteenth*, any remaining Available Funds on deposit in the Collection Account (and, in the case of the Final Payout Date, on deposit in the Reserve Account) to the Borrowers so long as no Event of Default, Potential Event of Default or Borrowing Base Deficiency exists or would be created thereby.

(b) ***Eligible Investments.*** All funds held in the Collection Account and the Reserve Account or any subaccount thereof (including, without limitation, investment earnings thereon), shall be invested at the direction of the Master Servicers or the Agent in Eligible Investments in accordance with the Collateral Account Agreement.

(c) ***Other Payment Dates***. On each Business Day (including any Monthly Settlement Date), the Agent shall set aside funds on deposit in the Collection Account in an amount equal to the accrued and unpaid Interest through such day that will become payable on a subsequent Business Day. On each Interest Payment Date, the Agent shall direct the Collateral Account Bank to pay the accrued and unpaid Interest due on such Interest Payment Date out of the funds so set aside. If any other Obligation becomes due and payable on a date other than a Monthly Settlement Date, the Agent may, in its sole discretion, direct the Collateral Account Bank to transfer moneys held in the Collection Account in excess of the accrued and unpaid amounts described in clauses (i) through (iii) of Section 2.05(a) and the accrued and unpaid Interest, to pay the Obligations so due and payable.

(d) ***Other Interim Withdrawals From Collection Account and the Reserve Account.*** Each Borrower may, on any Business Day other than a Monthly Settlement Date, request the Agent to withdraw and transfer to such Borrower all or any portion of the funds on deposit in the Collection Account and/or the Reserve Account solely for the purpose of purchasing new Eligible Assets from the Sellers pursuant to the Sale and Servicing Agreement; *provided* that no such withdrawal shall be made unless (x) the Agent has received at least three (3) Business Days prior notice of such withdrawal (specifying therein the amount of such withdrawal and the date such withdrawal is to be made), (y) the Agent has received, in form and substance reasonably satisfactory to the Agent, a completed Borrowing Base Certificate duly executed by the Master Servicers and the Borrowers and containing information accurate as of a date no more than two (2) Business Days prior to the date of such withdrawal and confirming that no Borrowing Base Deficiency would exist after giving effect to such withdrawal and the application of the proceeds thereof and (z) the following statements are true (and each GWG Party shall be deemed to have represented and warranted that the following statements are and shall be true as of the date of such withdrawal):

(i) the representations and warranties contained in Section 4.01 and the representations of the other GWG Parties contained in the other Related Documents are true and correct on and as of the date of such withdrawal as though made on and as of such date,

(ii) no event has occurred and is continuing, or would result from such withdrawal, which constitutes an Event of Default, a Potential Event of Default or a Termination Event,

(iii) no Borrowing Base Deficiency would exist after giving effect to such withdrawal and the application of the proceeds thereof,

(iv) the Available Funds remaining in the Collection Account for the next succeeding Monthly Settlement Date are sufficient to pay in full all amounts described in clauses (i) through (iv) of Section 2.05(a) on such Monthly Settlement Date;

(v) the Agent has received such other approvals, opinions, documents or information as the Agent may reasonably request in order to confirm (A) the satisfaction of the conditions set forth above and (B) that each Asset to be purchased by the applicable Borrower with the proceeds of such withdrawal is an Eligible Asset; and

(vi) the Program Maturity Date has not occurred.

(e) ***Application of Funds Released to Borrowers***. The Sellers and each Borrower will cause all funds released to the Borrowers pursuant to this Section 2.05 on any date to be applied: *first*, to pay the purchase price for Assets to be sold to such Borrower on such date pursuant to the Sale and Servicing Agreement (if any); and *second*, in such other manner as such Borrower may direct.

(f) ***Payment of Premiums***. The Master Servicers shall cause all premiums on the Policies included in the Collateral (including, without limitation, any Policies securing the Loans included in the Collateral) to be paid at least 30 days prior to the relevant due date therefor out of funds available for that purpose pursuant to the Related Documents or the related Asset Documents (including the proceeds of Advances, to the extent necessary). So long as no Event of Default or Potential Event of Default has occurred hereunder and the conditions precedent to the making of Advances as provided in Article III are satisfied, the Master Servicers may direct that funds on deposit in the Reserve Account be used for the purpose of paying such premiums as the same become due and payable. The Master Servicers will promptly notify the Agent in the event there are insufficient funds to pay any such premium in full prior to such 30th day. Notwithstanding anything herein to the contrary, following the occurrence of an Event of Default or Potential Event of Default, the Agent may, in its sole discretion, set aside Collections in the Collection Account or the Reserve Account (or such other account as the Agent may designate for such purpose) an amount of funds determined by the Agent in its sole discretion (based on the amount of premiums expected to be payable under Policies included in, or securing Loans included in, the Collateral) to be used for the purpose of paying premiums due under Policies. Unless the Agent otherwise directs, any such funds so set aside will not be distributed pursuant to Section 2.05(a) but instead will be used (at the Agent's option and in its sole discretion in each case) to pay such premiums. To the extent the funds so set aside in the Collection Account or the Reserve Account are not sufficient to pay any such premiums, the Agent or the Lender may, in its sole discretion, pay such premiums out of its own funds (even if doing so results in the Obligations exceeding the Borrowing Limit). Any amounts so funded by the Agent or the Lender hereunder will constitute an Advance hereunder, which Advance shall bear interest at the Default Funding Rate and shall be repayable by the Borrowers on demand.

Section 2.06. Interest Rate Hedges.

(a) On each Borrowing Date, for so long as the Excess Spread (determined without giving effect to any Hedge Transactions) is less than 2.0%, a Borrower will enter into one or more Hedge Transactions satisfying the requirements of this Section 2.06. Each Hedge Transaction shall (i) have a scheduled amortizing notional amount which, when combined with all other Hedge Transactions then in effect, satisfies the Hedge Notional Amount Requirement, (ii) to the satisfaction of the Agent, be sufficient to ensure that the Excess Spread is maintained at a level equal to or greater than the Minimum Excess Spread and (iii) incorporate such other terms as the Agent may reasonably direct in consultation with such Borrower.

(b) If on any Monthly Settlement Date the Excess Spread (determined without giving effect to any Hedge Transactions) is less than 2.0% and the actual aggregate notional amount of all Hedge Transactions is not equal to the Hedge Notional Amount Requirement, a Borrower shall enter into additional Hedge Transactions or terminate an existing Hedge Transaction in whole or in part, as necessary in order to ensure that the actual aggregate notional amount of all Hedge Transactions after giving effect to such addition or termination is equal to the Hedge Notional Amount Requirement as re-calculated by the Agent on such date. Each additional Hedge Transaction entered into by a Borrower pursuant to this Section 2.06(b) must satisfy the conditions set forth in Section 2.06(a) above.

(c) On each date that a repayment of the principal amount of the Advances is made hereunder, the aggregate notional amounts of the Hedge Transactions shall, at the request of the Agent, be reduced such that, after giving effect to such reduction, the aggregate notional amount of all Hedge Transactions, after giving effect to such addition or termination is equal to the Hedge Notional Amount Requirement as re-calculated by the Agent on such date.

(d) In the event that a termination payment is paid by the Hedge Counterparty to a Borrower, that termination payment shall either be paid directly to the replacement counterparty who is entering into the replacement Hedge Transaction or deposited into the Collection Account and applied as Available Funds on the next Monthly Settlement Date.

(e) Neither Borrower shall enter into any Hedge Transaction unless (i) the Hedge Counterparty thereunder is, at the time such Hedge Transaction is entered into by a Borrower, an Eligible Hedge Counterparty and (ii) the Agent has reviewed and approved the form and substance of the Hedge Agreement governing such Hedge Transaction.

Section 2.07. Payments and Computations, Etc.

(a) The Advances shall accrue interest on each day during each Interest Period at the applicable Interest Rate. The accrued and unpaid Interest for each Advance shall be due and payable in full on each Interest Payment Date for such Advance. All Obligations shall be due and payable in full on the Program Maturity Date.

(b) All amounts to be paid or deposited by any GWG Party hereunder shall be paid or deposited in accordance with the terms hereof no later than 11:00 a.m. (New York time) on the day when due in lawful money of the United States in immediately available funds in accordance with the Agent's instructions. If any GWG Party fails to make any payment or deposit required to be made by it hereunder when due, such GWG Party shall, to the extent permitted by law, pay to the Agent interest on such amount at the Default Funding Rate, payable on demand; *provided, however,* that such interest rate shall not at any time exceed the maximum rate permitted by applicable law. Any Obligation hereunder shall not be reduced by any distribution if such distribution is rescinded or required to be returned to either Borrower or any other Person for any reason. All computations of Interest, Facility Fees, and other interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed. All such computations shall be made by the Agent, which computations by the Agent shall be conclusive and binding absent manifest error. All payments to be made by any GWG Party hereunder or under any other Related Document shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff.

(c) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of Interest, Facility Fees or any other interest or fee payable hereunder, as the case may be.

(d) If any Borrowing requested by a Borrower pursuant to Section 2.02 is not for any reason whatsoever made or effectuated (other than through the gross negligence, bad faith or willful misconduct of the Lender and/or Agent) on the date specified therefor in such request, the

Borrowers shall indemnify the Lender and each Funding Source against any loss, cost or expense incurred by the Lender or such Funding Source in connection therewith, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits, commercial paper proceeds or other funds acquired by the Lender or such Funding Source to fund or maintain such Borrowing.

Section 2.08. Fees.

(a) The Borrowers shall pay the Agent the accrued and unpaid Program Fees, Non-Use Fees, Exit Fees and other fees in the amounts and on the dates set forth in the Fee Letter.

(b) The Borrowers shall pay to the Agent, upon the Agent's demand, for the benefit of the Lender, all Liquidation Fees with respect to any repayment of an Advance.

Section 2.09. Prepayments.

(a) The Borrowers shall have the right to prepay any Advance, in whole or in part, on any Interest Payment Date for such Advance upon at least two Business Days' written notice to the Agent, which notice shall specify the proposed prepayment date and the amount of such prepayment, provided that any partial prepayment of less than all the Advances shall be equal to an integral multiple of $250,000. Such prepayment shall be made solely out of Collections on the Collateral; *provided*, *however*, that such prepayment may be made through capital contributions in an amount equal to up to 10% of the Borrowing Limit. Each notice of prepayment shall be irrevocable and binding on the Borrowers. In addition, each such prepayment will be accompanied by payment of the related Liquidation Fees in accordance with Section 2.08(b).

(b) If, on any Business Day (i) the Facility Amount shall exceed the Borrowing Limit or (ii) a Borrowing Base Deficiency exists, then, the Borrowers shall remit to the Agent, prior to any Borrowing and in any event no later than the close of business of the Agent on the second succeeding Business Day, a payment (to be applied by the Agent to repay Advances) in such amount as may be necessary (A) to reduce the Facility Amount to an amount less than or equal to the Borrowing Limit and (B) to eliminate such Borrowing Base Deficiency.

Section 2.10. Increased Costs; Capital Adequacy; Eurodollar Disruption Event.

(a) If after the date hereof, the Lender, the Agent, any Funding Source or any of their respective Affiliates (each an "*Affected Party*") shall be charged or shall incur any fee, expense, increased reserve requirement or other increased cost on account of the adoption or implementation of any applicable law, rule or regulation or any accounting principle (including, without limitation, any applicable law, rule or regulation or accounting principle regarding or affecting capital adequacy) or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority or accounting body charged with the interpretation or administration thereof, or compliance with any request or directive (whether or not having the force of law) of any such Governmental Authority or accounting body (a "*Regulatory Change*"): (i) which

subjects any Affected Party to any charge or withholding on or with respect to any Funding Agreement or an Affected Party's obligations under a Funding Agreement, or on or with respect to the Assets, or changes the basis of taxation of payments to any Affected Party of any amounts payable under any Funding Agreement (except for changes in the rate of tax on the overall net income of an Affected Party) or (ii) which imposes, modifies or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of an Affected Party, or credit extended by an Affected Party pursuant to a Funding Agreement or (iii) which imposes any other condition the result of which is to increase the cost to an Affected Party of performing its obligations under a Funding Agreement, or to reduce the rate of return on an Affected Party's capital as a consequence of its obligations under a Funding Agreement, or to reduce the amount of any sum received or receivable by an Affected Party under a Funding Agreement or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon demand by the Agent by the submission of the certificate described below, the Borrowers shall pay to the Agent, for the benefit of the relevant Affected Party, such amounts as are necessary to compensate such Affected Party for such increased cost, reduction or payment. A certificate from the relevant Affected Party setting forth in reasonable detail the amounts so required to compensate such Affected Party submitted to the Borrowers shall be conclusive and binding for all purposes, absent manifest error.

(b) If the Lender shall notify the Agent that a Eurodollar Disruption Event as described in clause (a) of the definition of "Eurodollar Disruption Event" has occurred, the Agent shall in turn so notify the Borrowers, whereupon all Advances in respect of which Interest accrues at an Interest Rate determined by reference to LIBOR for the then current Interest Period shall immediately be converted into Advances in respect of which Interest accrues by reference to the Base Rate for the remainder of such Interest Period.

(c) If any Affected Party requests compensation under this Section 2.10, or the Borrowers are required to pay any additional amount to the Lender, any Funding Source or any Governmental Authority for the account of the Lender or Funding Source pursuant to Section 2.11 or if the Agent gives a notice pursuant to Section 2.10(b), then the Lender or such Funding Source shall use reasonable efforts to designate a different lending office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of the Lender or such Funding Source, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 2.10 or Section 2.11, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 2.10(b), as applicable, and (ii) in each case, would not subject the Lender or such Funding Source to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Lender or such Funding Source. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by the Lender or such Funding Source in connection with any such designation or assignment.

Section 2.11. Taxes.

(a) Any and all payments and deposits required to be made hereunder or under any other Related Document by any GWG Party shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, *excluding* net income taxes that are imposed by the United States and franchise taxes and net income taxes that are imposed on any Affected Party by the state or foreign jurisdiction under the laws of which such Affected Party is organized or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). If any GWG Party or the Agent shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Affected Party, (i) the Borrowers shall make an additional payment to such Affected Party, in an amount sufficient so that, after making all required deductions (including deductions applicable to additional sums payable under this Section 2.11), such Affected Party receives an amount equal to the sum it would have received had no such deductions been made, (ii) such GWG Party or the Agent, as the case may be, shall make such deductions and (iii) such GWG Party or the Agent, as the case may be, shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrowers agree to pay any present or future stamp or other documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any other Related Document or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Related Document (hereinafter referred to as "*Other Taxes*").

(c) The Borrowers will indemnify each Affected Party for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.11) paid by such Affected Party and any liability (including, without limitation, penalties, interest and expenses) arising therefrom or with respect thereto whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty days from the date the Affected Party (i) makes written demand therefor (and a copy of such demand shall be delivered to the Agent), (ii) provides a certificate as to the amount of such indemnification submitted to the Borrowers and the Agent by such Affected Party certifying that such payment has been made and setting forth, in reasonable detail, the basis for and the calculation thereof, which shall be conclusive and binding for all purposes absent manifest error, and (iii) provides a copy of or extract from documentation furnished by such taxing authority evidencing assertion or payment of such Taxes and Other Taxes, if available.

(d) The Lender and each Funding Source who is organized outside the United States shall, prior to the date hereof (or, in the case of any Person who becomes a Funding Source after the date hereof, prior to the date on which it so becomes a Funding Source), deliver to the Borrowers and the Agent such certificates, documents or other evidence, as required by the Code or Treasury Regulations issued pursuant thereto,

including Internal Revenue Service Form W-8BEN or Form W-8ECI and any other certificate or statement of exemption required by Treasury Regulation Section 1.1441-1(a) or Section 1.1441-6(c) or any subsequent version thereof, properly completed and duly executed by the Lender or such Funding Source, as applicable, establishing that such payment is (i) not subject to withholding under the Code because such payment is effectively connected with the conduct by the Lender or such Funding Source, as applicable, of a trade or business in the United States or (ii) totally exempt from United States tax under a provision of an applicable tax treaty. Each of the Lender and such Funding Source that changes its funding office shall promptly notify the Borrowers and the Agent of such change and, upon written request from either Borrower or the Agent, shall deliver any new certificates, documents or other evidence required pursuant to the preceding sentence prior to the immediately following due date of any payment by the Borrowers hereunder. Unless the Borrowers and the Agent have received forms or other documents satisfactory to them indicating that payments hereunder are not subject to United States withholding tax, notwithstanding paragraph (a), the Borrowers or the Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments to or for the Lender and any Funding Source organized under the laws of a jurisdiction outside the United States.

(e) The Borrowers shall not be required to pay any amounts to any Affected Party in respect of Taxes and Other Taxes pursuant to paragraphs (a), (b) and (c) above if the obligation to pay such amounts would not have arisen but for a failure by such Affected Party to comply with the provisions of paragraph (d) above unless such Affected Party is unable to comply with paragraph (d) because of (i) a change in applicable law, regulation or official interpretation thereof or (ii) an amendment, modification or revocation of any applicable tax treaty or a change in official position regarding the application or interpretation thereof, in each case after the date hereof (or, in the case of any Person who became an Affected Party after the date hereof, after the date on which it so became an Affected Party).

Section 2.12. Collateral Assignment of the Related Documents. To secure the prompt and complete payment when due of the Obligations and the performance by each Borrower of all of the covenants and obligations to be performed by it pursuant to this Agreement and each other Related Document, each Borrower hereby assigns to the Agent, for the benefit of the Secured Parties (and their respective successors and assigns), all of its right and title to and interest in the Related Documents, including, without limitation, (i) all rights of such Borrower to receive moneys due or to become due under or pursuant to the Related Documents, (ii) all security interests and property subject thereto from time to time purporting to secure payment of monies due or to become due under or pursuant to the Related Documents, (iii) all rights of such Borrower to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Related Documents, (iv) all claims of such Borrower for damages arising out of or for breach of or default under the Related Documents, and (v) the right to compel performance and otherwise exercise all remedies and enforce all rights of such Borrower under the Related Documents.

Section 2.13. Grant of a Security Interest. To secure the prompt and complete payment when due of the Obligations and the performance by each Borrower of all of the covenants and obligations to be performed by it pursuant to this Agreement and each other Related Document, each Borrower hereby grants to the Agent, on behalf of the Secured Parties (and their respective successors and assigns), a security interest in all of such Borrower's right, title and interest in and to all of the following property and interests in property (collectively, the "*Collateral*"), in each case whether tangible or intangible and whether now owned or existing or hereafter arising or acquired and wheresoever located:

(a) all Assets, together with all Other Conveyed Property, Records and other property and interests in property related thereto or pledged as collateral therefor, including, without limitation, all related Polices and all Collections and other moneys due and to become due under or in connection with any of the foregoing (whether in respect of principal, interest, fees, expenses, indemnities, death benefits or otherwise);

(b) all right, title and interest of such Borrower in, to and under all Asset Documents and Related Documents, including, without limitation, all other moneys due and to become due under or in connection with any of the foregoing (whether in respect of principal, interest, fees, expenses, indemnities, or otherwise);

(c) all right, title and interest of such Borrower in, to and under the Collection Account, the Reserve Account and each Deposit Account and all other bank and similar accounts relating to the collection of Assets and other Collateral and all funds held therein or in such other accounts, and all investments made with funds in the Collection Account, the Reserve Account, the Deposit Accounts and such other accounts;

(d) the Titling Trust, the Trust Certificates and the Trust Agreement, together with (i) all warrants, options and other rights to acquire beneficial interests in the Titling Trust and all of such Borrower's rights to participate in, or to direct, the management or administration of the Titling Trust, (ii) all rights, privileges, authority and powers of such Borrower under the Trust Agreement or otherwise as owner or holder of the Trust Certificates, (iii) all documents and certificates representing or evidencing such Borrower's interest in the Titling Trust, (iv) all of such Borrower's right to receive dividends and redemptions on account of its interest in the Titling Trust or to receive distributions of the Titling Trust's assets, upon complete or partial liquidation or otherwise and (v) all distributions, cash, property, and instruments from time to time received, receivable or otherwise distributed in respect of, or in exchange for such Borrower's interest in the Titling Trust;

(e) all equipment, inventory, accounts, general intangibles, payment intangibles, instruments, investment property, documents, chattel paper, goods, moneys, letters of credit, letter of credit rights, certificates of deposit, deposit accounts and all other property and interests in property of such Borrower, whether tangible or intangible and whether now owned or existing or hereafter arising or acquired and wheresoever located; and

(f) all proceeds of the foregoing property described in clauses (a) through (e) above, including, without limitation, proceeds which constitute property of the type described in clauses (a) through (r) above and, to the extent not otherwise included, all (i) payments under any insurance policy (whether or not the Agent or the Lender is the loss payee thereof), indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the foregoing and (ii) interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for or on account of the sale or other disposition of any or all of the then existing Collateral.

Section 2.14. Releases of Collateral. Each Borrower may, upon not less than two (2) Business Days' prior written notice to the Agent, request the Agent to release its security interest in one or more Assets to the extent such release is necessary in connection with:

(a) any repurchase or substitution of such Assets pursuant to and in accordance with the Sale and Servicing Agreement;

(b) any repayment of the related Loan; or

(c) any sale of Purchased Policies to a Person that is not an Affiliate of any GWG Party (each such Person, a "*Third Party Buyer*") on arm's length terms; *provided* that no such release pursuant to this clause (c) shall be made unless:

(i) the Agent receives payment in full and in cash of the sales price for such Purchased Policies (the "*Sale Price*"), which Sale Price is not less than the greater of (A) the Value of such Purchased Policies and (B) the sum of (1) 95% of the aggregate Collateral Balance of such Purchased Policies plus (2) accrued and unpaid Facility Fees and Interest on a principal amount of Advances equal to such Collateral Balance (calculated by reference to the Facility Rate);

(ii) neither the relevant Seller nor any of its Affiliates receives any consideration for such sale, other than the Sale Price remitted to the Agent pursuant to clause (i);

(iii) each such Purchased Policy is sold by the Life Settlement Borrower or the Titling Trust to such Third Party Buyer without recourse, such that neither the Titling Trust nor the Life Settlement Borrower is required to (A) make or provide any representations, warranties, indemnities or other undertakings of any kind to such Third Party Buyer or any other Person (it being understood and agreed that the Seller may make or provide any such representations, warranties, indemnities or other undertakings as necessary or appropriate, so long as neither the Life Settlement Borrower nor the Titling Trust has any liability with respect thereto) or (B) execute any documents other than an assignment agreement between the Life Settlement Borrower or Titling Trust and such Third Party Buyer in a form that has been approved in writing by the Agent; and

(iv) no Borrowing Base Deficiency or other Event of Default or Potential Event of Default has occurred and is continuing or would result therefrom.

The release of the Agent's security interest in any such Asset shall be subject to the Agent's receipt of all amounts payable by the relevant Seller in connection with such repurchase or substitution pursuant to the Sale and Servicing Agreement (in the case of a release pursuant to clause (a)) or from the relevant Obligor pursuant to the related Asset Documents (in the case of a release pursuant to clause (b)) or from the relevant Seller or the Third Party Buyer (in the case of a release pursuant to clause (c)). Upon the written request of the Borrowers following the Agent's receipt of such amounts, and at the cost and expense of the Borrowers, the Agent shall deliver and, if necessary, execute such instruments and documents as the Borrowers may reasonably request for purposes of effectuating such release. Notwithstanding the foregoing, it is understood and agreed that upon payment in full of all amounts payable by an Obligor under or in respect of an Eligible Loan in accordance with the related Asset Documents, the security interest in the collateral securing such Eligible Loan shall automatically be released as and to the extent provided in the applicable Asset Documents.

Section 2.15. Evidence of Debt. The Lender (or the Agent on its behalf) shall maintain an account or accounts evidencing the indebtedness of the Borrowers to the Lender resulting from each Advance owing to the Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. The entries made in such account(s) of the Lender or the Agent on behalf of the Lender shall be conclusive and binding for all purposes, absent manifest error.

Section 2.16. Reserve Account. The Borrowers shall establish and maintain, or cause to be established and maintained, the Reserve Account in the name of the Agent. The Reserve Account shall at all times be under the exclusive dominion and control of the Agent and no GWG Party shall have any access thereto or right to make any withdrawal therefrom (except that the Master Servicers will have read-only online access for the purpose of reviewing the activity in the Reserve Account). Funds will from time to time be deposited to, and withdrawn from, the Reserve Account pursuant to Section 2.05. Funds on deposit in the Reserve Account may be invested in Eligible Investments in accordance with Section 2.05. On the Final Payout Date, any remaining funds in the Reserve Account shall be distributed to the Collection Account in accordance with Section 2.05.

ARTICLE III

CONDITIONS OF LOANS

Section 3.01. Conditions Precedent to Initial Borrowing. The initial Borrowing hereunder is subject to the condition precedent that the Agent shall have received on or before the date of such initial Borrowing each of the following:

(a) the instruments, documents, agreements and opinions listed in Schedule V, each (unless otherwise indicated) dated such date, in form and substance satisfactory to the Agent and the Lender;

(b) confirmation from each of Moody's, Standard & Poor's and Fitch that the execution and delivery of this Agreement will not result in the reduction or withdrawal of the then current ratings of the Lender's commercial paper notes;

(c) payment of all fees required to be paid on or before the Closing Date pursuant to the Fee Letter; and

(d) such other approvals, opinions or documents as the Agent may reasonably request.

Section 3.02. Conditions Precedent to All Borrowings. Each Borrowing (including the initial Borrowing) shall be subject to the further conditions precedent that:

(a) no later than 1:00 pm (New York time) on the second Business Day prior to the date of such Borrowing, the GWG Parties shall have delivered to the Agent, in form and substance reasonably satisfactory to the Agent, a completed Borrowing Base Certificate containing information accurate as of a date no more than three (3) Business Days prior to the date of such Borrowing and confirming that no Borrowing Base Deficiency would exist after giving effect to such Borrowing;

(b) on the date of such Borrowing, the following statements shall be true and correct as of the date of such Borrowing (and each GWG Party shall be deemed to have represented and warranted that the following statements are true and correct as of the date of such Borrowing):

(i) the representations contained in Section 4.01 and the representations of the GWG Parties contained in the other Related Documents are true and correct on and as of such date as though made on and as of such date;

(ii) no event has occurred and is continuing, or would result from such Borrowing, which constitutes an Event of Default, a Potential Event of Default or a Termination Event;

(iii) on and as of such day, after giving effect to such Borrowing, (A) the Facility Amount would not exceed the Borrowing Limit, and (B) no Borrowing Base Deficiency would exist;

(iv) the Program Maturity Date has not occurred;

(v) no law or regulation shall prohibit, and no order, judgment or decree of any federal, state or local court or governmental body, agency or instrumentality shall prohibit or enjoin, the making of such Borrowing in accordance with the provisions hereof; and

(vi) in the event the Agent determines in good faith that there has been any change in, or in the interpretation or application by any Governmental Authority of, any applicable law, rule or regulation relating to the Assets or the transactions contemplated by the Transaction Documents or the Asset Documents

that has had or could have a Material Adverse Effect, the Agent shall have received such other approvals, opinions, documents or information as the Agent may reasonably request in order to confirm (A) the satisfaction of the conditions set forth above and (B) that each Asset to be purchased by a Borrower with the proceeds of such Borrowing is an Eligible Asset.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties. Each GWG Party (in each case solely as to itself) hereby represents and warrants to the Lender and the Agent as follows as of the date hereof and each Borrowing Date:

(a) ***Organization and Good Standing***. Such GWG Party has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, and is not organized under the laws of any other jurisdiction or Governmental Authority. Such GWG Party has the power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted. Each of the Sellers and the Borrowers had at all relevant times, and now has, the power, authority and legal right to acquire, own and sell, and to grant security interests in, the Assets and Other Conveyed Property as contemplated by the Related Documents.

(b) ***Due Qualification***. Each GWG Party is duly qualified to do business as a foreign company in good standing, has filed on a timely basis all required tax returns, and has obtained all necessary licenses and approvals, in each case in all jurisdictions where such qualification, filing, license or approval, as the case may be, is required for the conduct of its business.

(c) ***Power and Authority***. Such GWG Party has the power and authority to execute and deliver this Agreement and the other Related Documents to which it is named as a party and to carry out its terms and their terms, respectively; and the execution, delivery and performance of this Agreement and the other Related Documents to which it is named as a party have been duly authorized by such GWG Party by all necessary partnership or limited liability company, as applicable, action and this Agreement and each other Related Document to which it is named as a party have been duly executed and delivered by such GWG Party.

(d) ***Valid and Binding Obligations***. This Agreement and each other Related Document to which such GWG Party is named as a party, when duly executed and delivered by the other parties thereto, shall constitute the legal, valid and binding obligations of such GWG Party enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) ***No Violation***. The consummation of the transactions contemplated by this Agreement and the other Related Documents and the fulfillment of the terms of this Agreement and the other Related Documents does not conflict with, result in any breach of any of the terms and provisions of or constitute (with or without notice, lapse of time or both) a default under the organizational documents of such GWG Party, or any material indenture, agreement, mortgage, deed of trust or other instrument to which such GWG Party is a party or by which it or its properties are bound, or result in the creation or imposition of any Adverse Claim upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument (other than this Agreement and the Sale and Servicing Agreement), or violate in any material respect any law, order, rule or regulation applicable to such GWG Party of any court or of any federal or state regulatory body, administrative agency or other Governmental Authority having jurisdiction over such GWG Party or any of its properties. Such GWG Party is not in default with respect to any order of any court, arbitrator or Governmental Authority.

(f) ***No Proceedings***. There are no proceedings or investigations pending or, to the best of such GWG Party's knowledge, threatened against it before any court, regulatory body, administrative agency or other tribunal or Governmental Authority having jurisdiction over such GWG Party or its properties (A) asserting the invalidity of this Agreement or any of the Related Documents, (B) seeking to prevent the making of any Advance or the consummation of any of the transactions contemplated by this Agreement or any of the Related Documents, (C) seeking any judgment or other legal or equitable relief from either Borrower, (D) seeking any other determination or ruling that would be reasonably likely to have a Material Adverse Effect, or (E) seeking to materially and adversely affect the federal income tax or other federal, state or local tax attributes of the Advances.

(g) ***No Consents or Licenses***. No consent, approval, license, authorization or order of or declaration or registration or filing with any Governmental Authority is required to be made or obtained by such GWG Party in connection with the execution, delivery or performance of this Agreement, any other Related Document or any Asset Document or the consummation of the transactions contemplated hereby or thereby, except such as have been duly made, effected or obtained. None of the parties hereto is required to be licensed under any application law, rule or regulation relating to premium financing or life settlements by reason of such execution, delivery, performance or consummation except (in the case of the Sellers) for licenses that have already been obtained by it which are in full force and effect.

(h) ***Chief Executive Office; Tax ID; Jurisdiction of Organization***. The chief executive office of such GWG Party is located in Minneapolis, Minnesota. During the past five years, such GWG Party has not had its chief executive office located in a state other than the State of Minnesota. The Federal Employer Identification Number for each GWG Party is correctly set forth on Schedule III. Such GWG Party's sole jurisdiction of organization is the State of Delaware.

(i) ***Legal Name***. The legal name of such GWG Party is as set forth in Schedule II of this Agreement. Except as set forth in Schedule II of this Agreement, such GWG Party has not changed its name during the preceding six years and does not have any trade names, fictitious names, assumed names or "doing business" names.

(j) ***Solvency***. Such GWG Party is solvent and will not become insolvent after giving effect to the transactions contemplated by the Related Documents. Such GWG Party is paying its debts as they become due and after giving effect to the transactions contemplated by the Related Documents will have adequate capital to conduct its business.

(k) ***ERISA***. Neither Borrower has any pension or profit sharing plans. To the extent any other GWG Party has any pension or profit sharing plans, such plans have been fully funded in accordance with all applicable laws, rules and regulations and the terms of such plans. Each GWG Party is in compliance with ERISA and has not incurred and does not expect to incur any liabilities (except for premium payments arising in the ordinary course of business) to the Pension Benefit Guaranty Corporation (or any successor thereto) under ERISA.

(l) ***Nonconsolidation***. The statements and factual assumptions contained in the opinion of Locke Lord Bissell & Liddell LLP regarding true sale and substantive consolidation matters delivered to the Agent and others on the date hereof are, in each case, true and correct, and each GWG Party will comply with any covenants or obligations assumed to be complied with by it in such opinion as if such covenants and obligations were set forth herein.

(m) ***Notes to Financial Statements***. All audited financial statements of the Parent Group Members that are consolidated to include the Borrowers will contain notes clearly stating that (A) all of the Assets are owned by the Borrowers and (B) each Borrower is a separate legal entity.

(n) ***Ownership of the Borrowers and Sellers***. GWG Life Settlements is the legal and beneficial owner of 100% of the membership interests and other equity interests of the Life Settlement Borrower, and all of such membership and other equity interests have been fully paid and are owned by GWG Life Settlements free and clear of all warrants, options, rights to purchase and other Adverse Claims. GWG Life Settlements will not transfer any membership or other interest in the Life Settlement Borrower without the prior written consent of the Agent. United Lending is the legal and beneficial owner of 100% of the membership interests and other equity interests of the Premium Finance Borrower, and all of such membership and other equity interests have been fully paid and are owned by United Lending free and clear of all warrants, options, rights to purchase and other Adverse Claims. United Lending will not transfer any membership or other interest in the Premium Finance Borrower without the prior written consent of the Agent. The Performance Guarantor is the legal and beneficial owner of 100% of the membership and other equity interests of the Sellers, and all of such membership and other equity interests have been fully paid and are owned by the Performance Guarantor free and clear of all warrants, options, rights to purchase and other Adverse Claims.

(o) ***Accuracy of Information.*** All written information heretofore originated and furnished by any GWG Party, any Servicer, an Initial Lender, the Bridge Loan Lender or any Life Settlement Provider to the Agent or the Lender for purposes of or in connection with this Agreement, any of the other Related Documents or any transaction contemplated hereby or thereby is, and all such written information hereafter originated and furnished by such GWG Party, Servicer, Initial Lender, Bridge Loan Lender, or Life Settlement Provider to the Agent or the Lender, when taken as a whole, will be (in each case, in the case of information originated and furnished by an Initial Lender, Bridge Loan Lender or Life Settlement Provider or a Servicer that is not an Affiliate of either Borrower, to the knowledge of the GWG Parties following a commercially reasonable inquiry), true and accurate in all material respects, on the date as of which such information is stated or certified and does not and will not contain any material misstatement of fact or omit to state a material fact necessary to make the statements contained therein, taken as a whole and in context, not misleading.

(p) ***Title to Assets Purchased From Sellers***. Each Asset (i) was purchased by United Lending from the applicable Initial Lender (in the case of a Premium Finance Loan) or by GWG Life Settlements from the applicable Life Settlement Provider or Insured (in the case of a Purchased Policy) or was originated by Opportunity Bridge Funding (in the case of a Bridge Loan), in any case pursuant to and in accordance with a Purchase and Sale Agreement (if applicable), the related Asset Documents and, if applicable, the related Origination Agreement, and the applicable Seller thereby irrevocably acquired (or, in the case of an Escrow Policy, will acquire upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) all legal and equitable title to such Asset and the Other Conveyed Property free and clear of any Adverse Claims other than Permitted Liens and (ii) has been purchased by a Borrower from the applicable Seller in accordance with the terms of the Sale and Servicing Agreement, and such Borrower has thereby irrevocably acquired (or, in the case of an Escrow Policy, will acquire upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) all legal and equitable title to such Asset and the Other Conveyed Property free and clear of any Adverse Claims other than Permitted Liens. Without limiting the foregoing, all actions (including, without limitation, the filing of all financing statements or other similar instruments or documents under the UCC of all applicable jurisdictions and the giving of all notices that may be required under the laws of any applicable jurisdiction) required in order to perfect and protect such Borrower's interest in the Assets included in the Collateral and Other Conveyed Property with respect thereto as against any purchasers from, or creditors of, each Seller and each applicable Initial Lender, Bridge Loan Lender and Life Settlement Provider have been duly taken.

(q) ***Perfection.*** This Agreement (together with the financing statements filed on or prior to the Closing Date) is effective to create a valid and perfected first priority security interest in the Collateral now existing or hereafter arising. Without limiting the foregoing, all actions (including, without limitation, the filing of all financing statements

or other similar instruments or documents under the UCC of all applicable jurisdictions and the giving of all notices that may be required under the laws of any applicable jurisdiction) required in order to perfect and protect the interests of the Agent and the Lender in the Collateral as against any purchasers from, or creditors of, any GWG Party and each applicable Initial Lender, Bridge Loan Lender or Life Settlement Provider have been duly taken. The representations and warranties set forth in Part B of Schedule I are true and correct.

(r) ***Deposit Accounts and Obligor Payment Instructions.*** No GWG Party has granted any Person, other than the Agent, dominion and control of any Deposit Account or the right to take dominion and control of any Deposit Account at a future time or upon the occurrence of a future event. Each Deposit Account is subject to a Deposit Account Control Agreement duly executed and delivered by the applicable Borrower and the applicable Deposit Account Bank. All Obligors have been instructed to make all payments due under the Assets directly to a Deposit Account.

(s) ***Operating Policies and Practices.*** With respect to each Asset included in the Collateral, each GWG Party has complied in all material respects with, and has not made any material changes in, the Operating Policies and Practices except as permitted hereunder.

(t) ***Payments to Sellers.*** With respect to each Asset transferred to the Borrowers under the Sale and Servicing Agreement, each Borrower has given reasonably equivalent value to the applicable Seller in consideration for such transfer of such Asset and the Other Conveyed Property with respect thereto and such transfer was not made for or on account of an antecedent debt. With respect to each Asset transferred to a Seller under a Purchase and Sale Agreement, such Seller has given reasonably equivalent value to the applicable seller thereunder in consideration for such transfer of such Asset and the Other Conveyed Property with respect thereto and such transfer was not made for or on account of an antecedent debt.

(u) ***Not an Investment Company.*** Such GWG Party is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended from time to time, or any successor statute.

(v) ***Taxes.*** Such GWG Party has paid when due all taxes payable by it in connection with the Assets other than those taxes which are being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained in accordance with GAAP.

(w) ***No Borrowing Base Deficiency.*** No Borrowing Base Deficiency exists.

(x) ***No Event of Default, Etc***. No Event of Default, Potential Event of Default or Termination Event has occurred and is continuing.

(y) ***Eligible Assets.*** Each Asset was an Eligible Asset (i) as of the date on which such Asset was sold by the applicable Seller to the applicable Borrower and (ii) as of each other date on which such Asset was included in the calculation of the Net Eligible Asset Balance in any Master Servicer's Certificate or Borrowing Base Certificate.

(z) ***Financial Statements.*** The balance sheets of Great West Growth, LLC (predecessor in interest to GWG Life Settlements) as of December 31, 2007 and its consolidated Subsidiaries as at December 31, 2007, and the related statements of income and retained earnings of Great West Growth, LLC for the fiscal year then ended, certified by nationally recognized independent public accountants acceptable to the Agent, copies of which have been furnished to the Agent, fairly present in all material respects the financial condition of Great West Growth, LLC as at such date and the results of the operations of Great West Growth, LLC for the period ended on such date, all in accordance with GAAP consistently applied.

(aa) ***Use of Proceeds.*** No proceeds of any purchase hereunder will be used (i) for a purpose which violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended.

(bb) ***Material Adverse Effect.*** Since the Closing Date no event or circumstance has occurred or exists which has had or could reasonably be expected to have a Material Adverse Effect.

(cc) ***Ordinary Course***. Each GWG Party represents and warrants as to itself that each remittance of Collections by or to such GWG Party under the Transaction Documents will have been (i) in payment of a debt incurred by such GWG Party in the ordinary course of business or financial affairs of such GWG Party and the transferee and (ii) made in the ordinary course of business or financial affairs of such GWG Party and the transferee.

(dd) ***Representations in other Related Documents***. All other representations and warranties made by any GWG Party in the Related Documents are true and correct as of such date as though made on and as of such date.

ARTICLE V

COVENANTS

Section 5.01. Affirmative Covenants.

Until the Final Payout Date, each GWG Party agrees on behalf of itself that it will perform and observe its covenants and agreements set forth in this Section 5.01.

(a) ***Reporting.*** Each GWG Party will maintain, for itself and each of its Subsidiaries, a system of accounting established and administered in accordance with GAAP, and will furnish to the Agent (at its own expense):

(i) ***Annual Financial Reporting***. Within 120 days after the close of each of its fiscal years, audited financial statements for such GWG Party for such fiscal year prepared both (A) in accordance with GAAP and (B) after giving effect to the inclusion of accrued interest on the Loans included in the applicable Seller's managed portfolio and accrued Expected IRR on the Policies included in the applicable Seller's managed portfolio in the Consolidated Net Income of such Transaction Party and otherwise in accordance with GAAP ("*Accrual Basis Accounting*"), and in each case certified in a manner acceptable to the Agent by nationally recognized independent public accountants acceptable to the Agent.

(ii) ***Quarterly Reporting***. Within 45 days after the close of each quarterly period of each of its fiscal years, balance sheets for such GWG Party as at the close of each such period and statements of income and retained earnings and a statement of cash flows for such GWG Party for the period from the beginning of such fiscal year to the end of such quarter, all prepared both (A) in accordance with GAAP and (B) in accordance with Accrual Basis Accounting, in each case subject to normal year-end adjustments and without footnotes and certified by such GWG Party's president, executive vice president, chief executive officer or chief financial officer.

(iii) ***Monthly Reporting***. Within 30 days after the close of each calendar month, balance sheets for such GWG Party as at the close of each such month and statements of income and retained earnings and a statement of cash flows for such GWG Party for the period from the beginning of the current fiscal year to the end of such calendar month, all prepared both (A) in accordance with GAAP and (B) in accordance with Accrual Basis Accounting, in each case subject to normal year-end adjustments and without footnotes and certified by such GWG Party's president, executive vice president, chief executive officer or chief financial officer.

(iv) ***Compliance Certificate***. Together with the financial statements required hereunder, a compliance certificate in substantially the form of Exhibit C signed by such GWG Party's president, executive vice president, chief executive officer or chief financial officer and dated the date of such annual financial statement, quarterly financial statement or monthly financial statement, as the case may be.

(v) ***Filings and Investor Reports***. Promptly upon the filing or distribution thereof, copies of all registration statements and annual, quarterly, monthly or other reports which any GWG Party or any Affiliate of a GWG Party files with the Securities and Exchange Commission or distributes to its equity investors, if any.

(vi) ***ERISA***. Promptly after the filing or receiving thereof, each GWG Party shall provide the Agent with copies of all reports and notices with respect to any "Reportable Event" as defined in Article IV of ERISA which such GWG Party or any ERISA Affiliate files under ERISA with the Internal Revenue Service or the Pension Benefit Guaranty Corporation or the U. S. Department of Labor or which such GWG Party or any ERISA Affiliate receives from any such Person.

(vii) ***Notices Under Related Documents***. Forthwith upon its receipt of any material notice, request for consent, financial statements, certification, report or other material communication under or in connection with any Related Document from any Person other than the Agent, copies of the same.

(viii) ***Change in Operating Policies and Practices***. At least ten Business Days prior to the effectiveness of any material change in or amendment to the Operating Policies and Practices, a copy of the Operating Policies and Practices then in effect and a notice indicating such change or amendment.

(ix) ***Other Information***. Such other information as the Agent may from time to time reasonably request.

All financial statements required to be delivered in respect of the Performance Guarantor pursuant to this Section 5.01 must be delivered on both a consolidated (with its consolidated subsidiaries) and a consolidating basis. All financial statements required to be delivered in respect of the Borrowers pursuant to this Section 5.01 must be delivered on a stand-alone basis presented as supplemental consolidating financial statements.

(b) ***Notices***. Each GWG Party will notify the Agent in writing of any of the following promptly upon learning of the occurrence thereof, describing the same and, if applicable, the steps being taken with respect thereto:

(i) ***Events of Default, Potential Events of Default and Termination Events***. The occurrence of each Event of Default, each Potential Event of Default and each Termination Event, by a statement of the president, executive vice president, chief executive officer or chief financial officer of such GWG Party.

(ii) ***Judgment***. The entry of (A) any judgment or decree against either Borrower or (B) any judgment or decree against any other GWG Party or any of their respective Subsidiaries if the aggregate amount of all judgments and decrees then outstanding against the GWG Parties and their respective Subsidiaries exceeds $250,000 (net of any insurance proceeds actually received by the applicable GWG Parties or their Subsidiaries with respect to such judgment) or such judgment or decree would otherwise be reasonably likely to have a Material Adverse Effect.

(iii) ***Litigation***. The institution of any litigation, investigation, arbitration proceeding or governmental proceeding (A) against or involving either Borrower or to which either Borrower becomes a party or (B) against or involving any other GWG Party or any Subsidiary of a GWG Party if the amount in controversy exceeds $250,000 or if such litigation, arbitration proceeding or governmental proceeding, if adversely determined against such GWG Party or such Subsidiary, would be reasonably likely to have a Material Adverse Effect or if such litigation, investigation, arbitration proceeding or governmental proceeding includes any allegation of criminal or fraudulent acts or omissions on the part of any GWG Party.

(c) ***Compliance With Laws.*** Each GWG Party will comply in all material respects with all applicable laws, rules, regulations, orders writs, judgments, injunctions, decrees or awards to which it may be subject (including, without limitation, all applicable laws, rules and regulations relating to consumer lending, other consumer transactions and/or life settlements). Each GWG Party will pay when due any taxes payable by it when due other than those taxes which are being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained in accordance with GAAP.

(d) ***Audits***. Subject to applicable laws, rules and regulations, each GWG Party will furnish to the Agent from time to time upon at least two Business Days' prior written notice, such information with respect to it, the Assets and the Other Conveyed Property with respect thereto, the Insureds, the Initial Lenders, the Bridge Loan Lender or Life Settlement Providers, as applicable, and the Originators as the Agent may reasonably request which is in such GWG Party's possession or to which such GWG Party has reasonable access. Subject to applicable laws, rules and regulations, each such GWG Party shall, from time to time during regular business hours as requested by the Agent, permit the Agent, or its agents or representatives at such GWG Party's expense, (i) to examine and make copies of and abstracts from all Records in the possession or under the control of any GWG Party and any Servicer relating to the Collateral, including, without limitation, the related Asset Documents and other Records, and (ii) to visit the offices and properties of any GWG Party and any Servicer for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to any GWG Party's financial condition or the Assets and the Other Conveyed Property or any GWG Party's or Servicer's performance under the Related Documents to which it is a party or under the Asset Documents with any of the officers or employees of such GWG Party or Servicer having knowledge of such matters. In addition, the Agent may from time to time, at the reasonable expense of the Borrowers, (i) perform or direct any GWG Party or Servicer to perform background checks on any material personnel hired by such GWG Party or Servicer after the Closing Date, (ii) contact Initial Lenders or Life Settlement Providers, as applicable, and Originators directly for the purpose of confirming information relating to the Assets, (iii) accompany any GWG Party on any due diligence or collateral audit conducted with respect to any Originator or Initial Lender or Life Settlement Provider, as applicable, and (iv) in its discretion, independently conduct any such due diligence or collateral audit itself. Subject to applicable laws, rules and regulations, each GWG Party shall cooperate (and shall cause each Servicer to cooperate) with the Agent in any such background check, confirmation or audit and shall furnish to the Agent all information (including, without limitation, names and addresses of Obligors and Insureds) that the Agent may reasonably request in connection therewith.

(e) ***Keeping and Marking of Records and Books***.

(i) Each GWG Party will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate Records relating to the Assets in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable in light of industry practice for the collection of all Assets (including, without limitation, records adequate to permit the immediate identification of each new Asset and all Collections of and adjustments to each existing Asset). Each such GWG Party will give the Agent notice of any material change in the administrative and operating procedures referred to in the previous sentence.

(ii) Each GWG Party will (a) on or prior to the date hereof, mark its master data processing records relating to the Assets with a legend, acceptable to the Agent, describing the security interest of the Agent and (b) upon the request of the Agent following the occurrence of any Event of Default, to the extent it is permitted to do so, deliver to the Agent or its designee all Asset Documents in its possession or under its control (including, without limitation, all multiple originals of any such Asset Documents).

(f) ***Compliance With Asset Documents and Operating Policies and Practices***. Each GWG Party will timely and fully (i) perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Asset Documents related to the Assets, and (ii) comply in all material respects with the Operating Policies and Practices in regard to each Asset, the Other Conveyed Property with respect thereto and the related Asset Documents.

(g) ***Purchase of Assets From the Sellers***. With respect to each Asset purchased, originated or otherwise acquired by a Seller during the period from the date hereof to the Program Maturity Date that is sold to the applicable Borrower or the Titling Trust pursuant to the Sale and Servicing Agreement, each GWG Party shall take (or cause to be taken) all actions necessary to vest legal and equitable title to such Asset and the Other Conveyed Property and Collections with respect thereto irrevocably in such Borrower pursuant to and in accordance with the Sale and Servicing Agreement and the other Related Documents, including, without limitation, (i) the giving of all notices and the filing of all financing statements or other similar instruments or documents reasonably necessary under the UCC of all appropriate jurisdictions or any other law to perfect and protect such Borrower's interest in such Asset and Other Conveyed Property as against any purchasers from, or creditors of, any other GWG Party and (ii) such other actions to perfect, protect or more fully evidence the interest of such Borrower in such Asset or Other Conveyed Property as the Agent or any Secured Party may reasonably request.

(h) ***Security Interest***. Each GWG Party shall take all necessary actions to establish and maintain a valid and perfected first priority security interest in the Collateral, to the full extent contemplated herein, in favor of the Agent for the benefit of the Secured Parties, including, without limitation, (i) the giving of all notices and the filing of all financing statements or other similar instruments or documents reasonably

necessary under the UCC of all appropriate jurisdictions or any other law to perfect and protect the security interest of the Agent in the Collateral as against any purchasers from, or creditors of, any GWG Party and (ii) such other actions to perfect, protect or more fully evidence the respective interests of the Agent and the Secured Parties in the Collateral as the Agent or the Lender may reasonably request.

(i) ***Payment to Sellers***. With respect to any Asset purchased by a Borrower from a Seller, each GWG Party shall cause such sale to be effected under, and in compliance with the terms of, the Sale and Servicing Agreement, including, without limitation, the terms relating to the amount and timing of payments to be made to the applicable Seller in respect of the purchase price for such Asset. With respect to any Asset purchased by a Seller from an Initial Lender, Life Settlement Provider or Insured, as applicable, each GWG Party shall cause such sale to be effected under, and in compliance with the terms of, the applicable Purchase and Sale Agreement and Origination Agreement (if applicable), including, without limitation, the terms relating to the amount and timing of payments to be made to the Initial Lender, Life Settlement Provider or Insured, as applicable, in respect of the purchase price for such Asset.

(j) ***Enforcement of Related Documents***. Each Borrower will (i) maintain each such Related Document in full force and effect, and (ii) take any action required or permitted to be taken by it under any Related Document as reasonably directed by the Agent, including, without limitation, (A) making claims to which it may be entitled under any indemnity reimbursement or similar provision contained in any Related Document, (B) enforcing its rights and remedies (and the rights and remedies of the Agent and the Lender, as assignees of the Borrower) under any Related Document and (C) making demands or requests for information or reports or for action from the other party or parties to such Related Documents.

(k) ***Corporate Separateness***. Each GWG Party acknowledges that the Lender is entering into the transactions contemplated by this Agreement in reliance upon the Borrower's identity as a separate legal entity from the Parent Group Members. Therefore, from and after the date of execution and delivery of this Agreement, each GWG Party shall take all reasonable steps including, without limitation, all steps that the Agent or the Lender may from time to time reasonably request to maintain the a Borrower's identity as a separate legal entity and to make it manifest to third parties that such Borrower is an entity with assets and liabilities distinct from those of the Parent Group Members. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, each Borrower shall:

(i) conduct its own business in its own name and require that all full-time employees of such Borrower (if any) identify themselves as such and not as employees of any Parent Group Member (including, without limitation, by means of providing appropriate employees with business or identification cards identifying such employees as such Borrower's employees);

(ii) to the extent any employee, consultant or agent of such Borrower is also an employee, consultant or agent of any Parent Group Member, allocate, on a reasonable basis the compensation of such employee, consultant or agent between such Borrower and such Parent Group Member;

(iii) clearly identify its office space (by signage or otherwise) as its offices;

(iv) conduct all transactions with any Parent Group Member (including, without limitation, any delegation of its obligations hereunder) strictly on an arm's-length basis and, to the extent allocated, allocate all overhead expenses (including, without limitation, telephone and other utility charges and rent for office space) for items shared between such Borrower and such Parent Group Member on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use;

(v) at all times have at least one director who is an Independent Manager; and promptly reimburse any Parent Group Member in respect of any losses or expenses which are claimed by such Independent Manager in his or her capacity as Independent Manager and which are paid by such Parent Group Member;

(vi) observe all limited liability company formalities as a distinct entity, and ensure that all limited liability company actions relating to (A) the selection, maintenance or replacement of the Independent Manager, (B) the dissolution or liquidation of such Borrower and (C) the initiation or participation in, acquiescence in or consent to any bankruptcy, insolvency, reorganization or similar proceeding involving such Borrower, are duly authorized by unanimous vote of its Board of Directors (including the Independent Manager);

(vii) maintain such Borrower's books and records separate from those of each Parent Group Member and otherwise readily identifiable as its own assets rather than assets of any Parent Group Member;

(viii) prepare its financial statements separately from those of the Parent Group Members and insure that any consolidated financial statements of any Parent Group Member that include such Borrower have detailed notes clearly stating that such Borrower is the owner of the Assets, is a separate legal entity and that its assets will be available first and foremost to satisfy the claims of the creditors of such Borrower;

(ix) except as herein specifically otherwise provided, not commingle funds or other assets of such Borrower with those of any Parent Group Member and not maintain bank accounts or other depository accounts to which any Parent Group Member is an account party, into which any Parent Group Member makes deposits or from which any Parent Group Member has the power to make withdrawals;

(x) not permit any Parent Group Member to pay any of such Borrower's operating expenses (except pursuant to allocation arrangements that comply with the requirements of this Section 5.01(k));

(xi) not hold itself out as responsible for the debts of any Parent Group Member;

(xii) not permit any Parent Group Member to hold itself out as responsible for the debts of such Borrower; and

(xiii) take such other actions as are necessary on its part to ensure that the facts and assumptions set forth in the opinion issued by Locke Lord Bissell & Liddell LLP, as counsel for the GWG Parties, in connection with the closing under this Agreement and relating to substantive consolidation issues, and in the certificates accompanying such opinion, remain true and correct at all times.

Each GWG Party other than the Borrowers shall take all actions necessary on its part in order to ensure (x) compliance with the covenants of the Borrowers set forth in this Section 5.01(k) and (y) that the statements, facts and assumptions set forth in the opinion issued by Locke Lord Bissell & Liddell LLP, as counsel for the GWG Parties, in connection with the closing under this Agreement and relating to substantive consolidation issues, and in the certificates accompanying such opinion, remain true and correct at all times.

(l) ***True Sale***. Each GWG Party shall take all such actions as are necessary on its part to ensure that the facts and assumptions set forth in the opinion of Locke Lord Bissell & Liddell LLP, counsel for the GWG Parties, in connection with the closing under this Agreement and relating to true sale issues under the Sale and Servicing Agreement, and in the certificates accompanying such opinion, remain true and correct at all times.

(m) ***Collections***. Each GWG Party shall (and shall cause each Servicer to), to the extent such GWG Party has the right or obligation to do so pursuant to the Related Documents and Asset Documents, (i) promptly after acquisition by the Borrowers of the related Purchased Loan or Purchased Policy, direct all applicable Qualified Life Insurance Carriers and other obligors in respect of the Policies and other collateral securing any Loan to make all payments in respect of such collateral directly to a Deposit Account, (ii) direct all Obligors to remit Collections in respect of the Assets directly to a Deposit Account or the Collection Account and (iii) direct all Collections deposited to a Deposit Account to be remitted by wire transfer on a daily basis directly to the Collection Account. If any Collections are received by any GWG Party, any Servicer or any of their respective Affiliates, each GWG Party shall cause such Collections to be remitted directly to the Collection Account as soon as practicable and in any event within one Business Day of such GWG Party's, such Servicer's or such Affiliate's receipt of same, and, at all times prior to such remittance, such GWG Party, such Servicer or such Affiliate shall hold such Collections in trust, for the exclusive benefit of the Agent on behalf of the Secured Parties. Each GWG Party will use commercially reasonable efforts

(and will cause each Servicer and each of its Affiliates to use commercially reasonable efforts) not to permit any check or other funds to be deposited into the Collection Account other than Collections in respect of the Collateral. To the extent any funds other than Collections are deposited into the Collection Account, the Master Servicers shall promptly (and in any event within one Business Day) identify such funds and notify the Agent of the same and direct the Agent to remit such funds to the Person entitled thereto. The Agent may at any time following the occurrence of an Event of Default request each GWG Party to, and each GWG Party thereupon promptly shall, direct all Obligors to remit all payments with respect to the Collateral to a new depository account specified by the Agent (which new account shall, if so directed by the Agent, be established in the Agent's own name).

(n) ***Fidelity Insurance***. The Sellers shall maintain at all times an employee dishonesty policy providing an indemnity for losses caused by the fraudulent or dishonest acts of the Sellers' officers and employees in an amount no less than $1,000,000 in form and scope reasonably satisfactory to the Agent. Each such insurance policy shall name the Agent as an additional insured. In the event any GWG Party receives any payment in respect of any such policy, such GWG Party shall deposit the amount of such payment into the Collection Account and such payment shall be treated as Collections hereunder. The Sellers shall provide to the Agent, not less than annually, evidence reasonably satisfactory to the Agent demonstrating that each insurance policy required to be maintained by them hereunder has been so maintained and all premiums required to be paid with respect thereto have been so paid.

(o) ***Deposit Accounts***. Each GWG Party will cause each Deposit Account to be subject at all times to a Deposit Account Control Agreement duly executed by the applicable Borrower and the applicable Deposit Account Bank.

(p) ***Covenants under Other Related Documents***. Each GWG Party will (and will cause each Servicer to) timely and fully perform, observe and comply with all of the provisions, covenants and other terms required to be performed or observed by it under each Related Document to which it is a party in accordance with its terms.

Section 5.02. Negative Covenants.

Until the Final Payout Date, each GWG Party agrees on behalf of itself that it will perform and observe the covenants and agreements set forth in this Section 5.02.

(a) ***Name Change, Offices, Records and Books of Accounts; Jurisdiction of Organization***. No GWG Party will change its name, identity or corporate structure or relocate its chief executive office or jurisdiction of organization or any office where Records are kept unless it shall have: (i) given the Agent at least 30 days prior notice thereof and (ii) delivered to the Agent all financing statements, instruments and other documents reasonably requested by the Agent in connection with such change or relocation. Neither Borrower will change its jurisdiction of organization to a jurisdiction other than the State of Delaware. No GWG Party will change its jurisdiction of organization to a jurisdiction outside of the United States.

(b) ***Change in Deposit Accounts***. No GWG Party will add or terminate any Deposit Account relating to the Assets from those listed in Schedule II, or make any change in its instructions to Obligors or insurance companies regarding payments to be made to any Deposit Account, unless (i) after giving effect to any such addition, termination or other change, all Obligors have been instructed to make payments directly to a Deposit Account covered by a Deposit Account Control Agreement duly executed by the applicable Borrower and the applicable Deposit Account Bank and (ii) in the case of any addition of a new bank proposed to be a Deposit Account Bank, the Agent shall have approved in writing the use of such bank for such purpose.

(c) ***Modifications to Asset Documents and Operating Policies and Practices***. No GWG Party will make any change to the Operating Policies and Practices which would be reasonably likely to adversely affect the collectibility of any Asset in any material respect or increase the risk profile of any newly created Assets in any material respect. No GWG Party will make any material change to the Operating Policies and Practices without the prior consent of the Agent. Except as expressly permitted under the Sale and Servicing Agreement (in the case of a Loan) or the Life Settlement Servicing Agreement (in the case of a Purchased Policy), no GWG Party will extend, amend or otherwise modify the terms of any Asset or any Asset Document related thereto or request or receive any Policy Loans in respect of any Purchased Policy.

(d) ***Merger***. Neither Borrower shall merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions, and except as otherwise contemplated herein) all or any material part of its assets (whether now owned or hereafter acquired) to, or acquire all or any material part of the assets of, any Person. No other GWG Party shall merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or any material part of its assets (whether now owned or hereafter acquired) outside of the ordinary course of business to any Person, or acquire all or any material part of the assets of any Person, or permit of any its Subsidiaries to do any of the foregoing, except that any Subsidiary of a Seller may merge or consolidate with or transfer assets to or acquire assets from any other Subsidiary of such Seller, *provided* that (x) immediately after giving effect to such proposed transaction, no Event of Default or Potential Event of Default would exist, (y) in the case of any such merger to which such Seller is a party, such Seller is the surviving entity and (z) no Asset acquired by any of the GWG Parties or any of their Subsidiaries in connection with any such transaction shall be considered an Eligible Asset hereunder without the Agent's prior written consent.

(e) ***Sales, Liens, Etc.*** Neither Borrower shall sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Collateral or any other asset of a Borrower or assign any right to receive income in respect thereof (in each case other than Permitted Liens and sales permitted pursuant to Section 2.14), and each Borrower shall defend the right, title and interest of the Agent and the Secured Parties in, to and under any of the foregoing property, against all claims of third parties claiming through or under such

Borrower. Neither Seller shall sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Asset or assign any right to receive income in respect thereof (in each case other than Permitted Liens and sales permitted pursuant to Section 2.14).

(f) ***Amendments to the Related Documents***. Neither Borrower shall, without the prior written consent of the Agent, (i) cancel or terminate any Related Document, (ii) give any consent, waiver, directive or approval under any Related Document, (iii) waive any default, action, omission or breach under any Related Document, or otherwise grant any indulgence thereunder, or (iv) amend, supplement or otherwise modify any of the terms of any Related Document.

(g) ***Nature of Business; Other Agreements***. Neither Borrower shall engage in any business or activity of any kind or enter into any transaction or indenture, mortgage, instrument, agreement, contract, lease or other undertaking other than the transactions contemplated and authorized by this Agreement and the other Related Documents.

(h) ***Indebtedness***. Neither the Sellers nor the Borrowers shall create, incur, guarantee, assume or suffer to exist any Indebtedness or other liabilities, whether direct or contingent, other than (i) as a result of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) the incurrence of obligations under the Related Documents, (iii) the incurrence of operating expenses in the ordinary course of business (which, in the case of the Borrowers, shall be of the type otherwise contemplated in Section 5.01(k) of this Agreement) and (iv) solely in the case of a Seller and the Performance Guarantor, Subordinated Indebtedness.

(i) ***Amendments to Organizational Documents***. Neither Borrower shall amend, waive or otherwise modify its certificate of formation or limited liability company agreement in any material respect, and no GWG Party shall take any such action to effect or authorize any such amendment, waiver or modification, in any such case without the prior written consent of the Agent, *provided* that (x) each Borrower will provide not less than five (5) Business Days' prior written notice to the Agent of any such amendment, waiver or modification and (y) no such amendment, waiver or modification that requires the consent of the "Independent Director" of such Borrower (as such term is defined in the limited liability company agreement of such Borrower as in effect on the date hereof) shall be made without the prior written consent of the Agent.

(j) ***Distributions and Investments***. No GWG Party will make any loans or advances to or other investments in any other Person, or declare or pay any dividends or other distributions to its members, except that the Borrowers may make distributions to their respective members, and each Seller and the Performance Guarantor may make loans or advances to other investments in any other Person and distributions to its members, in each case, if both before and after such transaction, no Event of Default, Potential Event of Default or Termination Event is continuing or would result therefrom.

(k) ***ERISA***. No GWG Party will (1) engage or permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the U.S. Department of Labor; (2) permit to exist any accumulated funding deficiency, as defined in Section 302(a) of ERISA and Section 412(a) of the Code, or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (3) fail to make any payments to any Multiemployer Plan that the any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (4) terminate any Benefit Plan so as to result in any liability in excess of $50,000; or (5) permit to exist any occurrence of any reportable event described in Title IV of ERISA which represents a material risk of a liability in excess of $50,000 of any ERISA Affiliate under ERISA or the Code.

(l) ***Subsidiaries***. Neither Borrower shall establish, create or permit to exist any subsidiary (other than the Titling Trust).

Section 5.03. Financial Covenants. Until the Final Payout Date:

(a) The Performance Guarantor covenants and agrees that it shall maintain, as at the end of each fiscal year (commencing with fiscal year 2008), a positive Consolidated Net Income for the four fiscal quarter period then ending.

(b) The Performance Guarantor covenants and agrees that it shall cause, at all times, its Tangible Net Worth to be not less than $5,000,000.

ARTICLE VI

EVENTS OF DEFAULT; TERMINATION EVENTS

Section 6.01. Events of Default. If any of the following events (each an "*Event of Default*") shall occur:

(a) any GWG Party shall fail to make any payment or deposit as and when required under this Agreement or any other Related Document and such failure shall remain unremedied for two Business Days; or the Obligations shall not be paid in full on or prior to the Program Maturity Date; or

(b) a Borrowing Base Deficiency shall occur and shall remain unremedied for five consecutive Business Days; or

(c) any representation, warranty, certification or statement made by any GWG Party pursuant to or in connection with this Agreement or any other Related Document shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Annualized Default Rate shall at any time exceed 10%; or

(e) any GWG Party shall fail to perform or observe any term, covenant or agreement set forth in Section 5.03;

(f) any GWG Party shall fail to perform or observe any term, covenant or agreement hereunder or under any other Related Document (other than as referred to above in this Section) and, if capable of being cured, such failure shall remain unremedied for fifteen (15) days after the earlier to occur of (x) the date on which a Responsible Officer of such GWG Party knows of such failure and (y) the date on which the Agent or any Secured Party notifies such GWG Party of such failure; or

(g) an Insolvency Event shall occur with respect to any GWG Party or any Subsidiary thereof; or

(h) the Agent, for the benefit of the Secured Parties, shall, for any reason, fail to have a valid and perfected first priority security interest in all of the Assets and the other Collateral; or any Adverse Claims shall exist with respect to the Collateral other than Permitted Liens; or the Borrowers (or the Titling Trust on their behalf) shall, for any reason, fail to have a valid and perfected first priority ownership interest in each Asset and the Other Conveyed Property and Collections with respect thereto, free and clear of all Adverse Claims other than Permitted Liens; or

(i) (A) any GWG Party or Subsidiary thereof shall fail to pay any Indebtedness in excess of $100,000 when due; or (B) any GWG Party or Subsidiary thereof shall default in the performance of any term, provision or condition contained in any agreement under which any such Indebtedness was created or is governed, the effect of which is to cause, or to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or

(j) a Master Servicer Default shall occur; or

(k) there shall have been any material adverse change in the financial condition or operations of any GWG Party since the Closing Date, which in the judgment of the Agent, has or could reasonably be expected to have a Material Adverse Effect; or

(l) a Change of Control shall occur; or

(m) the annual audited consolidated financial statements for any GWG Party are qualified in any material manner; or

(n) any Key Employee shall cease to be actively employed by the Sellers or shall cease to have primary responsibility for managing the operations of the Sellers and shall not have been replaced by successors satisfactory to the Agent within 60 days; or

(o) any Hedge Counterparty fails or ceases to be an Eligible Hedge Counterparty and such Hedge Counterparty is not replaced by an Eligible Hedge Counterparty under all Hedge Transactions to which it is a party within 30 days following the date on which such Hedge Counterparty ceased to be an Eligible Hedge Counterparty, such replacement to be made pursuant to documentation in form and substance reasonably satisfactory to the Agent; or

(p) a Borrower fails to maintain in full force and effect all Hedge Transactions required to be maintained by it pursuant to Section 2.06 or any "Event of Default" or "Termination Event" shall occur under any such Hedge Transaction with a Borrower as the "Defaulting Party" or "Affected Party"; or

(q) either Master Servicer, the Life Settlement Servicer, the Backup Servicer, the Titling Trust Trustee or the Custodian shall have delivered a notice of resignation under the Sale and Servicing Agreement, the Life Settlement Servicing Agreement, the Backup Servicing Agreement, the Trust Agreement or the Custodian Agreement, as applicable, and shall not have been replaced with a successor Master Servicer, Life Settlement Servicer, Backup Servicer, Titling Trust Trustee or Custodian, as applicable, satisfactory to the Agent in its sole discretion within 30 days of the date such notice is so delivered, or the Sale and Servicing Agreement, the Life Settlement Servicing Agreement, the Backup Servicing Agreement, the Titling Trust Agreement or the Custodian Agreement (or the provisions of any of the foregoing relating to the duties of either Master Servicer, the Life Settlement Servicer, the Backup Servicer, the Titling Trust Trustee or the Custodian, as applicable) shall otherwise cease to be in full force and effect; or

(r) the aggregate Value of the Eligible Assets, as determined using the Milliman Model and the most recent Life Expectancies with respect to the Eligible Assets, shall at any time be less than 125% of the Facility Amount; or

(s) a Governmental Authority shall direct that the activities of any GWG Party, the Backup Servicer or any Servicer relating to the origination, purchase and/or servicing of Loans be terminated; or any other law, rule or regulation or other action by any Governmental Authority shall occur or be in effect that shall make it unlawful for the any GWG Party, the Backup Servicer or any Servicer to originate, purchase and/or service Loans; or

(t) the Performance Guaranty shall cease to be in full force and effect or the Performance Guarantor shall so assert;

then, and in any such event, the Agent may by notice to the Borrowers, declare the Program Maturity Date to have occurred, whereupon all of the Obligations shall become immediately due and payable, except that, in the case of any Insolvency Event relating to any GWG Party, the Program Maturity Date shall be deemed to have occurred automatically upon the occurrence of such event and all of the Obligations shall automatically become and be immediately due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower. Upon any such declaration or automatic occurrence, the Secured Parties shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided to a secured party under the UCC of the applicable jurisdiction and other applicable laws, which rights shall be cumulative. The rights and remedies of a secured party which may be exercised by the Lender or the Agent pursuant to this Article VI shall include, without limitation, the right, without notice except as specified below, to solicit and accept bids for and sell the Collateral or any part thereof in one or more parcels at a public or private sale, at any exchange, broker's board or at any of the Lender or the

Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender or the Agent may deem commercially reasonable. The Borrowers agree that, to the extent notice of sale shall be required by law, 10 days' notice to the Borrowers of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and that it shall be commercially reasonable for the Lender or the Agent to sell the Collateral on an "as is" basis, without representation or warranty of any kind. Neither the Lender nor the Agent shall be obligated to make any sale of Collateral regardless of notice of sale having been given and may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

At any time following the occurrence of an Event of Default:

(i) At the Agent's request and at the Borrowers' expense, each GWG Party shall notify each Obligor and each Insured of the Agent's security interest in the Assets under this Agreement and direct that payments be made directly to the Agent or its designee;

(ii) At the Agent's request and at the Borrower's expense, each GWG Party shall (A) assemble all of the documents, instruments and other Records (including, without limitation, computer tapes and disks) that evidence or relate to the Collateral, or that are otherwise necessary to collect the Collateral and which are in its possession, and shall make the same available to the Agent at a place selected by the Agent or its designee, and (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections of Collateral in a manner acceptable to the Agent and, promptly upon receipt, remit all such cash, checks and instruments, duly indorsed or with duly executed instruments of transfer, to the Agent or its designee.

Each GWG Party hereby authorizes the Agent, and hereby irrevocably appoints the Agent as its attorney-in-fact coupled with an interest, with full power of substitution and with full authority in place of such GWG Party, following the occurrence and during the continuation of an Event of Default, to take any and all steps in such GWG Party's name and on behalf of such GWG Party that are necessary or desirable, in the determination of the Agent, to collect amounts due under the Collateral, including, without limitation, (i) endorsing such GWG Party's name on checks and other instruments representing Collections of Collateral, (ii) enforcing the Assets, the Other Conveyed Property and the Related Documents, including to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection therewith and to file any claims or take any action or institute any proceedings that the Agent (or such designee) may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of, or to perform any obligations or enforce any rights of the Borrowers in respect of, the Assets and the Other Conveyed Property and the Related Documents.

Section 6.02. Termination Events. If any of the following events (each a "*Termination Event*") shall occur:

(a) a Governmental Authority shall direct that the activities of the Agent or the Lender, or any Affiliate of the Lender or the Agent, contemplated hereby be terminated (whether or not such direction has the force of law) or any other law, rule or regulation or other action by any Governmental Authority shall occur or be in effect that shall make it unlawful for any GWG Party, the Borrowers, the Lender or the Agent to enter into or perform or exercise any of their respective rights or obligations under this Agreement or any other Related Document; or

(b) any Event of Default;

then, and in any such event, the Agent may by notice to the Borrowers, declare the Program Maturity Date to have occurred, whereupon the Lender shall have no further obligation to make any Advances hereunder.

ARTICLE VII

THE AGENT

Section 7.01. Authorization and Action. (a) By accepting the benefits of this Agreement, each Secured Party hereby designates and appoints DZ Bank to act as its agent hereunder and under each other Related Document, and authorizes the Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Agent by the terms of this Agreement and the other Related Documents together with such powers as are reasonably incidental thereto. The Agent shall not have any duties or responsibilities, except those expressly set forth herein or in any other Related Document, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Agent shall be read into this Agreement or any other Related Document or otherwise exist for the Agent. In performing its functions and duties hereunder and under the other Related Documents, the Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for any GWG Party. The Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement, any other Related Document or applicable law. The appointment and authority of the Agent hereunder shall terminate on the Final Payout Date. Each Secured Party hereby authorizes the Agent to execute each of the Uniform Commercial Code financing statements, together with such other instruments or documents determined by the Agent to be necessary or desirable in order to perfect, evidence or more fully protect the interest of the Secured Parties contemplated hereunder, on behalf of such Secured Party (the terms of which shall be binding on such Secured Party). Each Secured Party hereby authorizes the Agent to execute and/or authorize releases and Uniform Commercial Code termination statements in respect of any Uniform Commercial Code filings made in respect of any Loans. Each Borrower may in any event act in accordance with the instructions of the Agent without further inquiry into the authority of the Agent to give such instructions.

(b) Without limiting the generality of the foregoing, the Agent is authorized (but not required) to act on behalf of the Secured Parties in connection with providing such instructions, approvals, waivers or consents as may from time to time be required hereunder or under the other Related Documents to permit or authorize or direct each Borrower to take or refrain from taking any action under the Related Documents; *provided* that the Agent may at any time, in its sole discretion, elect to refrain from providing any such instructions, approvals, waivers or consents until such time as it shall have received the consent thereto of the Lender.

Section 7.02. Delegation of Duties. The Agent may execute any of its duties under this Agreement and each other Related Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 7.03. Exculpatory Provisions. Neither the Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement or any other Related Document

(except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by any GWG Party contained in this Agreement, any other Related Document or any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement, or any other Related Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any other Related Document or any other document furnished in connection herewith or therewith, or for any failure of any GWG Party to perform its obligations hereunder or thereunder, or for the satisfaction of any condition specified in Article III, or for the perfection, priority, condition, value or sufficiency or any Collateral pledged in connection herewith. The Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement or any other Related Document, or to inspect the properties, books or records of any GWG Party. The Agent shall not be deemed to have knowledge of any Event of Default, Master Servicer Default or Termination Event or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, Master Servicer Default or Termination Event, unless the Agent has received notice from a Borrower, a Master Servicer or a Secured Party.

Section 7.04. Reliance by Agent. The Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to any GWG Party), independent accountants and other experts selected by the Agent. The Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Lender as it deems appropriate and it shall first be indemnified to its satisfaction by the Secured Parties, *provided* that unless and until the Agent shall have received such advice, the Agent may take or refrain from taking any action, as the Agent shall deem advisable and in the best interests of the Secured Parties. The Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Lender, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

Section 7.05. Non-Reliance on Agent and Other Secured Parties. Each Secured Party expressly acknowledges that neither the Agent, nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Agent hereafter taken, including, without limitation, any review of the affairs of the GWG Parties, shall be deemed to constitute any representation or warranty by the Agent. Each Secured Party represents and warrants to the Agent that it has and will, independently and without reliance upon the Agent or any other Secured Party and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the GWG Parties and made its own decision to enter into this Agreement, the other Related Documents and all other documents related hereto or thereto.

Section 7.06. Agent in Its Individual Capacity. The Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with either Borrower any Affiliate of either Borrower as though the Agent were not the Agent hereunder. With respect to the Obligations owing to the Agent hereunder, the Agent shall have the same rights and powers under this Agreement as any other Secured Party and may exercise the same as though it were not the Agent, and the term "Secured Party" shall include the Agent in its individual capacity.

Section 7.07. Successor Agent. The Agent may, upon five days' notice to the Borrowers and the Secured Parties, resign as Agent. If the Agent shall resign, then the Lender during such five-day period shall appoint from among the Secured Parties a successor agent. If for any reason no successor Agent is appointed by the Lender during such five-day period, then effective upon the termination of such five day period, the Lender shall perform all of the duties of the Agent hereunder. After the effectiveness of any retiring Agent's resignation hereunder as Agent, the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Related Documents and the provisions of this Article VII and Article VIII shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was Agent under this Agreement and under the other Related Documents.

ARTICLE VIII

INDEMNIFICATION

Section 8.01. Indemnities by the Borrower.

Without limiting any other rights which any Indemnified Party (as defined below) may have hereunder or under applicable law, the Borrowers hereby agree to indemnify the Agent, the Lender, each Affected Party and each other Secured Party and their respective officers, directors, agents and employees (each an "*Indemnified Party*") from and against any and all damages, losses, claims, liabilities, costs, expenses and for all other amounts payable, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively referred to as "*Indemnified Amounts*") awarded against or reasonably incurred by any of them arising out of or as a result of this Agreement or the acquisition, either directly or indirectly, by any Secured Party of an interest in the Assets, excluding, however, Indemnified Amounts to the extent a final non-appealable judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of such Indemnified Party. Without limiting the generality of the foregoing indemnification, the Borrowers shall indemnify the Indemnified Parties for Indemnified Amounts (including, without limitation, losses in respect of uncollectible Assets, regardless of whether reimbursement therefor would constitute recourse to the Borrowers, but excluding Indemnified Amounts to the extent final non-appealable judgment of a court of competent jurisdiction holds such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of such Indemnified Party) relating to or resulting from:

(i) any representation or warranty made by any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator or any officer or employee of the foregoing under or in connection with this Agreement any Master Servicer's Certificate, or any Borrowing Base Certificate or any other Related Document or any other information or report delivered by any such party pursuant to any Related Document, which shall have been false or incorrect when made or deemed made;

(ii) the failure by any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator to comply with any applicable law, rule or regulation with respect to any Asset, Other Conveyed Property or Asset Documents related thereto, or the nonconformity of any Asset, Other Conveyed Property or Asset Documents related thereto with any such applicable law, rule or regulation;

(iii) any failure of any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator to perform its duties or obligations in accordance with the provisions of this Agreement, any other Related Document, any Asset Documents, or any other contract or agreement related to a Asset or Other Conveyed Property with respect thereto;

(iv) any damage suit or other claim arising out of or in connection with any transaction which is the subject of any Asset Document, any Asset or any Other Conveyed Property with respect thereto;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of any Obligor, any Insured, any Initial Lender, any Bridge Loan Lender or any Life Settlement Provider to the payment of any Asset (including, without limitation, a defense based on such Asset or any related Asset Document not being a legal, valid and binding obligation of the related Obligor, Insured, Initial Lender, Bridge Loan Lender or Life Settlement Provider, as applicable, enforceable against it in accordance with its terms), or any other claim relating to a Asset or any Asset Document,

(vi) the commingling of Collections at any time with other funds;

(vii) any investigation, litigation or proceeding related to or arising from this Agreement or any other Related Document, the transactions contemplated hereby or thereby, the use of the proceeds of Advances, the holding of the security interest created hereunder or any other investigation, litigation or proceeding relating to any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator, the Assets or Other Conveyed Property in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby or thereby;

(viii) any failure to vest and maintain vested in the Agent, for the benefit of the Secured Parties, a first priority perfected security interest in the Collateral as described in this Agreement or the existence of any Adverse Claim upon or with respect to the Collateral; or

(ix) any failure to vest and maintain vested in the Borrowers legal and equitable title to, and ownership of, the Assets, the Other Conveyed Property and the Collections, free and clear of any Adverse Claim (other than Adverse Claims created pursuant to this Agreement); or any failure of the Borrowers to give reasonably equivalent value to the applicable Seller under the Sale and Servicing Agreement in consideration of the transfer by the applicable Seller of any Asset or any Other Conveyed Property with respect thereto; or any failure of the applicable Seller to give reasonably equivalent value to any Initial Lender, Bridge Loan Lender or Life Settlement Provider, as applicable, in consideration of the transfer by such Initial Lender, Bridge Loan Lender or Life Settlement Provider, as applicable, of any Asset or any Other Conveyed Property with respect thereto; or any attempt by any Person to void any such transfer under statutory provisions or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code.

Notwithstanding anything to the contrary in this Agreement, solely for purposes of the indemnification obligations set forth in this Section 8.01, any representations, warranties and covenants made by any GWG Party or any Servicer in this Agreement or the other Related Documents which are qualified by or limited to events or circumstances which have, or are reasonably likely to have, given rise to a Material Adverse Effect or are qualified or limited by other concepts of materiality, shall not be deemed to be so qualified or limited.

Section 8.02. Indemnities by the Sellers and the Performance Guarantor.

Without limiting any other rights which the Agent or the Lender may have hereunder or under applicable law, the Sellers and the Performance Guarantor hereby jointly and severally agree to indemnify each Indemnified Party and the Borrowers from and against any and all Indemnified Amounts awarded against or incurred by any of them arising out of or as a result of:

(i) any representation or warranty made by any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator or any officer or employee of the foregoing under or in connection with this Agreement, any Master Servicer's Certificate, any Borrowing Base Certificate or any other Related Document or Asset Document or any other information or report delivered by GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator or any officer or employee of the foregoing pursuant to any Related Document or Asset Document, which shall have been false or incorrect when made or deemed made;

(ii) the failure by any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator to comply with any applicable law, rule or regulation with respect to any Asset, Other Conveyed Property or Asset Documents related thereto, or the nonconformity of any Asset, Other Conveyed Property or Asset Documents related thereto with any such applicable law, rule or regulation;

(iii) any failure of any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator to perform its duties or obligations in accordance with the provisions of this Agreement, any other Related Document, any Asset Documents, or any other contract or agreement related to a Asset or Other Conveyed Property with respect thereto;

(iv) any damage suit or other claim arising out of or in connection with any transaction which is the subject of any Asset Document, any Asset or any Other Conveyed Property with respect thereto, in each case to the extent such suit or claim relates to or arose out of (A) events or circumstances that occurred or existed prior to the applicable Purchase Date or (B) any actual or alleged act or omission on the part of any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of any Obligor, any Insured, any Initial Lender, any Bridge Loan Lender or any Life Settlement Provider to the payment of any Asset (including, without limitation, a defense based on such Asset or the related Asset Documents not being a legal, valid and binding obligation of such Obligor, Insured, Initial Lender or Life Settlement Provider, as applicable, enforceable against it in accordance with its terms), or any other claim relating to a Asset, in each case to the extent such dispute, claim, offset or defense relates to or arose out of (A) events or circumstances that occurred or existed prior to the applicable Purchase Date or (B) any actual or alleged act or omission on the part of any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator;

(vi) the commingling of Collections at any time with other funds;

(vii) any investigation, litigation or proceeding related to or arising from (A) this Agreement, any other Related Document, any Asset Document, the transactions contemplated hereby or thereby, the use of the proceeds of Advances or the holding of the security interest created hereunder, (B) any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator or any of their respective Affiliates, or (C) the Assets or Other Conveyed Property, in each case to the extent such investigation, litigation or proceeding relates to or arose out of (A) events or circumstances that occurred or existed prior to the applicable Purchase Date or (B) any actual or alleged act or omission on the part of any GWG Party, any Servicer, any Initial Lender, any Bridge Loan Lender, any Life Settlement Provider or any Originator; or

(viii) any failure to vest and maintain vested in the Agent, for the benefit of the Secured Parties, a first priority perfected security interest in the Collateral as described in this Agreement or the existence of any Adverse Claim upon or with respect to the Collateral.

Notwithstanding anything to the contrary in this Agreement, solely for purposes of the indemnification obligations set forth in this Section 8.02, any representations, warranties and covenants made by a GWG Party or a Servicer in this Agreement or any other Related Document which are qualified by or limited to events or circumstances which have, or are reasonably likely to have, given rise to a Material Adverse Effect or are qualified or limited by other concepts of materiality, shall not be deemed to be so qualified or limited.

Section 8.03. Other Costs and Expenses.

The Borrowers shall pay to the Agent and the Lender on demand all reasonable costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Agreement and the other Related Documents, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, the reasonable cost of the Lender's auditors auditing the books, records and procedures of the Backup Servicer, the Servicers and the GWG Parties, reasonable and documented fees and out-of-pocket expenses of legal counsel for the Lender and the Agent (which counsel may be employees of the Lender or the Agent) with respect thereto and with respect to advising the Lender and the Agent as to their respective rights and remedies under this Agreement, all rating agency fees incurred by or on behalf of the Lender and any fees and expenses incurred in connection with any background check or Assets confirmation referred to in Section 5.01(d). The Borrowers shall pay to the Agent on demand all costs and expenses of the Agent and the Lender, if any, including reasonable counsel fees and expenses in connection with the enforcement of this Agreement and the other documents delivered hereunder and in connection with any restructuring or workout of this Agreement or such documents, or the administration of this Agreement following a Termination Event.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Amendments and Waivers. No amendment or modification of any provision of this Agreement shall be effective without the written agreement of the Borrowers, the Sellers, the Agent and the Lender, and no termination or waiver of any provision of this Agreement or consent to any departure therefrom by the Borrowers, the Performance Guarantor, either Master Servicer or either Seller shall be effective without the written concurrence of the Agent and the Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 9.02. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy) and mailed, transmitted or delivered, as to each party hereto, at its address set forth as follows: (i) if to the Life Settlement Borrower: GWG DLP Funding II, LLC, 60 South Sixth Street, Suite 950, Minneapolis, MN 55402, Attention: Ryan Kaplan, Facsimile: 612-746-0445, Telephone: 612-746-1933, or at such other address as shall be designated by such party in a written notice to the other parties hereto; (ii) if to the Premium Finance Borrower, United Lending SPV, LLC, 60 South Sixth Street, Suite 950, Minneapolis, MN 55402, Attention: Ryan

Kaplan, Facsimile: 612-746-0445, Telephone: 612-746-1933, or at such other address as shall be designated by such party in a written notice to the other parties hereto; (iii) if to the Performance Guarantor, any Seller or either Master Servicer: 60 South Sixth Street, Suite 950, Minneapolis, MN 55402, Attention: Ryan Kaplan, Facsimile: 612-746-0445, Telephone: 612-746-1933, or at such other address as shall be designated by such party in a written notice to the other parties hereto; (iv) if to the Agent: DZ BANK AG Deutsche Zentral-Genossenschaftsbank, New York Branch, 609 5th Avenue, New York, New York 10017-1021, Attention: Asset Securitization Group, Facsimile: (212) 745-1651, Confirmation No.: (212) 745-1656, or specified in the Agent's Assignment and Acceptance or at such other address as shall be designated by such party in a written notice to the other parties hereto; and (v) if to the Lender: Autobahn Funding Company LLC, c/o DZ BANK AG Deutsche Zentral-Genossenschaftsbank, New York Branch, 609 5th Avenue, New York, New York 10017-1021, Attention: Asset Securitization Group, Facsimile: (212) 745-1651, Confirmation No.: (212) 745-1656, or specified in the Lender's Assignment and Acceptance or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (x) notice by mail, five days after being deposited in the United States mails, first-class postage prepaid, (y) notice by facsimile copy, when verbal communication of receipt is obtained or (z) in the case of personal delivery or overnight mail, when delivered, except that notices and communications pursuant to Article II shall not be effective until received.

Section 9.03. No Waiver; Remedies. No failure on the part of the Agent or the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 9.04. Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Borrowers, the Sellers, the Master Servicers, the Performance Guarantor, the Agent, the Lender and their respective successors and permitted assigns. This Agreement and the Lender's rights and obligations hereunder and interest herein shall be assignable in whole or in part (including, without limitation, by way of the sale of participation interests therein) by the Lender and its successors and assigns; *provided*, *however*, that (i) to the extent any assignee of the Lender will be funding Advances through the issuance of commercial paper such that the Advances will accrue interest at the CP Rate, the commercial paper issued by such assignee shall have a rating from a nationally recognized rating agency at least equal to the rating of the commercial paper of the Lender at the time of the applicable assignment and (ii) DZ Bank or any of its Affiliates shall remain the Agent hereunder after any such assignment, unless prohibited by applicable law. No GWG Party may assign any of its rights or obligations hereunder or any interest herein without the prior written consent of the Lender and the Agent. The parties to each assignment or participation made by the Lender pursuant to this Section 9.04 shall execute and deliver to the Agent for its acceptance and recording in its books and records, an Assignment and Acceptance or a participation agreement or other transfer instrument reasonably satisfactory in form and substance to the Agent and the Borrower. Each such assignment or participation shall be effective as of the date specified in the applicable Assignment and Acceptance or other agreement or instrument only after the execution, delivery, acceptance and recording as described in the preceding sentence. The Agent shall notify the

Borrowers of any assignment or participation thereof made pursuant to this Section 9.04. Subject to Section 9.11, the Lender may, in connection with any assignment or participation or any proposed assignment or participation pursuant to this Section 9.04, disclose to the assignee or participant or proposed assignee or participant any information relating to the GWG Parties and the Collateral furnished to the Lender by or on behalf of the GWG Parties, the Master Servicers or any other Person; *provided*, *however*, that the Lender shall not disclose any such information until it has obtained an agreement from such assignee or participant or proposed assignee or participant that it shall treat as confidential (under terms mutually satisfactory to the Agent and such assignee or participant or proposed assignee or participant) any information obtained which is not already publicly known or available.

Section 9.05. Term of This Agreement. This Agreement, including, without limitation, each GWG Party's obligation to observe its covenants set forth in Article V, shall remain in full force and effect until the Final Payout Date; *provided, however,* that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by any GWG Party pursuant to Articles III and IV and the indemnification and payment provisions of Article VIII and Article IX and the provisions of Sections 9.09, 9.10, 9.11, 9.13, 9.14, 9.16 and 9.17 shall be continuing and shall survive any termination of this Agreement.

Section 9.06. Governing Law; Jury Waiver.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES).

(b) EACH OF THE PARTIES HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.

Section 9.07. Consent to Jurisdiction. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY OR, TO THE EXTENT SUCH COURT LACKS JURISDICTION, THE COURTS OF THE STATE OF NEW YORK, AND EACH WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL, AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER, AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION 9.07 SHALL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT ANY PARTY'S RIGHT TO BRING ANY ACTION OR PROCEEDING IN THE COURTS OF ANY OTHER JURISDICTION.

Section 9.08. Further Assurances. If any GWG Party fails to perform any of its obligations hereunder, the Agent or the Lender may (but shall not be required to) perform, or cause performance of, such obligation; and the Agent's or the Lender's reasonable costs and expenses incurred in connection therewith shall be payable by such GWG Party. Each Borrower and each Seller irrevocably authorizes the Agent at any time and from time to time in the sole discretion of the Agent acting in good faith, and appoints the Agent as its attorney-in-fact, to act on behalf of such Borrower or such Seller (i) to execute on behalf of such Borrower or such Seller as debtor and to file financing statements, and to take such other action, as necessary in the Agent's judgment exercised in good faith to perfect and to maintain the perfection and priority of the interest of the Agent in the Collateral and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the Agent acting in good faith deems necessary to perfect and to maintain the perfection and priority of the interests of the Agent in the Collateral. This appointment is coupled with an interest and is irrevocable. Each Borrower hereby authorizes the Agent to file one or more financing statements against such Borrower in such jurisdictions as the Agent may select identifying the collateral as "all assets", "all property" or words of similar import.

Section 9.09. Limitation of Liability. Except with respect to any claim arising out of the willful misconduct, bad faith or gross negligence of the Lender, the Agent or a Secured Party, (i) each GWG Party, to the extent permitted by law, waives any claim may be made by any GWG Party or any other Person against the Lender, the Agent, any Secured Party or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and (ii) each GWG Party (on behalf of itself and all of its Subsidiaries and Affiliates), to the extent permitted by law, hereby waives, releases, and agrees not to sue upon any claim for any such special, indirect, consequential or punitive damages.

Section 9.10. No Proceedings. Each of the parties hereto (other than the Lender) hereby agrees that it will not institute against, or join any other Person in instituting against, the Lender any bankruptcy, insolvency or similar proceeding so long as any commercial paper issued by the Lender shall be outstanding or there shall not have elapsed one year and one day since the last day on which any such commercial paper shall have been outstanding.

Section 9.11. Recourse Against Certain Parties. No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Lender as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any administrator of the Lender or any incorporator, affiliate, stockholder, officer, employee or director of the Lender or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it

being expressly agreed and understood that the agreements of the Lender contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the limited liability company obligations of the Lender, and that no personal liability whatsoever shall attach to or be incurred by any administrator of the Lender or any organizer, member, affiliate, officer, employee or director of the Lender or of any such administrator, as such, under or by reason of any of the obligations, covenants or agreements of the Lender contained in this Agreement or in any other such instruments, documents or agreements, or which are implied therefrom, and that any and all personal liability of every such administrator of the Lender and each organizer, member, affiliate, officer, employee or director of the Lender or of any such administrator, or any of them, for breaches by the Lender of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement.

Section 9.12. Execution in Counterparts; Severability; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or portable document format (PDF) shall be effective as delivery of a manually executed counterpart of this Agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings other than the Related Documents executed as of the date hereof to which the Agent is a party.

Section 9.13. Confidentiality.

(a) Each GWG Party shall maintain and shall cause each of its Affiliates, employees and officers and agents to maintain the confidentiality of this Agreement and the other Related Documents and the other confidential proprietary information with respect to the Agent and the Lender and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein and therein to the extent such information has been identified as being confidential, except that each GWG Party and their respective Affiliates, officers and employees may disclose such information (i) to any rating agency or to such GWG Party's managers, directors, officers, employees, agents, external accountants and attorneys, (ii) to any Person that is proposed to be an investor in any GWG Party or a party to any prospective merger or consolidation or asset purchase with a GWG Party who agrees to hold such information confidential and (iii) as required by any applicable law, judicial or administrative process or order under any judicial or administrative proceeding. In addition, each GWG Party may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(b) The Agent and the Lender shall maintain and shall cause each of its employees and officers and agents to maintain the confidentiality of all confidential proprietary information with respect to the GWG Parties and their businesses obtained by them in connection with the structuring, negotiating and execution of the transactions contemplated herein and therein to the extent such information has been identified as being confidential; *provided* that any such information may be disclosed (i) to the Agent, the Lender and the other Secured Parties by each other, (ii) by the Agent, the Lender or any other Secured Party to any prospective or actual assignee or participant of any of them who agrees to hold such information confidential in accordance with the terms of this Section 9.13, (iii) by the Agent to any rating agency, (iv) by the Agent to any commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to the Lender in connection with this Agreement and (v) to any officers, directors, employees, outside accountants and attorneys of any of the foregoing; *provided* that each such Person described in clause (iv) above is informed of the confidential nature of such information in a manner consistent with the practice of the Agent for making such disclosure generally to Persons of such type and has agreed to hold such information confidential on terms substantially similar in substance to those set forth in this Section 9.13. In addition, the Secured Parties and the Agent may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

Section 9.14. Limitation on Payments. Notwithstanding any provisions contained in this Agreement to the contrary, the Lender shall not, and shall not be obligated to, pay any amount pursuant to this Agreement unless the Lender has received funds which may be used to make such payment and which funds are not required to repay commercial paper notes issued by the Lender when due. Any amount which the Lender does not pay hereunder pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in §101 of the Bankruptcy Code) against or corporate obligation of the Lender for any such insufficiency.

Section 9.15. U.S. Money Laundering and Terrorism Regulatory Matters. Each GWG Party represents as follows as of the date hereof and as of each Borrowing Date:

(a) Neither such GWG Party nor any Affiliate of such GWG Party, nor any of their respective officers or directors is a Prohibited Person.

(b) Neither such GWG Party, nor any of their respective officers or directors (in performing their responsibilities as such officers and directors) (i) to such GWG Party's knowledge, has conducted or will conduct any business or has engaged or will engage in any transaction or dealing (including with respect to any Asset) with any Prohibited Person, including making or receiving any contribution of funds, goods or services to or for the benefit of any Prohibited Person, (ii) to such GWG Party's knowledge, has dealt or will deal in, or otherwise has engaged or will engage in any transaction relating to, any property or interests in property blocked pursuant to the

Executive Order or (iii) to such GWG Party's knowledge, has engaged or will engage in or has conspired or will conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the requirements or prohibitions set forth in the Executive Order or the PATRIOT Act.

(c) Each GWG Party and their respective officers and directors (in performing their responsibilities as such officers and directors) are in material compliance with all applicable orders, rules and regulations issued by, and recommendations of, the U.S. Department of the Treasury and OFAC pursuant to IEEPA, the PATRIOT Act, other legal requirements relating to money laundering or terrorism and any executive orders related thereto.

(d) To the extent required by law, each GWG Party has established an anti-money laundering and/or economic sanctions program and/or procedures in accordance with all applicable laws, rules and regulations of its own jurisdiction including, without limitation, where applicable, the PATRIOT Act.

(e) No GWG Party believes that any Obligor, Insured, Originator, Initial Lender, Bridge Loan Lender or Life Settlement Provider is a "Prohibited Foreign Shell Bank" (as defined in the PATRIOT Act), or is named on any available lists of known or suspected terrorists, terrorist organizations or of other sanctioned person issued by the United States government and/or the government(s) of any jurisdiction(s) in which such GWG Party is doing business.

(f) Each GWG Party and its Affiliates have adopted reasonable procedures in accordance with applicable law to elicit information that substantiates the statements contained in this Section 9.15.

Section 9.16. Concerning Joint and Several Liability of the Borrowers.

(a) Each Borrower is accepting joint and several liability hereunder and under the other Related Documents in consideration of the financial accommodations to be provided by the Lender and the Agent under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrower to accept joint and several liability for the Obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a primary obligor and co-debtor, joint and several liability with the other Borrower, with respect to the payment and performance of all of the Obligations (including, without limitation, any Obligations arising under this Section 9.16), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them.

(c) If and to the extent that either Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then, in each such event, the other Borrower will make such payment with respect to, or perform, such Obligation.

(d) The Obligations of each Borrower under the provisions of this Section 9.16 constitute the full recourse Obligations of each Borrower enforceable against each such Person to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or the other Related Documents or any other circumstance whatsoever.

(e) Except as otherwise expressly provided herein, each Borrower hereby waives promptness, diligence, presentment, demand, protest, notice of acceptance of its joint and several liability, notice of any and all Advances made under this Agreement and any promissory note issued hereunder, notice of occurrence of any Potential Event of Default or Event of Default (except to the extent notice is expressly required to be given pursuant to the terms of this Agreement or any of the other Related Documents), or of any demand for any payment under this Agreement, notice of any action at any time taken or omitted by the Agent or the Lender under or in respect of any of the Obligations hereunder, any requirement of diligence and, generally, all demands, notices and other formalities of every kind in connection with this Agreement and the other Related Documents. Each Borrower hereby waives all defenses which may be available by virtue of any valuation, stay, moratorium law or other similar law now or hereafter in effect, any right to require the marshaling of assets of the Borrowers and any other entity or Person primarily or secondarily liable with respect to any of the Obligations, and all surety ship defenses generally. Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment, or place or manner for payment, compromise, refinancing, consolidation or renewals of any of the Obligations hereunder, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by the Agent and the Lender at any time or times in respect of any default by either Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement and the other Related Documents, any and all other indulgences whatsoever by the Agent and the Lender in respect of any of the Obligations hereunder, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of such Obligations or the addition, substitution or release, in whole or in part, of either Borrower or any other entity or Person primarily or secondarily liable for any Obligation. Each Borrower further agrees that its Obligations shall not be released or discharged, in whole or in part, or otherwise affected by the adequacy of any rights which the Agent or the Lender may have against any collateral security or other means of obtaining repayment of any of the Obligations, the impairment of any collateral security securing the Obligations, including, without limitation, the failure to protect or preserve any rights which any Agent or the Lender may have in such collateral security or the substitution, exchange, surrender, release, loss or destruction of any such collateral security, any other act or omission which might in any manner or to any extent vary the risk of such Borrower, or otherwise operate as a release or discharge of such Borrower, all of which may be done without notice to such Borrower. If for any reason the other Borrower has no legal existence or is under no legal obligation to discharge any of the Obligations, or if any of the Obligations have become irrecoverable from the other Borrower by reason of such other Borrower's insolvency, bankruptcy or reorganization or by other operation of law or for any reason, this Agreement and the other Related Documents to which it is a party shall nevertheless be binding on such Borrower to the same extent as if such Borrower at all times had been the sole obligor on

such Obligations. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of the Agent and the Lender, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder which might, but for the provisions of this Section 9.16, afford grounds for terminating, discharging or relieving such Borrower, in whole or in part, from any of its obligations under this Section 9.16, it being the intention of each Borrower that, so long as any of the Obligations hereunder remain unsatisfied, the obligations of such Borrower under this Section 9.16 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 9.16 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any reconstruction or similar proceeding with respect to the other Borrower, or the Lender. The joint and several liability of the Borrowers hereunder shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, ownership, membership, constitution or place of formation of either Borrower or the Lender. Each Borrower acknowledges and confirms that it has itself established its own adequate means of obtaining from the other Borrower on a continuing basis all information desired by such Borrower concerning the financial condition of the other Borrower and that each such Borrower will look to the other Borrower and not to the Agent or the Lender in order for such Borrower to keep adequately informed of changes in the other Borrower's respective financial conditions.

(f) The provisions of this Section 9.16 are made for the benefit of the Lender and the Agent and their respective permitted successors and assigns, and may be enforced by it or them from time to time against any or all of the Borrowers as often as occasion therefor may arise and without requirement on the part of the Lender, the Agent or such successor or assign first to marshal any of its or their claims or to exercise any of its or their rights against the other Borrower or to exhaust any remedies available to it or them against the other Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 9.16 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof; made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by the Lender or the Agent upon the insolvency, bankruptcy or reorganization of either Borrower, or otherwise, the provisions of this Section 9.16 will forthwith be reinstated in effect, as though such payment had not been made.

(g) Each Borrower hereby agrees that it will not enforce any of its rights of reimbursement, contribution, subrogation or the like against the other Borrower with respect to any liability incurred by it hereunder or under any of the other Related Documents, any payments made by it to the Lender or the Agent with respect to any of the Obligations or any collateral security therefor until such time as all of the Obligations have been indefeasibly paid in full in cash. Any claim which either Borrower may have against the other Borrower with respect to any payments to the Lender or the Agent hereunder or under any other Related Documents are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations

arising hereunder or thereunder, to the prior payment in full of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar proceeding under the laws of any jurisdiction relating to either Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full before any payment or distribution of any character, whether in cash, securities or other property, shall be made to the other Borrower therefore.

(h) Each Borrower hereby agrees that the payment of any amounts due with respect to the indebtedness owing by either Borrower to the other Borrower is hereby subordinated to the prior payment in full in cash of the Obligations. Each Borrower hereby agrees that after the occurrence and during the continuance of any Potential Event of Default or Event of Default, such Borrower will not demand, sue for or otherwise attempt to collect any indebtedness of the other Borrower owing to such Borrower until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by such Borrower as trustee for the Agent and be paid over to the Agent for the account of the Lender to be applied to repay the Obligations.

Section 9.17. Contribution.

(a) To the extent that either Borrower shall make a payment under Section 9.16 of all or any of the Obligations (a "Guarantor Payment") that, taking into account all other Guarantor Payments then previously or concurrently made by the other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by such Guarantor Payment in the same portion that such Borrower's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each Borrower as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Obligations, such Borrower shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, the other Borrower for the net amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the "Allocable Amount" of either Borrower shall be equal to the maximum amount of the claim that could then be recovered from such Borrower under this Section 9.17 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(c) This Section 9.17 is intended only to define the relative rights of Borrowers and nothing set forth in this Section 9.17 is intended or shall impair the obligations of the Borrowers, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Agreement, including Section 9.16.

(d) The parties hereto acknowledge that the rights of contribution and indemnification of either Borrower under this Section 9.17 shall constitute assets of such Borrower.

(e) The rights of an indemnifying Borrower against the other Borrower under this Section shall be exercisable upon the full and indefeasible payment of the Obligations.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

GWG DLP FUNDING II, LLC, as a Borrower

By _____
Name:
Title:

UNITED LENDING SPV, LLC, as a Borrower

By _____
Name:
Title:

GWG LIFE SETTLEMENTS, LLC, as a Seller and Life Settlement Master Servicer

By _____
Name:
Title:

UNITED LENDING, LLC, as a Seller and Premium Finance Master Servicer

By _____
Name:
Title:

OPPORTUNITY BRIDGE FUNDING, LLC, as a Seller

By _____
Name:
Title:

GWG HOLDINGS, LLC, as Performance Guarantor

By _____
Name:
Title:

DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, as Agent

By _____
Name: Christopher Tucker
Title: Vice President

By _____
Name: Jeffrey Willner
Title: Assistant Vice President

AUTOBAHN FUNDING COMPANY LLC, as Lender

By: DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, its Attorney-in-Fact

By _____
Name: Christopher Tucker
Title: Vice President

By _____
Name: Jeffrey Willner
Title: Assistant Vice President

ELIGIBILITY CRITERIA; PERFECTION REPRESENTATIONS

A. Eligibility Criteria

"*Eligible Asset*" means, at any time, an Eligible Loan or an Eligible Policy that satisfies each of the following criteria:

(i) such Asset was originated or purchased by the applicable Seller in the ordinary course of such Seller's business in accordance with and through the application of the Operating Policies and Practices and such Seller's standard credit underwriting procedures (in effect at the time of such origination or purchase) within 90 days prior to the date such Asset was first included in the Collateral hereunder;

(ii) neither such Asset nor any related Policy or Asset Document contravenes any law, rule or regulation applicable thereto (including, without limitation, any law, rule and regulation relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, licensing, fair debt collection practices, privacy, insurance, life settlement transactions, premium finance lending, anti-rebating or usury) and neither such Asset nor any related Policy or any related Asset Document was created, solicited or entered into in violation of any law, rule or regulation;

(iii) each GWG Party, the Initial Lender (if applicable), the Bridge Loan Lender (if applicable), the related Life Settlement Provider (if applicable), each Master Servicer, the Life Settlement Servicer (if applicable) and each other Person at any time owning an interest in, or servicing, such Asset and the related Collateral had all licenses and permits necessary to originate, own and/or service, as applicable, such Asset and the related Collateral, and all consents, licenses, approvals and authorizations of, or registrations, declarations for filings with, any Governmental Authority required to be obtained, effected or given by any party in connection with the origination, purchase and servicing of such Asset and the related Collateral as contemplated by the related Asset Documents and the Related Documents and the security interest granted hereunder have been duly obtained, effected or given and are in full force and effect;

(iv) no selection procedures having an adverse effect on the Borrowers, the Lender or the Agent have been utilized by the applicable Seller in selecting the Asset from those loans and policies owned by the applicable Seller and its Affiliates which meet the eligibility criteria specified herein, it being hereby acknowledged by the Agent that the neither shall have the exclusive right to acquire each Asset acquired by any Seller or any of its Affiliates;

(v) such Asset, and each related Asset Document, constitutes the legal, valid and binding obligation of each party thereto, enforceable against each such party in accordance with its terms, except as such enforcement may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(vi) such Asset and the related Asset Documents are not subject to, nor has there been asserted, any litigation or any right of rescission, set off, counterclaim or other defense of any related Obligor or any related Insured; and the related Initial Lender (if applicable), the related Bridge Loan Lender (if applicable) or the related Life Settlement Provider (if applicable), the applicable Seller and the applicable Borrower have performed all of their respective obligations under such Asset Documents in accordance with the terms thereof;

(vii) such Asset is not (and has never been) a Defaulted Asset;

(viii) the related Obligor (a) is not a Governmental Authority, (b) is not an Affiliate of any GWG Party and (c) is not the subject of any Insolvency Event;

(ix) all of the representations and warranties set forth in Sections 4.01(p) and 4.01(q) of this Agreement and in Part B of this Schedule I with respect to such Asset and the Other Conveyed Property with respect thereto are true and correct;

(x) none of the Asset Documents related to such Asset or any applicable law, rule or regulation applicable to such Asset or such Asset Documents or the related Policy (a) requires the consent of any party to, or otherwise prohibits or restricts, the transfer, sale or assignment of such Asset or any Other Conveyed Property or the rights or obligations of the Initial Lender (if applicable), Bridge Loan Lender (if applicable) or Life Settlement Provider (if applicable) or the applicable Seller (or their respective assignees) under any Asset Document in the manner contemplated by the Related Documents, (b) except as required by applicable law, contains a confidentiality provision that purports to restrict the ability of the Borrowers, the Agent or the Lender to exercise its rights under any Related Document, including, without limitation, its right to review all Asset Documents or (c) requires any assignee of such Asset to obtain a license or other authorization in connection with the acquisition of such Assets or any interest therein; *provided* that any such assignee (other than the relevant Borrower or the Agent, as assignee or secured party pursuant to the Related Documents) may be required to be licensed under the terms of any applicable premium finance law or life settlement law; in furtherance of the foregoing, in the case of Loan, the related Loan Agreement expressly permits the Initial Lender or Bridge Loan Lender, as applicable, to sell or assign all or any portion of its rights or obligations thereunder to any other Person without the consent of the related Obligor, the related Insured or any other Person;

(xi) a Custodian File for such Asset has been delivered to the Custodian pursuant to the terms of the Custodian Agreement and the Agent has received (i) a Custodian Receipt certifying receipt of all Specified Documents (as defined in the Custodian Agreement) with respect to such Asset and (ii) within thirty (30) days following the date such Asset is first included in the Collateral, a Post-Closing Collateral

Receipt (as defined in the Custodian Agreement) certifying receipt of all Post-Closing Specified Documents (as defined in the Custodian Agreement) with respect to such Asset, which Custodian Receipt and Post-Closing Collateral Receipt do not identify any deficiencies in respect of such Custodian File, unless the Agent has waived such deficiencies;

(xii) the information with respect to such Asset set forth in the Schedule of Assets has been produced from the Electronic Ledger and is true and correct as of the close of business on the date such Asset is first included in the Collateral;

(xiii) such Asset was originated without fraud or material misrepresentation on the part of the Insured, the Obligor, the Originator, the Initial Lender (if applicable), the Bridge Loan Lender (if applicable), the Life Settlement Provider (if applicable), the GWG Parties or any of their respective Affiliates;

(xiv) neither the Initial Lender, Bridge Loan Lender or Life Settlement Provider, as applicable, nor any GWG Party nor any of their respective Affiliates has done anything to convey any right to any Person (other than the applicable Borrower, the Lender or the Agent) that would result in such Person having a right to payments due under such Asset or otherwise to impair the rights of the applicable Borrower, the Agent or the Lender in such Asset or the proceeds thereof, and prior to the sale by the applicable Seller of its interest in the Asset and the Other Conveyed Property with respect thereto to the applicable Borrower, neither such Seller nor such Borrower had any constructive or actual knowledge that its interest in such Asset or Other Conveyed Property were subject to the actual or claimed interest of any Person other than (A) in the case of a Premium Finance Loan, the ownership interest of the related Obligor in the Policy securing such Asset and (B) Permitted Liens;

(xv) the applicable Seller has caused the portions of its Electronic Ledger relating to such Asset to be clearly and unambiguously marked to show that such Asset has been sold to the applicable Borrower in accordance with the terms of the Sale and Servicing Agreement and a security interest therein has been granted by such Borrower to the Agent for the benefit of the Secured Parties in accordance with the terms of this Agreement;

(xvi) after giving effect to the inclusion of such Asset in the Eligible Assets and assuming that the Life Expectancy of each Insured under all Eligible Assets was extended by 25% (with all calculations hereunder being made on the basis of such assumption), no Borrowing Base Deficiency would exist; and

(xvii) in the case of a Loan, (A) each of the Bridge Loan Lender, the Premium Finance Servicer and the Premium Finance Borrower is duly licensed as a premium finance company under the laws of the State of Delaware pursuant to 18 Dec. C. § 4801, et.seq., (B) the relevant Loan Documents have been filed with the Insurance Commissioner of the State of Delaware and have become effective in accordance with 18 Del. Admin. C. § 11.2 and (C) the Agent has received evidence satisfactory to it that the conditions described in clauses (A) and (B) have been satisfied.

"*Eligible Loan*" means, at any time, a Loan that satisfies each of the following criteria (in addition to the criteria set forth under the definition of "Eligible Asset"):

(i) such Loan was made to, and is owing by, an Eligible Obligor;

(ii) if such Loan is a Premium Finance Loan, such Loan is secured by a valid and perfected first priority security interest in a single Eligible Policy, and the proceeds of such Loan were used solely to fund payments of premiums due under such Eligible Policy and any reasonable and customary closing expenses with respect to such Loan;

(iii) if such Loan is a Bridge Loan, (1) such Loan is secured by a valid security interest in a single Eligible Policy, (2) the proceeds of such Loan were used solely to pay off outstanding amounts due and payable under a premium finance loan and any reasonable and customary closing expenses with respect to such Loan and (3) the Obligor thereunder has entered into a binding agreement (a "*Bridge Loan Take-Out Agreement*") with a third party purchaser to sell the Policy securing such Bridge Loan to such purchaser in a manner that satisfies all applicable requirements of the Operating Policies and Practices for a sale price (payable solely in cash) equal to or greater than the principal amount of such Bridge Loan and accrued interest therein and all other amounts payable by the Obligor thereunder;

(iv) the Asset Documents relating to such Loan include all of the Specified Documents (as defined in the Custodian Agreement), in each case substantially the form attached as part of Exhibit B-1 or Exhibit B-2, as applicable, or in such other form as the Agent may approve in writing, such approval not to be unreasonably withheld, together with all other documentation required by the Operating Policies and Practices, all of which Asset Documents have been duly executed and completed in accordance with the Operating Policies and Practices;

(v) such Asset was initially funded by the related Initial Lender or Bridge Loan Lender, as applicable, out of its own funds, and such Initial Lender or Bridge Loan Lender, as applicable, held such Asset for its own account and for its own risk (without there being during such holding period any right or obligation on the part of any GWG Party or any other Person to purchase or acquire such Loan or any interest therein or otherwise cover any losses incurred by such Initial Lender or Bridge Loan Lender, as applicable, with respect thereto) for a period of not less than three (3) Business Days;

(vi) neither the Initial Lender nor any GWG Party has an equity interest in the related Policy;

(vii) such Loan is denominated and payable only in United States dollars in the United States by an Obligor located in the State of Delaware and is governed by the laws of the State of Minnesota;

(viii) the related Insured has executed and delivered a personal guaranty in such form as the Agent may approve in writing (such approval not to be unreasonably withheld) covering (i) in the case of a Premium Finance Loan, not less than 10% of the maximum principal balance of such Loan (or such other percentage as may be approved

in writing by the Agent in its sole discretion) and (ii) in the case of a Bridge Loan (to the extent such Loan is non-recourse to the related Obligor), 100% of the original principal amount owing under such Bridge Loan in the event such Bridge Loan is not paid or satisfied in full on its maturity date (it being understood that, pursuant to the terms of the related Asset Documents, the Bridge Loan may be satisfied by delivery of the related Policy);

(ix) such Loan (a) has not had any of its terms, conditions or provisions amended, modified, waived or rescinded other than in compliance with the Operating Policies and Practices and the Related Documents, (b) has not been restructured for credit reasons at any time, (c) has not been satisfied, subordinated or rescinded and (d) has not had any material collateral securing such Loan released from the lien granted by the related Asset Documents;

(x) such Loan does not provide for substitution, exchange or addition of collateral;

(xi) as of the date such Loan is first included in the Collateral, no payment under such Loan is past due;

(xii) such Loan has an original term to maturity of (A) in the case of a Premium Finance Loan, not less than 24 months and not more than 120 months and (B) in the case of a Bridge Loan, not less than 30 days and not more than 90 days, with the entire outstanding principal balance of such Loan and all accrued and unpaid interest thereon being due and payable in full on or before the date of such maturity;

(xiii) the Initial Lender relating to such Loan in the case of a Premium Finance Loan is an Approved Initial Lender, and the Bridge Loan Lender relating to such Loan in the case of a Bridge Loan is Opportunity Bridge Funding;

(xiv) none of the Initial Lender or the Bridge Loan Lender, as applicable, the applicable Seller, the Premium Finance Borrower or any other Person is obligated to make any additional loans or other extensions of credit to the related Obligor pursuant to the terms of the related Asset Documents;

(xv) the Asset Documents relating to such Loan incorporate customary and enforceable provisions permitting the holder of such Loan to accelerate the maturity date thereof and to enforce its security interest in the collateral securing such Loan upon the occurrence of an event of default thereunder (after giving effect to any applicable grace period), and the applicable Borrower, and its respective successors and assigns, shall be entitled to enforce all such rights under the related Asset Documents;

(xvi) the promissory note relating to such Loan constitutes an “instrument” or a “payment intangible” within the meaning of Article 9 of the UCC of all applicable jurisdictions, there is only one original of any instrument and such original is in the possession of the Custodian;

(xvii) such Loan is not assumable by another Person in a manner which would release the Obligor thereof or the related Insured from such Obligor's or Insured's obligations with respect to such Loan or any related Loan Document;

(xviii) as of the date such Loan is first included in the Collateral, no material default, breach, violation or event permitting acceleration under the terms of such Loan has occurred; no continuing condition that with notice or the lapse of time would constitute a material default, breach, violation, or event permitting acceleration under the terms of such Loan has arisen and all representations and warranties contained in the applicable Asset Documents are true and correct in all material respects; neither the Initial Lender or the Bridge Loan Lender, as applicable, nor the applicable Seller nor any of their respective Affiliates shall waive or has waived any of the foregoing; and no collateral securing such Loan shall have been repossessed as of such date;

(xix) neither the applicable Seller nor the Initial Lender or the Bridge Loan Lender, as applicable, has made any other loans to the related Obligor, other than Loans made under the same Loan Agreement, which additional Loans have been (or within seven (7) Business Days of the date such Loans are made, shall be) sold to the Premium Finance Borrower pursuant to the Sale and Servicing Agreement;

(xx) pursuant to the related Asset Documents, each of the related Obligor and the related Insured expressly agrees to make all payments thereunder stated to be due by it thereunder without condition or deduction for any counterclaim, defense, recoupment or setoff;

(xxi) the related Obligor has been instructed to make all payments under such Loan directly to the Collection Account or a Deposit Account;

(xxii) no transfer by an Initial Lender or the Bridge Loan Lender, as applicable, to the applicable Seller, or by the applicable Seller to the applicable Borrower, of such Loan is or may be voidable under any section of the Bankruptcy Code;

(xxiii) such Loan has not been outstanding for more than 60 months; and

(xxiv) in the case of a Premium Finance Loan for which the related purchase price has been escrowed with the Initial Lender, such escrow is in compliance with the terms of Section 2.04, the Initial Lender is not in default in respect of any of its obligations in respect of the related escrow arrangement and no bankruptcy, insolvency, receivership or similar proceeding has been instituted by or against such Initial Lender.

"*Eligible Obligor*" means, at any time, an Obligor under a Loan that satisfies each of the following criteria:

(i) as of the date of purchase of the related Loan by the Premium Finance Borrower, such Obligor is a Life Insurance Trust settled by the related Insured, which Life Insurance Trust is organized under the laws of the State of Delaware; and

(ii) the beneficiaries of such Obligor are individuals that are immediate family members or direct lineal descendants of the Insured with an insurable interest in the life of the Insured or an estate planning vehicle or trust all of the owners or beneficiaries of which have an insurable interest in the life of the Insured, and all of such owners or beneficiaries are direct lineal descendants of the Insured.

"*Eligible Insured*" means, at any time, an Insured that satisfies each of the following criteria:

(i) the age of such Insured is greater than 65 years and less than 85 years;

(ii) the Life Expectancy of such Insured as of the date the related Asset is first included in the Collateral (or, in the case of a Loan, as of the date such Loan was first made) is less than or equal to 18 years;

(iii) each Servicer has continued access to such Insured's medical records pursuant to a written authorization of such Insured;

(iv) such Insured qualifies for a standard (including "flat extras") or preferred universal life insurance policy from the related Qualified Life Insurance Carrier;

(v) such Insured is not a Prohibited Person;

(vi) such Insured and the related beneficiary are not related to or affiliated with the Initial Lender (if applicable), the related Life Settlement Provider (if applicable) or any GWG Party;

(vii) at the time the Policy was acquired by the Life Settlement Borrower, the Insured was not known by the Life Settlement Borrower or any of its Affiliates to have a terminal, catastrophic, life threatening or chronic illness or medical condition; and

(viii) in the case of a Premium Finance Loan or a Purchased Policy, such Insured's primary residence is located in a Qualified State.

"*Eligible Policy*" means, at any time, a Policy that satisfies each of the following criteria:

(i) the Insured under such Policy is an Eligible Insured;

(ii) no payment of premiums thereon remains unpaid after the due date therefor, and all premiums due during the next succeeding 30-day period (if any) have been paid in full in accordance with the terms of the related Policy Documents;

(iii) such Policy is an in-force, general account (i.e., non-variable), universal life insurance policy and is not (A) part of a group policy, (B) a term policy that is not convertible into a universal life insurance policy or (C) a fractional interest in a universal life insurance policy;

(iv) such Policy was issued by a Qualified Life Insurance Carrier and is governed by the laws of a Qualified State;

(v) in the case of a Policy securing a Loan, a Collateral Assignment in respect of such Policy in favor of the Premium Finance Borrower has been executed by the related Obligor and, in the case of a Premium Finance Loan that has been held by the Premium Finance Borrower for more than 60 days, has been acknowledged by the applicable Qualified Life Insurance Carrier, which Collateral Assignment is in the possession of the Custodian;

(vi) in the case of a Purchased Policy, (A) the Titling Trust owns (or, in the case of an Escrow Policy, will own upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) 100% of the legal and beneficial interest in such Policy and the related Qualified Life Insurance Carrier has confirmed (or, in the case of an Escrow Policy, will confirm within 30 days of the date such Policy is first included in the Eligible Policies hereunder) such ownership in writing in accordance with its standard documentation for effecting a change of ownership, (B) the Life Settlement Borrower owns 100% of the interests in such Titling Trust and the Titling Trust has issued a Trust Certificate to the Life Settlement Borrower evidencing such ownership in form and substance satisfactory to the Agent, which certificate has been duly endorsed by the Life Settlement Borrower in blank and is in the possession of the Custodian, (C) the Titling Trust has duly executed and delivered a Titling Trust Security Agreement in favor of the Agent, pursuant to which the Titling Trust has granted to the Agent a first priority perfected security interest in such Policy to secure the Obligations and (D) if such Purchased Policy has been held by the Life Settlement Borrower for more than 60 days, a Collateral Assignment in respect of such Policy executed by the Titling Trust in favor of the Agent has been acknowledged and consented to by the applicable Qualified Life Insurance Carrier, which Collateral Assignment is in the possession of the Custodian, such that the Agent has a first priority perfected security interest in such Policy;

(vii) such Policy is in full force and effect; the related Qualified Life Insurance Carrier confirmed such effectiveness to the applicable Seller on or about the time the related Asset was acquired by such Seller; and such Policy is not being contested by the Qualified Life Insurance Carrier and is not the subject of any action, suit, investigation, proceeding, dispute (pending or threatened), and is not subject to a right of rescission, setoff, counterclaim, subordination, recoupment, defense, abatement, suspension, deferment, deductible, reduction or termination which has been asserted or threatened with respect to such Policy;

(viii) such Policy is not subject to any Adverse Claims (other than Adverse Claims in favor of the applicable Borrower and Permitted Liens) and no Policy Loans are outstanding thereunder;

(ix) in the case of a Purchased Policy other than a Contestable Policy, the payment of the death benefit cannot be denied for any reason except for non-payment of premium;

(x) in the case of a Policy securing a Loan, in the event the payment of the death benefit is denied for any reason, the related Qualified Life Insurance Carrier will be obligated to refund all payments of premium received by it under such Policy and neither such Policy nor any applicable law, rule or regulation prohibits or restricts such payment;

(xi) such Policy provides for a lump-sum payment of the death benefit, and the death benefit under such Policy is payable only upon the death of the related Insured;

(xii) the death benefit for such Policy is less than $15,000,000;

(xiii) such Policy constitutes the legal, valid and binding obligation of the applicable Qualified Life Insurance Carrier, enforceable against such party in accordance with its terms, except as such enforcement may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(xiv) the related premiums and death benefit under such Policy are denominated and payable solely in U.S. dollars;

(xv) unless otherwise approved in writing by the Agent in its good faith discretion, such Policy has not been previously settled, pledged or otherwise transferred in whole or in part to any other Person other than (A) in the case of a Purchased Policy, by the Insured (or a related Life Insurance Trust established for the sole benefit of the immediate family members or estate of the Insured) to an Approved Lender (as defined below) as collateral for a premium finance loan made by such Approved Lender pursuant to an Approved Premium Finance Program (as defined below) at the time such Policy was initially issued; *provided* that such loan shall have been repaid in full, and any related Adverse Claim held by such Approved Lender shall have been fully released in writing, on or prior to the date such Policy is first included in the Collateral hereunder pursuant to a written release in a form that has been approved in writing by the Agent, (B) in the case of a Purchased Policy, by the Insured to the applicable Seller or another Life Settlement Provider that has been approved in writing by the Agent and (if applicable) by such Life Settlement Provider to the applicable Seller, in each case in accordance with the Operating Policies and Practices and the related Asset Documents, (C) as collateral for an Eligible Loan included in the Collateral hereunder in accordance with the related Asset Documents and (D) by the applicable Seller to the applicable Borrower or the Titling Trust, and by the applicable Borrower or the Titling Trust to the Agent, in each case pursuant to the Related Documents;

(xvi) the premiums of which have not been funded, directly or indirectly, with the proceeds of any loan (other than an Eligible Loan or a premium finance loan made by an Approved Lender pursuant to an Approved Premium Finance Program);

(xvii) in which no Person has, or has had from the date of issue of such Policy, a direct or indirect interest in the proceeds of the Policy, other than (i) individuals that are immediate family members or direct lineal descendants of the Insured with an insurable interest in the life of the Insured, (ii) an estate planning vehicle or trust all of the owners or beneficiaries of which have an insurable interest in the life of the Insured, and all of such owners or beneficiaries are immediate family members or direct lineal descendants of the Insured, (iii) the applicable Seller pursuant to the related Asset Documents and the Related Documents, (iv) the applicable Borrower pursuant to the related Asset Documents and the Related Documents, (v) the Agent for the benefit of the Secured Parties and (vi) in the case of a Purchased Policy, the related Approved Lender pursuant to an Approved Premium Finance Program and any applicable Life Settlement Provider;

(xviii) the annual premiums due under such Policy from the time of its issuance through the related Insured's Life Expectancy does not exceed 10% of the related Net Death Benefit, and such Policy does not permit any decrease in the Net Death Benefit;

(xix) upon or immediately after acquisition of such Policy by the applicable Borrower, the related Qualified Life Insurance Carrier has been directed under a Collateral Assignment to make all payments under such Policy directly to the Collection Account or a Deposit Account;

(xx) the Asset Documents relating to such Policy include the related Policy File, the related Purchase and Sale Agreement, the related Origination Agreement (if applicable) and the other Specified Documents (as defined in the Custodian Agreement), in each case in substantially the form attached as part of Exhibit B-1, B-2 or B-3, as applicable or in such other form as the Agent may approve in writing, such approval not to be unreasonably withheld (*provided*, *however*, that any variation from any such form resulting from a change in applicable law shall not require the consent of the Agent), together with all other documentation required by the Operating Policies and Practices, all of which Asset Documents have been duly executed and completed in accordance with the Operating Policies and Practices;

(xxi) in the case of a Purchased Policy, unless otherwise approved in writing by the Agent in its good faith discretion, such Policy was purchased by the applicable Seller directly from (A) the Insured (or a related Life Insurance Trust established for the sole benefit of the immediate family members or estate of the Insured) or (B) a Life Settlement Provider pursuant to an Origination Agreement and a Purchase and Sale Agreement, which Life Settlement Provider (x) purchased such Policy directly from the Insured (or a related Life Insurance Trust established for the sole benefit of the immediate family members or estate of the Insured), (y) has been approved in writing by the Agent and (z) is duly licensed under the laws of the State where the Insured is located;

(xxii) all representations and warranties contained in the applicable Asset Documents are true and correct in all material respects;

(xxiii) in the event a death certificate is submitted in respect of such Policy, the death benefit under such Policy is required to be paid within 60 days after such submission, and such Policy shall be no longer constitute an "Eligible Policy" hereunder if such death benefit is not received in the Collection Account within 60 days after such submission;

(xxiv) if the Insured was married at the time the Policy was issued or at any time thereafter that the Insured or any related trust owned such Policy, the consent of the Insured's spouse was obtained to the transfer of such Policy in the manner contemplated by the related Asset Documents;

(xxv) the Qualified Life Insurance Carrier has not withheld taxes from any amounts owing to the applicable Borrower with respect to such Policy or any other Policy included in the Collateral; and

(xxvi) the Custodian has received the Policy File relating to such Policy and is holding such Policy File in accordance with the terms of the Custodian Agreement.

"*Qualified State*" means:

(i) in the case of Premium Finance Loans, any state in the United States (other than Alaska and Virginia) so long as (A) the Initial Lender is MidCountry Bank and MidCountry Bank continues to be a federal savings bank, (B) no licenses or other authorizations are required to be obtained by any GWG Party in order to purchase Premium Finance Loans originated in such state in the manner contemplated by the related Asset Documents and the Related Documents and (C) with respect to any state, if the aggregate Collateral Balance of the Premium Finance Loans for which the related Insured is a resident in such state is equal to or greater than 5% of the Eligible Asset Balance, the Agent has received an opinion in form and substance satisfactory to it regarding the compliance of the related Loan Documents with the laws of such state;

(ii) in the case of Bridge Loans, the State of Delaware and any other state approved in writing by the Agent in its sole discretion; and

(iii) in the case of Purchased Policies, each state (A) that has been approved in writing by the Agent in its sole discretion as a Qualified State hereunder with respect to Purchased Policies, as set forth on Schedule VI hereto (as amended from time to time by the Agent as provided below), (B) where GWG Life Settlements, LLC has all licenses and other authorizations required to be obtained by it (if any) in order to purchase Policies in such state in the manner contemplated by the relevant Asset Documents, and the Agent has received evidence reasonably satisfactory to it of the same, (C) where neither the Borrower nor the Titling Trust is required to obtain any license or other authorization in order to acquire such Purchased Policies originated in such state in the manner contemplated by the Related Documents and (D) with respect to any state, if the aggregate Collateral Balance of the Purchased Policies for which the related seller under the applicable Purchase and Sale Agreement is domiciled in such state, is equal to or greater than 5% of the Eligible Asset Balance, the Agent has received an opinion in form and substance satisfactory to it regarding the compliance of the related Policy Documents with the laws of such state; *provided* that, in the case of a Purchased Policy that is a Contestable Policy, each Qualified State must be an Unregulated State; and *provided further* that the Agent may, at any time in its discretion, deliver an updated Schedule VI to the Borrowers, in which case Schedule VI shall automatically be deemed to have been amended and restated to read as set forth in such new Schedule VI effective upon the date of such delivery.

"*Unregulated State*" any state set forth in Schedule VII hereto, as amended from time to time by the Agent, so long as such state has not adopted a law, rule or regulation relating to life settlements; *provided* that the Agent may, at any time in its discretion, deliver an updated Schedule VII to the Borrowers, in which case Schedule VII shall automatically be deemed to have been amended and restated to read as set forth in such new Schedule VII effective upon the date of such delivery.

"*Approved Lender*" means any lender that has been approved in writing by the Agent in its sole discretion as an "Approved Lender" hereunder.

"*Approved Premium Finance Program*" means a program for the origination of premium finance loans by an Approved Lender pursuant to loan documents the forms of which have been furnished to, and have been approved in writing by, the Agent in its sole discretion.

B. Additional UCC Representations

1. Lawful Assignment. No Asset has been originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of such Asset to the applicable Borrower under the Sale and Servicing Agreement or the grant of a security interest in such Asset under this Agreement shall be unlawful, void, or voidable. None of the GWG Parties nor any of their respective Affiliates has entered into any agreement with any account debtor that prohibits, restricts or conditions the assignment of any portion of the Assets.

2. All Filings Made. All filings or other action (including, without limitation, UCC filings and notices required to be delivered under the common law) necessary in any jurisdiction to give the applicable Borrower a first priority perfected ownership interest in the Assets and the Other Conveyed Property and to give the Agent a first priority perfected security interest in the Collateral, to the extent required under this Agreement, have been made.

3. Tax Liens. As of the date on which any Asset is first included in the Collateral, there is no lien against any collateral, if any, securing such Asset for delinquent taxes.

4. Creation. The Sale and Servicing Agreement creates a valid and continuing security interest in the Assets in favor of the Borrowers which security interest is prior to all other Adverse Claims, and is enforceable as such as against creditors of and purchasers from either Seller; and this Agreement creates a valid and continuing security interest in the Assets in favor of the Agent (for the benefit of the Secured Parties), which security interest is prior to all other Adverse Claims, and is enforceable as such as against creditors of and purchasers from the Borrower.

5. Good Title. No Asset has been sold, transferred, assigned, or pledged by either Seller or any Affiliate thereof to any Person other than directly to the Borrowers pursuant to the Sale and Servicing Agreement. Immediately prior to the transfer and assignment contemplated by the Sale and Servicing Agreement, the applicable Seller had (or, in the case of an Escrow Policy, will acquire upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) good and marketable title to each Asset, and was (or, in the case of an Escrow Policy, will be upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) the sole owner thereof, free and clear of all Adverse Claims (except for those

released on or before the date on which such Asset first became a Asset and Permitted Liens) and, immediately upon the transfer thereof to the Borrowers under the Sale and Servicing Agreement, the Borrowers shall have acquired (or, in the case of an Escrow Policy, will acquire upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) good and marketable title to each such Asset, and will be the sole owner thereof, free and clear of all Adverse Claims (other than Permitted Liens), and the transfer has been perfected under the UCC or common law, as applicable. No Person has a participation in, or other right to receive, proceeds of any Asset except as provided in this Agreement. None of the GWG Parties nor any Affiliate thereof has taken any action to convey any right to any Person, other than the Borrowers or the Agent, that would result in such Person having a right to payments due under such Asset.

6. Perfection. Each of the applicable Seller and the applicable Borrower has caused or will have caused, on or prior to the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions and the giving of all notices under applicable law in order to perfect such Borrower's interest in the Assets relating to their sale from such Seller to such Borrower and the security interest in the Assets granted by such Borrower to the Agent (for the benefit of the Secured Parties) under this Agreement.

7. No Other Interest. Other than the transfer of the Assets to Borrowers under the Sale and Servicing Agreement and Permitted Liens, none of the Borrowers, the Sellers or any of their respective Affiliates has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Assets (unless such interest has been released). None of the Borrowers, the Sellers or their Affiliates has authorized the filing of, or is aware of any financing statements that include a description of collateral covering the Assets other than any financing statement relating to the sale to the Borrowers under the Sale and Servicing Agreement or the security interest granted to the Agent (for the benefit of the Secured Parties) under this Agreement or that has been released or terminated or is a Permitted Lien.

8. No Notations. None of the tangible chattel paper or instruments that constitute or evidence the Assets has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Borrowers and the Agent (for the benefit of the Secured Parties).

POLICY FILE

Purchase and Sale Agreement

Assignment to GWG DLP Trust II

Change of Ownership

Change of Beneficiary

Verification of Coverage

In-force Policy Illustration

Form of Collateral Assignment to DZ Bank AG Deutsche Zentral-Genossenschaftsbank

Copy of Insured’s Driver License or Government Photo ID

Life Expectancy Reports from Approved Medical Underwriter

Spousal Consent(s) (if Insured is married)

Bankruptcy Search Results

Federal Tax Lien Search Results

State Tax Lien Search Results

Irrevocable Limited Power of Attorney

SCHEDULE III TO
CREDIT AND SECURITY
AGREEMENT

LOCATION OF CHIEF EXECUTIVE OFFICE; FEDERAL EMPLOYER IDENTIFICATION NUMBERS; LIST OF DEPOSIT ACCOUNTS; PRESENT AND FORMER NAMES

Location of Chief Executive Office

60 South Sixth Street, Suite 950, Minneapolis, MN 55402

Federal EIN Number

Borrower: GWG DLP Funding II, LLC, 26-2697948

Borrower: United Lending SPV, LLC, 26-2698093

Seller: GWG Life Settlements, LLC, 20-4356955

Seller: United Lending, LLC, 26-2698064

Seller: Opportunity Bridge Funding, 26-2610383

Performance Guarantor: GWG Holdings, LLC, 26-2222607

List of Deposit Accounts

#22977902
#22977903

Present and Former Names

GWG Life Settlements, LLC’s former name: Great West Growth, LLC

CONDITION PRECEDENT DOCUMENTS FOR THE INITIAL BORROWING

(Attached)

CREDIT AND SECURITY AGREEMENT

among

GWG DLP FUNDING II, LLC

as a Borrower

UNITED LENDING SPV, LLC

as a Borrower

UNITED LENDING, LLC

as Premium Finance Master Servicer and a Seller

GWG LIFE SETTLEMENTS, LLC

as Life Settlements Master Servicer and a Seller

OPPORTUNITY BRIDGE FUNDING, LLC

as a Seller

GWG HOLDINGS, LLC

as Performance Guarantor

AUTOBAHN FUNDING COMPANY LLC

as Lender

and

DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK

as Agent

July 15, 2008

LIST OF CLOSING DOCUMENTS

Capitalized terms used and not otherwise defined herein have the meanings specified in the Credit and Security Agreement referred to below.

Status

A. Principal Transaction Documents

1. Credit and Security Agreement among GWG DLP Funding II, LLC ("GWG DLP"), as a Borrower, United Lending SPV, LLC ("United Lending SPV"), as a Borrower (and together with GWG DLP, "Borrowers"), United Lending, LLC ("United Lending"), as Premium Finance Master Servicer and a Seller, GWG Life Settlements, LLC ("GWG Life Settlements"), as Life Settlements Master Servicer and a Seller, Opportunity Bridge Funding, LLC ("OBF"), as a Seller (and together with United Lending and GWG Life Settlements, "Sellers"), GWG Holdings, LLC, as Performance Guarantor, Autobahn Funding Company LLC, as Lender, and DZ Bank AG Deutsche Zentral- Genossenschaftsbank, as Agent.

LIST OF SCHEDULES AND EXHIBITS

SCHEDULES

EXHIBITS

Exhibit B-1 Forms of Loan Documents

Exhibit B-2 Forms of Purchased Policy Documents

Exhibit C Form of Compliance Certificate

Exhibit D Form of Commercial Paper Remittance Report

Exhibit E Form of Allonge

2. Fee Letter among Borrowers, Lender and Agent.

3. General Sale and Servicing Agreement among Sellers and Borrowers.

Schedule I Schedule of Initial Assets

Exhibit A-1 Form of Assignment with respect to Purchased Policies

Exhibit A-2 Form of Assignment with respect to Premium Finance Loans

Exhibit A-3 Form of Assignment with respect to Bridge Loans

Exhibit B Master Servicer's Certificate

Exhibit C Servicing Policies and Procedures

4. Life Settlement Servicing Agreement among Wells Fargo Bank, National Association ("Wells Fargo"), as Servicer (the "Servicer"), GWG Life Settlements, as Master Servicer, the Agent, GWG DLP, as purchaser and GWG DLP Trust II (the "Titling Trust").

Exhibit A Servicing Policies and Procedures of the Master Servicer

Schedule I Addresses for Notices

5. Custodian Agreement among Wells Fargo Bank, National Association, as custodian (the "Custodian"), the Borrowers, the Servicer, the Master Servicers, the Agent and the Titling Trust.

Exhibit 1 Request for Release of Asset File

Exhibit 2 Return of Documents to Custodian

Exhibit 3 Authorized Representatives

Exhibit 4 Confirmation and Notice of Pledge

Schedule A – Assets Schedule

Exhibit 5 Schedule of Fees

Exhibit 6-A Asset File Collateral Receipt (Insurance Policy File Summary Checklist)

Exhibit 6-B Asset File Collateral Receipt (Premium Finance Policy File Summary Checklist)

Exhibit 6-C Asset File Collateral Receipt (Bridge Loan Policy File Summary Checklist)

Exhibit 7-A Post-Closing Collateral Receipt (Insurace Policy File Summary Checklist)

Exhibit 7-B Post-Closing Collateral Receipt (Premium Finance Policy File Summary Checklist)

6. Deposit Account Control Agreement among Agent, GWG DLP, as Borrower and Wells Fargo, as Depositary Bank.

Schedule 1—List of Signatories and Sample Signatures

7. Deposit Account Control Agreement among Agent, United Lending SPV, as Borrower and Wells Fargo, as Depositary Bank.

Schedule 1—List of Signatories and Sample Signatures

8. Collateral Account Agreement among Wells Fargo, as Collateral Account Bank, the Borrowers, the Master Servicers and Agent.

Schedule 1—List of Signatories and Sample Signatures

Schedule 2—Fees

9. Performance Guaranty executed by Performance Guarantor in favor of the Borrowers and the Agent.

10. Trust Agreement between Wells Fargo, as trustee (the "Titling Trust Trustee"), Wells Fargo Delaware Trust Company, as Delaware trustee, and GWG DLP, as Borrower.

11. Titling Trust Security Agreement executed by the Titling Trust in favor of the Lender and the Agent.

12. Trust Certificate.

13. Back-up Servicing Agreement among Wells Fargo, as back-up servicer, the Master Servicers and the Agent.

    Exhibit A Form of Letter of Certification

    Schedule I Backup Servicer's Fees

14. Escrow Agreement among GWG Life Settlements, Wells Fargo, as escrow agent, and the Agent.

B. Corporate Documents

15. Good Standing Certificates for each of Borrower, United Lending, GWG Life Settlements, the Performance Guarantor and the Titling Trust (collectively, the "GWG Parties") and the Servicer from the jurisdictions indicated below:

    a. GWG DLP (Delaware)

    b. United Lending SPV (Delaware and Minnesota)

    c. GWG Life Settlements (Delaware)

    d. United Lending, LLC (Delaware and Minnesota)

    e. Performance Guarantor (Delaware and Minnesota)

    f. Titling Trust (Delaware)

    g. Servicer (Minnesota) (equivalent certificate)

16. Secretary's Certificate for each GWG Party or its trustee certifying (i) a copy of the Certificate of Formation or Certificate of Trust of such GWG Party, (ii) a copy of the limited liability company agreement or trust agreement of such GWG Party, (iii) a copy of the resolutions of the board of directors, members, beneficiaries or trustees, as applicable, of such GWG Party authorizing the execution, delivery and performance of the transaction documents to which it is a party and (iv) the names and true signatures of the officers of such GWG Party or its trustee, as applicable, authorized to sign the transaction documents on its behalf.

a. GWG DLP (Delaware)

b. United Lending SPV (Delaware)

b. GWG Life Settlements (Delaware)

c. United Lending (Delaware)

d. Performance Guarantor (Delaware)

17. Secretary's Certificate for Wells Fargo, certifying the names and true signatures of the officers authorized to sign the transaction documents on its behalf.

C. UCC-1 Financing Statements & Lien Searches

18. Pre-filing Lien Search Reports in respect of (i) UCC, tax lien and judgment filings made against GWG DLP in the office of the Secretary of State in Delaware and (ii) tax lien and judgment filings made against GWG DLP in Minnesota (Hennepin County).

19. Pre-filing Lien Search Reports in respect of (i) UCC, tax lien and judgment filings made against United Lending SPV in the office of the Secretary of State in Delaware and (ii) tax lien and judgment filings made against United Lending SPV in Minnesota (Hennepin County).

20. Pre-filing Lien Search Reports in respect of (i) UCC, tax lien and judgment filings made against GWG Life Settlements in the office of the Secretary of State in Delaware and (ii) tax lien and judgment filings made against GWG Life Settlements in Minnesota (Hennepin County).

21. Pre-filing Lien Search Reports in respect of (i) UCC, tax lien and judgment filings made against United Lending in the office of the Secretary of State in Delaware and (ii) tax lien and judgment filings made against United Lending in Minnesota (Hennepin).

22. Pre-filing Lien Search Reports in respect of (i) UCC, tax lien and judgment filings made against the Titling Trust in the office of the Secretary of State in Delaware and (ii) tax lien and judgment filings made against the Titling Trust in Minnesota (Hennepin County).

23. Pre-filing Lien Search Reports in respect of (i) UCC, tax lien and judgment filings made against “Great West Growth, LLC” in the office of the Secretary of State in Delaware and (ii) tax lien and judgment filings made against “Great West Growth, LLC” in Minnesota (Hennepin County).

24. Pre-filing Lien Search Reports in respect of (i) UCC, tax lien and judgment filings made against OBF in the office of the Secretary of State in Delaware and (ii) tax lien and judgment filings made against OBF in Minnesota (Hennepin County).

25. UCC-1 Financing Statements naming GWG Life Settlements, as debtor/seller, DZ Bank, as agent and as secured party, and GWG DLP, as initial assignor/secured party, filed in the offices of the Secretary of State of Delaware.

26. UCC-1 Financing Statements naming United Lending, as debtor/seller, DZ Bank, as agent and as secured party, and United Lending SPV, as initial assignor/secured party, filed in the offices of the Secretary of State of Delaware.

27. UCC-1 Financing Statement naming GWG DLP, as debtor and DZ Bank, as agent and as secured party filed in the offices of the Secretary of State of Delaware.

28. UCC-1 Financing Statement naming United Lending SPV, as debtor and DZ Bank, as agent and as secured party filed in the offices of the Secretary of State of Delaware.

29. UCC-1 Financing Statement naming Titling Trust, as debtor and DZ Bank, as agent and as secured party filed in the offices of the Secretary of State of Delaware.

30. UCC-1 Financing Statement naming OBF, as debtor/seller, DZ Bank, as agent and as secured party, and United Lending SPV, as initial assignor/secured party filed in the offices of the Secretary of State of Delaware.

31. Post-filing Lien Search Reports showing the filings from the four preceding items to be of record.

D. Opinions and Legal Memoranda

32. Opinion of in-house counsel for GWG regarding general corporate matters with respect to the GWG Parties.

33. Opinion of Locke Lord Bissell & Liddell LLP with respect to the GWG Parties regarding (i) enforceability, (ii) validity, perfection and priority of security interests under UCC (based on CCH where appropriate), (iii) no governmental consents required, (iv) no violation of NY or federal law and (v) no requirement that GWG Parties be registered as "investment companies".

34. Opinion of Locke Lord Bissell & Liddell LLP regarding true sale issues with respect to GWG DLP and the Titling Trust.

35. Opinion of Locke Lord Bissell & Liddell LLP regarding non- consolidation issues with respect to GWG DLP and the Titling Trust.

36. Opinion of Potter Anderson & Corroon LLP relating to the Titling Trust.

37. Opinion of counsel for Wells Fargo regarding general corporate and enforceability matters.

38. Opinion of counsel for MidCountry Bank regarding general corporate matters.

39. Legal Comfort Letters/Memorandum from Locke Lord Bissell & Liddell LLP addressing the following issues with regard to each state that is to be included as a Qualified State in relation to the premium finance loan program:

    (i) *Usury*: either the loan is exempt from usury laws or is in compliance with such laws.

    (ii) *Insurable Interest*: under the insurable interest laws of Delaware, the ILIT will have an insurable interest.

    (iii) *Premium Finance Licensing*: No license is required for the lender to engage in a premium finance business or the applicable license has been obtained. Also, no other license is required for United Lending SPV or the Borrower by reason of its purchase or servicing of the loan.

40. Legal Comfort Letters/Memorandum from Locke Lord Bissell & Liddell LLP addressing the following issues with regard to each state that is to be included as a Qualified State in relation to the life settlements program:
(i) *Life Settlement Licensing*: No license is required for a life settlement provider (including GWG Life Settlements) to engage in the life settlement business or, if such Qualified State requires a license, GWG Life Settlements has obtained the required license;

(ii) *Form Documents*: Whether the form documents used by the life settlement provider need to be approved by the state regulator and, if so, whether they have been approved;

(iii) *Assignments*. Whether GWG Life Settlements can transfer the policies it purchases in such Qualified State to GWG DLP or the Titling Trust without any requirement that GWG DLP or the Titling Trust itself be licensed.

41. Minnesota Regulatory Opinion of Leonard, Street and Deinard addressing the following issues with regard to the premium finance documents:

(i) *Enforceability and Compliance with Law*: the form documents do not violate applicable Minnesota law and will be enforceable under Minnesota law.

(ii) *Usury*: what usury limitations from MidCountry Bank's home jurisdiction would be applicable and the loan is in compliance with such limitations (if any).

42. Minnesota Regulatory Opinion of Leonard, Street and Deinard addressing the following issues with regard to the bridge loan documents:

(i) *Licensing*: (a) OBF is not required to be licensed or obtain other governmental consents under the laws of Minnesota to originate and service the bridge loans or, if a license is required, all applicable licenses have been obtained, and (b) United Lending SPV is not required to be licensed or obtain other governmental consents in order to purchase or own the bridge loans.

(ii) *Enforceability and Compliance with Law*: the form documents do not violate applicable Minnesota law and will be enforceable under Minnesota law.

43. Delaware Regulatory Opinion of Stevens & Lee addressing the following issues with regard to the premium finance and bridge loan documents:
(i) *Licensing*: (a) OBF is not required to be licensed or obtain other governmental consents under the laws of Delaware to originate and service the bridge loans or, if a license is required, all applicable licenses have been obtained, and (b) United Lending SPV is not required to be licensed or obtain other governmental consents in order to purchase or own the bridge loans.

(ii) *Enforceability and Compliance with Law*: with respect to the bridge loans, the form documents do not violate applicable Delaware law and will be enforceable under Delaware law.

(iii) *Creation of Valid Trust*: with respect to the premium finance loans, the form of trust agreement is effective under Delaware law to create a valid trust.

E. Miscellaneous

44. Ratings Letters from Fitch and Moody's.

45. Liquidity Asset Purchase Agreement

46. Liquidity Fee Letter

47. Initial Assignments under Sale and Servicing Agreement

48. Evidence of insurance required by Section 5.01(n) of the Credit and Security Agreement

49. Evidence of appointment of Independent Director for Borrower

LIST OF APPROVED QUALIFIED STATES FOR PURCHASED POLICIES

Each Unregulated State
Arkansas
Colorado
Connecticut
Georgia
Indiana
Iowa
Kansas
Louisiana
Maine
Maryland
Mississippi
Montana
Nebraska
Nevada
New Jersey
North Carolina
Oklahoma
Pennsylvania
Tennessee
Texas
Utah
Virginia

LIST OF UNREGULATED STATES

Alabama
Arizona
California
Delaware
District of Columbia
Idaho
Illinois
Massachusetts
Michigan
Minnesota
Missouri
New Hampshire
New Mexico
New York
Oregon
Rhode Island
South Carolina
South Dakota
Vermont
Washington
Wisconsin
Wyoming

EXHIBIT C TO
CREDIT AND SECURITY
AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

To: DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as Agent

This compliance certificate (the "Certificate") is furnished pursuant to that certain Credit and Security Agreement dated as of July 15, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), among United Lending, SPV, LLC, ("Premium Finance Borrower"), GWG DLP Funding II, LLC ("Life Settlement Borrower"), United Lending, LLC ("Premium Finance Seller and Premium Finance Master Servicer"), GWG Life Settlements, LLC ("Life Settlement Seller and Life Settlement Master Servicer"), Opportunity Bridge Funding, LLC ("OBF"), GWG Holdings, LLC ("Performance Guarantor"), Autobahn Funding Company LLC, as Lender, and DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as Agent.

Capitalized terms used and not otherwise defined herein have the meanings specified in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of [Premium Finance Borrower] [Life Settlement Borrower] [Premium Finance Seller] [Premium Finance Master Servicer] [Life Settlement Seller] [Life Settlement Master Servicer] [OBF] [Performance Guarantor];

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the [Premium Finance Borrower] [Life Settlement Borrower] [Premium Finance Seller] [Premium Finance Master Servicer] [Life Settlement Seller] [Life Settlement Master Servicer] [OBF] [Performance Guarantor] and its Subsidiaries during the accounting period covered by the attached financial statements; and

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes an Event of Default or Potential Event of Default, during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the [Premium Finance Borrower] [Life Settlement Borrower] [Premium Finance Seller] [Premium Finance Master Servicer] [Life Settlement Seller] [Life Settlement Master Servicer] [OBF] [Performance Guarantor] has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this __ day of _____, __.

_____
Name:
Title:

EXHIBIT D TO
CREDIT AND SECURITY
AGREEMENT

FORM OF COMMERCIAL PAPER REMITTANCE REPORT

(Attached)

Global Commission Funding, LLC
Commercial Paper Remittance Report

FIXED PERIOD ENDING: 24-Jun-08
REPORT DATE: 24-Jun-08

A. COMMERCIAL PAPER MATURITIES

	Issuance Date	Fixed Period (days)	Face Value	Proceeds	Stub Proceeds
Tranche #1	6/23/2008	1.00	10,005,000.00	10,000,000.00	
TOTAL FACE VALUE OF CP MATURING			**10,005,000.00**	**10,000,000.00**	—

B. CP ROLLOVER

	Net Proceeds	Fixed Period *(days - not to exceed 90)*	Maturity Date
Tranche #1	10,000,000.00	27.00	7/21/2008
TOTAL NET PROCEEDS OF CP REQUESTED ON ROLLOVER DATE			**10,000,000.00**

C. SUMMARY

Face Value of CP Maturing on Fixed Period end-date	10,005,000.00(a)
Net Proceeds of CP Maturing on Fixed Period end-date	10,000,000.00(b)
Net Proceeds of CP Requested	— (c)
Amount to be paid by Borrower directly to US BANK (Principal)	— (d)
Stub Proceeds held at US Bank to be applied to maturing CP	— (e)
Amount to be paid by Borrower directly to US BANK (Yield)	5,000.00(f)
Outstanding Principal Balance of Loans - post CP Rollover	10,000,000.00(c) plus CP not maturin
Borrowing Limit	100,000,000.00(f)
Is (c) greater than (d) ? (if "YES", then Loans must be paid down pursuant to CSA)	**OK**

The Undersigned hereby represents and warrants that this report is a true and accurate accounting of pledged Collateral as of the date hereof, in accordance with the terms and conditions of the Credit and Security Agreement dated as of **XXXXX XX, 2008** amongst GWG DLP II Funding, LLC and United Lending, LLC as the Borrowers, GWG Life Settlemen as the Master Servicer, Autobahn Funding Company, LLC, as Lender, DZ Bank AG Deutsche Zentral-Genossenschaftsbank Frankfurt AM Main as Program Agent, and Wells Fargo Nation Association as Custodian, Collection Account Bank and Servicer.

BY: GWG DLP II Funding, LLC
United Lending, LLC

Name: _____

Title: _____

EXHIBIT E TO
CREDIT AND SECURITY
AGREEMENT

FORM OF ALLONGE

This Allonge is attached to and made a part of the Note dated as of [_____] made by [_____] in favor of the undersigned.

Pay to the order of DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, its successors and assigns.

[LENDER]

By: _____
Name: _____
Title: _____

EXECUTION COPY

CONSENT AND AMENDMENT NO. 1

Dated as of December 14, 2010

in relation to

CREDIT AND SECURITY AGREEMENT

Dated as of July 15, 2008

THIS CONSENT AND AMENDMENT NO. 1 (this "*Amendment*") dated as of December 14, 2010 is entered into by and among GWG DLP FUNDING II, LLC, a Delaware limited liability company, as a Borrower ("*GWG DLP*"), UNITED LENDING SPV, LLC, a Delaware limited liability company, as a Borrower ("*United Lending SPV*" and, together with GWG DLP, the "*Borrowers*"), GWG LIFE SETTLEMENTS, LLC, a Delaware limited liability company, as a Seller and the Life Settlement Master Servicer ("*GWG Life Settlements*"), UNITED LENDING, LLC, a Delaware limited liability company, as a Seller and the Premium Finance Master Servicer ("*United Lending*" and, together with GWG Life Settlements, the "*Master Servicers*"), OPPORTUNITY BRIDGE FUNDING, LLC, as a Seller ("*OBF*"), GWG HOLDINGS, LLC, a Delaware limited liability company, as the Performance Guarantor ("*GWG Holdings*"), AUTOBAHN FUNDING COMPANY LLC, a Delaware limited liability company, as the Lender (the "*Lender*"), and DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, as the Agent (the "*Agent*").

PRELIMINARY STATEMENTS

A. Reference is made to the Credit and Security Agreement dated as of July 15, 2008 among the Borrowers, the Master Servicers, OBF, GWG Holdings, the Lender and the Agent (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

B. The GWG Parties have requested that the Agent and Lender approve, and subject to the terms and conditions of this Amendment the Agent and the Lender have agreed to approve, Magna Life Settlements, Inc., a Florida corporation, as a Life Settlement Provider under the Credit Agreement.

C. GWG Life Settlements has informed the Agent and the Lender that it has issued, and expects to continue to issue, notes (the "*Life Notes*") under the Amended and Restated Note Issuance and Security Agreement dated as of May 8, 2009, by and among GWG Life Settlements, the Noteholders parties thereto, GWG LifeNotes Trust and Lord Securities Corporation, as amended pursuant to an amendment and restatement dated as of November 15, 2010 and an amendment dated as of December 7, 2010 (the "*Note Issuance and Security Agreement*"), and, in connection therewith, has pledged its equity interest in GWG DLP as collateral therefor (such pledge, the "*Equity Interest Pledge*"). GWG Life Settlements has

requested that the Lender and the Agent consent to such issuance and pledge. The Lender and the Agent have agreed to grant such consent on the terms and conditions hereinafter set forth.

D. The parties hereto have agreed to effect certain other amendments to the Credit Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Consents. Effective as of the Effective Date (as defined in Section 3 below), each of the Lender and the Agent hereby consents to the following:

1.1 ***Life Notes***. The incurrence of Indebtedness by GWG Life Settlements under the Life Notes and the related Equity Interest Pledge, in each case in accordance with the terms and conditions of the Note Issuance and Security Agreement attached hereto as Annex I.

1.2 ***Amendments to LLC Agreements***. The amendments to each Borrower's Limited Liability Company Agreement in the form attached hereto as Annex II.

SECTION 2. Amendments. Effective as of the Effective Date (as defined in Section 3 below), the Credit Agreement is hereby amended as follows:

2.1 Section 1.01 of the Credit Agreement is amended by adding the following new defined terms in the appropriate alphabetical order:

> "*17g-5 Representative*" means any deal team officer within the New York Asset Securitization Group of DZ Bank.
>
> "*A.M. Best*" means A.M. Best Company, or any successor thereto.
>
> "*Cause*" means the conviction of, or the entry of a guilty plea or nolo contendere by, the Independent Director for a crime of dishonesty or moral turpitude or any action by the Independent Director which constitutes gross negligence, bad faith or willful misconduct in the conduct of his or her duties as a director of the applicable Borrower.
>
> "*CDS Agreement*" means an agreement between a Borrower and a CDS Counterparty that governs one or more credit default swap transactions, which agreement shall consist of a "Master Agreement" in a form published by the International Swaps and Derivatives Association, Inc., together with a "Schedule" thereto and one or more "Confirmations" thereunder confirming the specific terms of each such CDS Transaction.

"*CDS Counterparty*" means a counterparty that enters into a CDS Transaction with a Borrower.

"CDS Transaction" means each credit default swap transaction between a Borrower and a CDS Counterparty that is governed by a CDS Agreement.

"*Eligible CDS Counterparty*" means, at any time of determination, a CDS Counterparty that (i) if an insurance company, (x) has financial strength ratings from at least two out of the following three rating agencies: Standard & Poor's, Moody's and A.M. Best, (y) such financial strength ratings are not less than "AA-" by Standard & Poor's (if rated by Standard & Poor's), "Aa3" by Moody's (if rated by Moody's) and "A-" by A.M. Best (if rated by A.M. Best), and (z) such CDS Counterparty has been approved by the Agent in writing as an Eligible CDS Counterparty hereunder, and (ii) if not an insurance company, (x) has a long-term unsecured, non-credit enhanced debt rating (a "*Debt Rating*") from at least two out of the following three rating agencies: Fitch, Standard & Poor's and Moody's, (y) such Debt Ratings are not less than "AA-" by Fitch (if rated by Fitch), "AA-" by Standard & Poor's (if rated by Standard & Poor's) and "Aa3" by Moody's (if rated by Moody's) and (iii) has been approved by the Agent in writing as an Eligible CDS Counterparty hereunder.

"*Eligible CDS Transaction*" means a CDS Transaction:

(i) that is entered into between a Borrower and an CDS Counterparty that is at all times an Eligible CDS Counterparty;

(ii) for which the related CDS Agreement is consistent with customary rating agency criteria for "swap-dependent" transactions and is otherwise be in form and substance satisfactory to the Agent.

(iii) that references certain debt obligations of a Qualified Life Insurance Carrier;

(iv) for which neither the CDS Counterparty nor any of its Affiliates is an Affiliate of the referenced Qualified Life Insurance Carrier or any of its Affiliates;

(v) for which all premium and other payment obligations of the applicable Borrower thereunder have been paid in full upfront on the date such transaction is entered into;

(vi) that has a tenor of at least five (5) years;

(vii) under which the CDS Counterparty is obligated to make all payments directly to the Collection Account;

(viii) that provides for settlement in cash only; and

(ix) that has otherwise been approved in writing by the Agent in its sole discretion.

"*First Amendment Effective Date*" means December 14, 2010.

"*Life Notes*" means the "Promissory Notes" from time to time issued by, and evidencing "Loans" made to, GWG Life Settlements under, and as each such term is defined in, the Note Issuance and Security Agreement.), as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with their terms and the terms of this Agreement.

"*Life Notes Prospectus*" means the Confidential Private Placement Memorandum dated November 15, 2010, with respect to GWG Life Settlements' offering of the Life Notes.), as the same may be supplemented or otherwise modified or replaced from time to time after the First Amendment Effective Date in accordance with the terms of this Agreement, and shall include any registration statement for the Life Notes.

"*Magna Purchase and Sale Agreement*" means that certain Life Settlements Purchase and Sale Agreement dated as of January 15, 2007 by and among GWG Life Settlements, LLC (formerly known as Great Growth West, LLC) and Magna Life Settlements, Inc. (formerly known as Magna Administrative Services, Inc.), as supplemented by an addendum dated as of January 1, 2007, as amended by amendments dated as of November 13, 2008 and July 1, 2009, and as such agreement may be further amended, restated, supplemented or otherwise modified from time to time after the First Amendment Effective Date in accordance with its terms and the terms of this Agreement.

"*Note Issuance and Security Agreement*" means the Amended and Restated Note Issuance and Security Agreement dated as of May 8, 2009 by and among GWG Life Settlements, the noteholders parties thereto, GWG LifeNotes Trust and Lord Securities Corporation, as amended pursuant to an amendment and restatement dated as of November 15, 2010 and an amendment dated as of December 7, 2010, and as the same may be further

amended, restated, supplemented or otherwise modified from time to time after the First Amendment Effective Date in accordance with its terms and the terms of this Agreement.

"*Rule 17g-5*" means Rule 17g-5 under the Securities Exchange Act of 1934, as amended, as such rule may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Securities and Exchange Commission in the adopting release (Amendments to Rules for Nationally Recognized Statistical Rating Organizations, Exchange Act Release No. 34-61050, 74 Fed. Reg. 63,832, 63,865 (Dec. 4, 2009)) and subject to such clarification and interpretation as may be provided by the Securities and Exchange Commission or its staff from time to time.

"*Transaction Information*" means any information provided to any nationally recognized statistical rating organization providing a rating or proposing to provide a rating to, or monitoring an existing rating of, the Lender's commercial paper, in each case, to the extent related to providing or proposing to provide such rating or monitoring such rating including, without limitation, information in connection with any GWG Party or the Collateral.

2.2 The definition of "Collections" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

"*Collections*" means (a) all cash collections and other cash proceeds of any Asset included in the Collateral or any Other Conveyed Property relating to any Asset included in the Collateral with respect thereto, including, without limitation, all payments of principal, interest and Finance Charges with respect to such Asset (in the case of Loan) and all Net Death Benefits (in the case of a Purchased Policy) and all prepayments, recoveries, investment earnings, insurance proceeds, fees, Liquidation Proceeds and other cash proceeds of any Other Conveyed Property with respect to such Asset available for application to amounts payable in respect of such Asset, (b) any amounts paid to or for the account of the Borrowers pursuant to the terms of any Related Document, including, without limitation, payments made under CDS Transactions and (c) all other cash collections and other cash proceeds of the Collateral.

2.3 Clause (ii) of the definition of "Excess Concentration Amount" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

(ii) the amount (if any) by which (A) the excess of (I) the aggregate Collateral Balance of the Eligible Assets consisting of or secured by Policies issued by all Qualified Life Insurance Carriers that do not, at the time of determination, have financial strength ratings from at least two of Standard & Poor's, Moody's and A.M. Best or that, at the time of determination, have a financial strength rating below (x) "AA-" from Standard & Poor's (if rated by Standard & Poor's), (y) "Aa3" from Moody's (if rated by Moody's) or (z) "A-" from A.M. Best (if rated by A.M. Best) over (II) the aggregate notional amount of all CDS Transactions referencing such Qualified Life Insurance Carriers that are Eligible CDS Transactions at the time of determination exceeds (B) 20% of the greater of (x) the Eligible Asset Balance and (y) $30,000,000;

2.4 The definition of "Excess Concentration Amount" in Section 1.01 of the Credit Agreement is further amended to (a) delete the "and" appearing immediately at the end of subclause (xiv) therein, (b) replace the period appearing at the end of subclause (xv) with ", and", and (c) insert the following new subclause (xvi) in proper numerical order:

(xvi) the aggregate, for all Eligible CDS Counterparties (treating each Eligible CDS Counterparty and its Affiliates as a single Eligible CDS Counterparty), of the amount (if any) by which (A) the aggregate notional amount of CDS Transactions entered into by an Eligible CDS Counterparty exceeds (B) 10% of the greater of (x) Eligible Asset Balance and (y) $30,000,000;

2.5 The definition of "Independent Director" set forth in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

"*Independent Director*" means a Person who (i) is not, and has not been during the preceding five years, a stockholder, member, employee, partner, officer, director, manager or supplier of any GWG Party or any of their respective Affiliates, (ii) does not have, and has not during the preceding five years had, a personal friendship or business or family relationship with any stockholder, member, employee, partner, officer, director, manager or supplier of any GWG Party or Affiliate of such GWG Party (other than as an independent director or in a similar capacity for the Borrowers or another Affiliate of GWG Life Settlements), and (iii) (a) has prior experience as an independent director or manager for an entity whose charter documents require the unanimous consent of all independent directors or managers thereof before such entity could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable state or federal law relating to bankruptcy and (b) is employed by, and has at least three years of

employment experience with, Lord Securities Corporation, Global Securitization Services, LLC or Amacar, L.L.C. or a similar nationally recognized provider of advisory, management, or placement services to issuers of securitization or structured finance instruments, agreements or securities, which in the ordinary course of its business provides Independent Directors for special-purpose financing entities such as the Borrowers, that is approved by the Agent in writing.

2.6 The definition of "Insurance Company Concentration" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

"*Insurance Company Concentration*" means, at any time with respect to any Qualified Life Insurance Carrier, the excess of (x) the aggregate Collateral Balance of Assets secured by or consisting of Policies issued by such Qualified Life Insurance Carrier over (y) the aggregate notional amount of all Eligible CDS Transactions referencing such Qualified Life Insurance Carrier. For purposes of the foregoing, each Qualified Life Insurance Carrier and its Affiliates shall be treated as a single Qualified Life Insurance Carrier.

2.7 The definition of "Insurance Company Concentration Limit" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

"*Insurance Company Concentration Limit*" means, with respect to any Qualified Life Insurance Carrier, the product of (a) the greater of (x) the Eligible Asset Balance and (y) $30,000,000 and (b) applicable percentage specified below:

(i) if such Qualified Life Insurance Carrier has, at the time of determination, a financial strength rating from at least two of Standard & Poor's, Moody's and A.M. Best and does not, at the time of determination, have a financial strength rating below (x) "AA-" from Standard & Poor's (if rated by Standard & Poor's), (y) "Aa3" from Moody's (if rated by Moody's) or (z) "A-" from A.M. Best (if rated by A.M. Best), 17.5%; and

(ii) if such Qualified Life Insurance Carrier does not fall within clause (i), 10%.

2.8 The definition of "Life Settlement Provider" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

"*Life Settlement Provider*" means each of the life settlement providers listed on Schedule VIII to this Agreement, which Schedule may be amended from time to time by the Agent

acting in its sole discretion to evidence the Agent's approval of additional life settlement providers.

2.9 The definition of "Liquidation Proceeds" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

> "*Liquidation Proceeds*" means Collections consisting of (i) the Sales Price received as a result of the sale of a Purchased Policy to a Third Party Buyer pursuant to Section 2.14, (ii) the Net Death Benefit paid by an insurance carrier under a Purchased Policy or a Policy securing a Loan (iii) the cash settlement payment paid by a CDS Counterparty in respect of a credit event under a CDS Transaction referencing the debt obligations of an Qualified Life Insurance Carrier with respect to a Purchased Policy or (iv) the repayment in full of the outstanding principal balance of a Loan together with accrued and unpaid interest thereon due as of the date of such repayment or any other proceeds received in respect of a Policy that secures or secured a Loan (whether in connection with the enforcement of the security interest therein or any other sale of such Policy, but excluding any such proceeds required to be returned to the applicable Obligor pursuant to the terms of the applicable Loan Documents or applicable law), in each case to the extent actually received in cash and deposited into the Collection Account.

2.10 The definition of "Maximum Advance Rate" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

> "*Maximum Advance Rate*" means at any time a percentage equal to the sum of (i) the product of (A) 60% and (B) a fraction, the numerator of which is the aggregate Collateral Balance of the Eligible Assets that are Bridge Loans at such time, and the denominator of which is the Eligible Asset Balance and (ii) the product of (A) 70% and (B) a fraction, the numerator of which is the aggregate Collateral Balance of all Eligible Assets (other than Bridge Loans) at such time, and the denominator of which is the Eligible Asset Balance.

2.11 The definition of "Origination Agreement" in Section 1.01 of the Credit Agreement is amended and restated in its entirety to read as follows:

> "*Origination Agreement*" means an agreement in form and substance satisfactory to the Agent, between a Life Settlement Provider and the applicable seller relating to the purchase of Policies, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

2.12 The definition of "Policy File" in Section 1.01 of the Credit Agreement is amended by replacing the reference therein to "Exhibit B-2" with "Exhibit B-3".

2.13 The definition of "Purchase and Sale Agreement" in Section 1.01 of the Credit Agreement is amended and restated in its entirety to read as follows:

> "*Purchase and Sale Agreement*" means a Purchase and Sale Agreement between (i) in the case of a Premium Finance Loan, an Initial Lender and United Lending in substantially the form attached as part of Exhibit B-1 hereto or such other form as the Agent may approve in writing (such approval not to be unreasonably withheld) and (ii) in the case of a Purchased Policy, the Life Settlement Provider and the Person from whom the Life Settlement Provider, as applicable, purchased such Policy in substantially the form attached as part of Exhibit B-3 hereto (including any applicable commission disclosure statement) or such other form as the Agent may approve in writing (such approval not to be unreasonably withheld), as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

2.14 The definition of "Related Documents" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

> "*Related Documents*" means, collectively, this Agreement, the Fee Letter, the Sale and Servicing Agreement, the Life Settlement Servicing Agreement, the Performance Guaranty, the Backup Servicing Agreement, the Trust Agreement, each Trust Certificate, the Titling Trust Security Agreement, each Purchase and Sale Agreement, each Assignment, the Collateral Account Agreement, each Deposit Account Control Agreement, each Eligible Escrow Agreement, the Note Issuance and Security Agreement, the Life Notes and all other instruments, documents and agreements executed in connection with any of the foregoing. The Related Documents executed by any party are referred to herein as "such party's Related Documents," "its Related Documents" or by a similar expression.

2.15 The definition of "Subordinated Indebtedness" in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

> "Subordinated Indebtedness" means (a) the Life Notes, if and only if the aggregate outstanding principal balance of the Life Notes with a maturity date earlier than the Scheduled Program Maturity Date, together with accrued and unpaid interest thereon, does not at any time exceed $100,000,000 (or such higher amount as is consented to by the Agent in writing), and (b) any other

Indebtedness of a GWG Party which (i) matures not earlier than the date that is one year after the Scheduled Program Maturity Date and (ii) has been subordinated to the payment of the obligations of such GWG Party under the Related Documents, as evidenced by a written subordination agreement in form and substance reasonably satisfactory to the Agent.

2.16 Section 4.01 of the Credit Agreement is amended to insert the following new subsections (ee) and (ff) in proper alphabetical order:

(ee) ***Transaction Information***. None of the GWG Parties, nor any Affiliate of a GWG Party or any third party with which any GWG Party or any Affiliate thereof has contracted, has delivered, in writing or orally, to any nationally recognized statistical rating organization providing or proposing to provide a rating to, or monitoring the rating of, the Lender's commercial paper, any Transaction Information without providing such Transaction Information to the Agent prior to delivery to such nationally recognized statistical rating organization and has not participated in any oral communications with respect to Transaction Information with such nationally recognized statistical rating organizations without the participation of a 17g-5 Representative of the Agent.

(ff) ***Life Notes Prospectus***. The Life Notes Prospectus is true and accurate in all material respects, on the date as of which such information is stated and does not and will not contain any material misstatement of fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

2.17 Section 5.01(a) of the Credit Agreement is amended to re-number subsection (ix) thereof as subsection (x) and to insert the following new clause (ix) in the appropriate numerical order as follows:

(ix) ***Life Notes***. Concurrently with the delivery of the monthly report pursuant to subsection (iii) above with respect to each calendar month beginning with the month of December 2010, and until the Final Payout Date, the GWG Parties shall provide to the Agent a status report concerning the Life Notes as of the end of such month certified by a Responsible Officer of each of the GWG Parties, which report shall include (a) the number of, aggregate principal balance of and aggregate accrued and unpaid interest on, the outstanding Life Notes as of such month end, (b) the number of, aggregate principal balance of and aggregate accrued and unpaid interest on, the outstanding Life Notes with stated maturities prior to the Scheduled Program Maturity Date as of such

month end, (c) the number of beneficial owners of outstanding securities issued by GWG Life Settlements (excluding Life Notes with a maturity at the time of issuance not exceeding nine months), (d) a statement that none of the GWG Parties is an "investment company" within the meaning of the Investment Company Act of 1940, and (e) such other information as may be reasonably requested by the Agent from time to time. The GWG Parties shall promptly notify the Agent of the filing of any registration statement with respect to the Life Notes, and of the withdrawal of any such registration statement. In addition, the GWG Parties shall deliver to the Agent promptly (and in any event within one (1) Business Day) after their receiving the same, a copy of each comment letter or other correspondence received from the SEC or any other Governmental Authority relating to the Life Notes or the status of the GWG Parties for purposes of the Investment Company Act of 1940.

2.18 Section 5.01(k)(v) of the Credit Agreement is amended to delete each reference to "Independent Manager" and replace it with "Independent Director".

2.19 Section 5.01(k)(vi) of the Credit Agreement is amended and restated in its entirety as follows:

(vi) observe all limited liability company formalities as a distinct entity, and ensure that all limited liability company actions relating to (A) the dissolution or liquidation of such Borrower and (B) the initiation or participation in, acquiescence in or consent to any bankruptcy, insolvency, reorganization or similar proceeding involving such Borrower, are duly authorized by unanimous vote of its Board of Directors (including the Independent Director);

2.20 Section 5.01(k) of the Credit Agreement is further amended to (a) delete the "and" appearing immediately at the end of subclause (xii) therein, (b) replace the period appearing at the end of subclause (xiii) with ", and", and (c) insert the following new subclause (xiv) in proper numerical order:

(xiv) maintain its charter documents in conformity with this Agreement, such that (1) it does not amend, restate, supplement or otherwise modify its certificate of formation or limited liability company agreement in any respect that would impair its ability to comply with the terms or provisions of any of the Related Documents, including, without limitation, Section 5.01(k) of this Agreement; and (2) its limited liability company agreement, at all times that this Agreement is in effect, provides for not less than five (5) days' prior written notice to the Agent of

the replacement or appointment of any director that is to serve as an Independent Director in accordance with Section 5.01(q).

2.21 Section 5.01 of the Credit Agreement is amended to insert the following new subsection (q) in proper alphabetical order:

(q) ***Removal and Appointment of Independent Director***. The applicable Borrower will notify the Agent in writing of (i) the decision to appoint a new Person as the "Independent Director" of such Borrower for purposes of this Agreement, such notice (a) to be issued not less than five (5) days prior to the effective date of such appointment and (b) to contain a written certification of a Responsible Officer of such Borrower that the designated Person satisfies the criteria set forth in the definition herein of "Independent Director," and (ii) the removal of any Independent Director of such Borrower, such notice (a) to be issued promptly, but in any event, not less than five (5) days prior to the appointment of a replacement Independent Director and (b) to contain a written certification of a Responsible Officer of such Borrower citing which clause of Section 5.02(n) permits the removal of such Independent Director.

2.22 Section 5.02 of the Credit Agreement is amended to insert the following new clauses (m), (n) and (o) in proper alphabetical order:

(m) ***Transaction Information***. No GWG Party shall, nor shall it permit any Affiliate of a GWG Party or any third party with which a GWG Party or any Affiliate thereof has contracted to, deliver, in writing or orally, to any nationally recognized statistical rating organization providing or proposing to provide a rating to, or monitoring a rating of, the Lender's commercial paper, any Transaction Information without providing such Transaction Information to the Agent prior to delivery to such nationally recognized statistical rating organization or participate in any oral communications with respect to Transaction Information with such nationally recognized statistical rating organizations without the participation of a 17g-5 Representative of the Agent.

(n) ***Removal of Independent Director***. No GWG Party shall, nor shall it permit any of its Affiliates to, remove or permit the removal of any Independent Director of any Borrower, except (1) for Cause, (2) in the event the Independent Director ceases to be employed by the service provider which is his or her employer on the date such Independent Director was first engaged by such Borrower, or (3) with the written consent of the Agent.

(o) ***Life Notes***. The GWG Parties will not, without the prior written consent of the Agent and the Lender (i) make any payments in respect of outstanding Life Notes or cause the issuance of any additional Life Notes, if at the time of such proposed payment or issuance an Event of Default, Potential Event of Default or Termination Event exists or would result therefrom, (ii) issue or permit the transfer of any Life Notes except in accordance with the terms and conditions of the Note Issuance and Security Agreement and in a manner consistent with the disclosures made in the Life Notes Prospectus including, without limitation, in each case the transfer restrictions therein or (iii) permit the Note Issuance and Security Agreement, the Life Notes Prospectus or any Life Notes to be amended, supplemented or otherwise modified except for amendments, supplements and other modifications that are necessary to comply with changes in applicable securities laws for which the Agent is given prior or concurrent written notice.

2.23 Section 6.01(i) of the Credit Agreement is amended and restated in its entirety as follows:

(A) any GWG Party or Subsidiary thereof other than GWG DLP Funding, LLC shall fail to pay any Indebtedness in excess of $100,000 when due; or (B) any GWG Party or Subsidiary thereof other than GWG DLP Funding, LLC shall default in the performance of any term, provision or condition contained in any agreement under which any such Indebtedness was created or is governed, the effect of which is to cause, or to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or

2.24 Section 6.01(r) of the Credit Agreement is deleted in its entirety and replaced with the following:

(r) Any Person shall be appointed as an Independent Director of a Borrower without prior notice and certification thereof having been given to the Agent in accordance with Section 5.01(q) or without satisfying all of the criteria set forth in the definition herein of "Independent Director."

2.25 Section 9.13 of the Credit Agreement is amended to insert the following new clause (c) in proper alphabetical order:

(c) Notwithstanding anything to the contrary contained herein or in any of the other Related Documents, each of the parties hereto acknowledges and agrees that the Agent may post to an internet website maintained by the Agent and required by any

nationally recognized rating agency providing a rating or proposing to provide a rating to the Lender's commercial paper in connection with Rule 17g-5, the following information: (x)(i) to the extent disclosed to any nationally recognized rating agency providing or proposing to provide a rating to, or monitoring a credit rating of, the Lender's commercial paper, any confidential proprietary information with respect to any GWG Party and their respective Affiliates and each of their respective businesses obtained by the Lender or the Agent in connection with the structuring, negotiation and execution of the transactions contemplated herein and in the other Related Documents and (ii) any other nonpublic information with respect to any GWG Party received by the Lender or the Agent, in each case to the extent such information was provided to such nationally recognized rating agency in connection with providing or proposing to provide a rating to, or to monitor an existing rating of, the Lender's commercial paper, (y) the Related Documents and (z) any other Transaction Information.

2.26 Schedule I to the Credit Agreement is amended and restated in its entirety to read as set forth in the new Schedule I attached hereto as Annex III hereto.

2.27 Schedule VI to the Credit Agreement is amended and restated in its entirety to read as set forth in the new Schedule VI attached hereto as Annex IV hereto.

2.28 Schedule VII to the Credit Agreement is amended and restated in its entirety to read as set forth in the new Schedule VII attached hereto as Annex V hereto.

2.29 The Credit Agreement is amended to add Annex VI hereto as a new Schedule VIII thereto in the appropriate numerical order.

2.30 Exhibit B-3 to the Credit Agreement is amended to add the form of Purchased Policy Documents (including the commission disclosure statement) of Magna Life Settlements, Inc. attached as Annex VII hereto.

SECTION 3. Conditions Precedent. This Amendment shall become effective as of the date first written above (the "*Effective Date*"), subject to the condition that the Agent shall have confirmed its receipt of:

(i) a copy of this Amendment duly executed by the Borrowers, the Master Servicers, OBF, GWG Holdings, the Lender and the Agent;

(ii) evidence, in the form of a certificate of the Secretary or Assistant Secretary of each Borrower, that such Borrower's limited liability company agreement (as attached thereto) has been amended in the form attached hereto as Annex IV in order to comply with the requirements set forth in Section 2.20 of this Amendment;

(iii) an updated private placement memorandum for the Life Notes and a copy the Note Issuance and Security Agreement, in each case in form and substance (including as to transfer restrictions) satisfactory to the Agent and certified by a Responsible Officer as being true, correct and complete;

(iv) bring-down due diligence responses with respect to Magna Life Settlements, Inc., which have been reviewed by, and met the satisfaction of, the Agent;

(v) a copy of the memorandum of Locke Lord Bissell & Liddell LLP, counsel to GWG DLP, re: Compliance with State Insurance Law Licensing Requirements for Life Settlement Providers, in form and substance satisfactory to the Agent; and

(vi) to the extent invoiced, all fees and expenses due and payable on or prior to the date hereof in connection with this Amendment.

SECTION 4. Additional Covenants Relating to the Life Notes. The consents in Section 1.1 of this Amendment are being made in reliance upon the Agent's and the Lender's expectations that the GWG Parties will comply with the covenants and other agreements set forth in this Section 4. A failure to satisfy any of the provisions of this Section 4 will result in an immediate Event of Default under the Credit Agreement notwithstanding any cure or grace periods contained therein.

4.1 On or prior to June 14, 2012, the Borrowers shall deliver to the Agent and the Lender an opinion of Locke Lord Bissell & Liddell LLP (or other counsel acceptable to the Agent and the Lender), in form and substance satisfactory to the Agent and the Lender, concluding that, when taking into consideration the existence and ongoing issuance of Life Notes under the Note Issuance and Security Agreement, none of the GWG Parties is an "investment company" within the meaning of the Investment Company Act of 1940 (the "*1940 Act Opinion*").

4.2 Notwithstanding any provision of the Credit Agreement to the contrary, during the period beginning on the date hereof and ending on the earliest to occur of (i) the date on which the 1940 Act Opinion is delivered, (ii) the date on which any Interim Funding Trigger Event (as defined below) occurs or (iii) December 14, 2011, the Borrowers may not borrow, and the Lender shall not be required to make, any Advances under the Credit Agreement the proceeds of which shall be used to acquire Assets except for Advances in accordance with the terms and conditions of the Credit Agreement that in the aggregate for such period than do not exceed $30,000,000.

4.3 For purposes of the foregoing, "*Interim Funding Trigger Event*" shall mean any of the following:

(i) GWG fails to file a registration statement for the Life Notes (the "*Life Notes Registration Statement*") pursuant to Section 5 of the United States Securities Act of 1933, as amended, fails to deliver a courtesy copy of the Life Notes Registration Statement to the Division of Investment Management of the United States Securities and Exchange

Commission (the "SEC"), or fails to deliver to the Agent a copy of the Life Notes Registration Statement, together with a copy of written correspondence evidencing delivery of the Life Notes Registration Statement to the Division of Investment Management of the SEC, in each case on or prior to June 14, 2011;

(ii) GWG withdraws its filing of the Life Notes Registration Statement; or

(iii) any change in, or in the interpretation of, any law, rule or regulation occurs, or any GWG Party receives a comment letter or other correspondence (written or oral) from the SEC or any other Governmental Authority, in each case the result of which is that it reasonably appears that the SEC or such other Governmental Authority are of the view that one or more GWG Parties would be required to register as an investment company under the Investment Company Act of 1940 when considering the Life Note program as proposed in the Life Notes Registration Statement.

4.4 If the 1940 Act Opinion has not been delivered to the Agent and the Lender on or prior to December 14, 2011, notwithstanding any provision of the Credit Agreement to the contrary, the Borrowers may not borrow, and the Lender shall not be required to make, any Advances under the Credit Agreement the proceeds of which shall be used to acquire Assets on or after such date, unless and until the 1940 Act Opinion is delivered in accordance with Section 4.1 above.

4.5 The provisions of Sections 4.2 through 4.4 shall not limit the Borrowers' ability to borrow Advances the proceeds of which shall be used to either (A) fund payments of premium due under a Purchased Policy or a Policy securing a Defaulted Asset included in the Collateral or (b) make periodic payments of Interest and Facility Fees due and payable under the Credit Agreement, in each case in accordance with the terms and conditions of the Credit Agreement.

SECTION 5. Representations and Warranties. Each of the GWG Parties party hereto hereby represents and warrants that (a) this Amendment constitutes its legal, valid and binding obligation, enforceable against such party in accordance with its terms, (b) before and after giving effect to this Amendment, the representations and warranties of each such party, respectively, set forth in Credit Agreement and the other Related Documents are true and correct in all material respects with the same effect as if made on the date hereof and (c) no event has occurred and is continuing that constitutes an Event of Default, Potential Event of Default or Termination Event.

SECTION 6. Fees and Expenses. The Borrowers shall jointly and severally pay to the Agent and the Lender on demand all reasonable out-of-pocket costs and expenses in connection with the preparation, execution and delivery of this Amendment and any of the other

instruments, documents and agreements to be executed and/or delivered in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel to the Agent and the Lender with respect thereto.

SECTION 7. Reference to and Effect on the Credit Agreement.

7.1 Upon the effectiveness of this Amendment, (a) each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby, (b) each reference to the Credit Agreement in any other Related Document or any other document, instrument or agreement executed and/or delivered in connection therewith, shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby and (c) this Amendment shall constitute a Related Document for all purposes under the Credit Agreement.

7.2 Except as specifically provided herein, the Credit Agreement, the other Related Documents and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

7.3 Except as specifically provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent or the Lender under the Credit Agreement, the other Related Documents or any other document, instrument, or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein.

SECTION 8. Reaffirmation of Performance Guaranty. The Performance Guarantor hereby (i) reaffirms all of its obligations under the Performance Guaranty and (ii) acknowledges and agrees that (A) the Performance Guaranty shall remain in full force and effect and (B) the Performance Guaranty is hereby ratified and confirmed, in each case after giving effect to this Amendment.

SECTION 9. Governing Law. THIS CONSENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES).

SECTION 10. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of this Amendment by facsimile or portable document format (PDF) shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 11. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first written above.

GWG DLP FUNDING II, LLC, as a Borrower

By _____
Name:
Title:

UNITED LENDING SPV, LLC, as a Borrower

By _____
Name:
Title:

GWG LIFE SETTLEMENTS, LLC, as a Seller and Life Settlement Master Servicer

By _____
Name:
Title:

UNITED LENDING, LLC, as a Seller and Premium Finance Master Servicer

By _____
Name:
Title:

OPPORTUNITY BRIDGE FUNDING, LLC, as a Seller

By: _____
Name:
Title:

GWG HOLDINGS, LLC, as Performance Guarantor

By: _____
Name:
Title:

DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, as Agent

By _____
Name: Christopher Tucker
Title: Senior Vice President

By _____
Name: Patrick F. Preece
Title: Managing Director

AUTOBAHN FUNDING COMPANY LLC, as Lender

By: DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, its Attorney-in-Fact

By _____
Name: Christopher Tucker
Title: Senior Vice President

By _____
Name: Patrick F. Preece
Title: Managing Director

ELIGIBILITY CRITERIA; PERFECTION REPRESENTATIONS

A. Eligibility Criteria

"*Eligible Asset*" means, at any time, an Eligible Loan or an Eligible Policy that satisfies each of the following criteria:

(i) such Asset was originated or purchased by the applicable Seller in the ordinary course of such Seller's business in accordance with and through the application of the Operating Policies and Practices and such Seller's standard credit underwriting procedures (in effect at the time of such origination or purchase) within 90 days prior to the date such Asset was first included in the Collateral hereunder;

(ii) neither such Asset nor any related Policy or Asset Document contravenes any law, rule or regulation applicable thereto (including, without limitation, any law, rule and regulation relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, licensing, fair debt collection practices, privacy, insurance, life settlement transactions, premium finance lending, anti-rebating or usury) and neither such Asset nor any related Policy or any related Asset Document was created, solicited or entered into in violation of any law, rule or regulation;

(iii) each GWG Party, the Initial Lender (if applicable), the Bridge Loan Lender (if applicable), the related Life Settlement Provider (if applicable), each Master Servicer, the Life Settlement Servicer (if applicable) and each other Person at any time owning an interest in, or servicing, such Asset and the related Collateral had all licenses and permits necessary to originate, own and/or service, as applicable, such Asset and the related Collateral, and all consents, licenses, approvals and authorizations of, or registrations, declarations for filings with, any Governmental Authority required to be obtained, effected or given by any party in connection with the origination, purchase and servicing of such Asset and the related Collateral as contemplated by the related Asset Documents and the Related Documents and the security interest granted hereunder have been duly obtained, effected or given and are in full force and effect;

(iv) no selection procedures having an adverse effect on the Borrowers, the Lender or the Agent have been utilized by the applicable Seller in selecting the Asset from those loans and policies owned by the applicable Seller and its Affiliates which meet the eligibility criteria specified herein, it being hereby acknowledged by the Agent that the neither shall have the exclusive right to acquire each Asset acquired by any Seller or any of its Affiliates;

(v) such Asset, and each related Asset Document, constitutes the legal, valid and binding obligation of each party thereto, enforceable against each such party in accordance with its terms, except as such enforcement may be limited by (a) bankruptcy,

insolvency, fraudulent transfer, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(vi) such Asset and the related Asset Documents are not subject to, nor has there been asserted, any litigation or any right of rescission, set off, counterclaim or other defense of any related Obligor or any related Insured; and the related Initial Lender (if applicable), the related Bridge Loan Lender (if applicable) or the related Life Settlement Provider (if applicable), the applicable Seller and the applicable Borrower have performed all of their respective obligations under such Asset Documents in accordance with the terms thereof;

(vii) such Asset is not (and has never been) a Defaulted Asset;

(viii) the related Obligor (a) is not a Governmental Authority, (b) is not an Affiliate of any GWG Party and (c) is not the subject of any Insolvency Event;

(ix) all of the representations and warranties set forth in Sections 4.01(p) and 4.01(q) of this Agreement and in Part B of this Schedule I with respect to such Asset and the Other Conveyed Property with respect thereto are true and correct;

(x) none of the Asset Documents related to such Asset or any applicable law, rule or regulation applicable to such Asset or such Asset Documents or the related Policy (a) requires the consent of any party to, or otherwise prohibits or restricts, the transfer, sale or assignment of such Asset or any Other Conveyed Property or the rights or obligations of the Initial Lender (if applicable), Bridge Loan Lender (if applicable) or Life Settlement Provider (if applicable) or the applicable Seller (or their respective assignees) under any Asset Document in the manner contemplated by the Related Documents, (b) except as required by applicable law, contains a confidentiality provision that purports to restrict the ability of the Borrowers, the Agent or the Lender to exercise its rights under any Related Document, including, without limitation, its right to review all Asset Documents or (c) requires any assignee of such Asset to obtain a license or other authorization in connection with the acquisition of such Assets or any interest therein; *provided* that any such assignee (other than the relevant Borrower or the Agent, as assignee or secured party pursuant to the Related Documents) may be required to be licensed under the terms of any applicable premium finance law or life settlement law; in furtherance of the foregoing, in the case of Loan, the related Loan Agreement expressly permits the Initial Lender or Bridge Loan Lender, as applicable, to sell or assign all or any portion of its rights or obligations thereunder to any other Person without the consent of the related Obligor, the related Insured or any other Person;

(xi) a Custodian File for such Asset has been delivered to the Custodian pursuant to the terms of the Custodian Agreement and the Agent has received (i) a Custodian Receipt certifying receipt of all Specified Documents (as defined in the Custodian Agreement) with respect to such Asset and (ii) within thirty (30) days following the date such Asset is first included in the Collateral, a Post-Closing Collateral Receipt (as defined in the Custodian Agreement) certifying receipt of all Post-Closing

Specified Documents (as defined in the Custodian Agreement) with respect to such Asset, which Custodian Receipt and Post-Closing Collateral Receipt do not identify any deficiencies in respect of such Custodian File, unless the Agent has waived such deficiencies;

(xii) the information with respect to such Asset set forth in the Schedule of Assets has been produced from the Electronic Ledger and is true and correct as of the close of business on the date such Asset is first included in the Collateral;

(xiii) such Asset was originated without fraud or material misrepresentation on the part of the Insured, the Obligor, the Originator, the Initial Lender (if applicable), the Bridge Loan Lender (if applicable), the Life Settlement Provider (if applicable), the GWG Parties or any of their respective Affiliates;

(xiv) neither the Initial Lender, Bridge Loan Lender or Life Settlement Provider, as applicable, nor any GWG Party nor any of their respective Affiliates has done anything to convey any right to any Person (other than the applicable Borrower, the Lender or the Agent) that would result in such Person having a right to payments due under such Asset or otherwise to impair the rights of the applicable Borrower, the Agent or the Lender in such Asset or the proceeds thereof, and prior to the sale by the applicable Seller of its interest in the Asset and the Other Conveyed Property with respect thereto to the applicable Borrower, neither such Seller nor such Borrower had any constructive or actual knowledge that its interest in such Asset or Other Conveyed Property were subject to the actual or claimed interest of any Person other than (A) in the case of a Premium Finance Loan, the ownership interest of the related Obligor in the Policy securing such Asset and (B) Permitted Liens;

(xv) the applicable Seller has caused the portions of its Electronic Ledger relating to such Asset to be clearly and unambiguously marked to show that such Asset has been sold to the applicable Borrower in accordance with the terms of the Sale and Servicing Agreement and a security interest therein has been granted by such Borrower to the Agent for the benefit of the Secured Parties in accordance with the terms of this Agreement; and

(xvi) such Asset was not purchased pursuant to the Magna Purchase and Sale Agreement by means of a Funder ELIP Notice (as such term is defined in the Magna Purchase and Sale Agreement).

"*Eligible Loan*" means, at any time, a Loan that satisfies each of the following criteria (in addition to the criteria set forth under the definition of "Eligible Asset"):

(i) such Loan was made to, and is owing by, an Eligible Obligor;

(ii) if such Loan is a Premium Finance Loan, such Loan is secured by a valid and perfected first priority security interest in a single Eligible Policy, and the proceeds of such Loan were used solely to fund payments of premiums due under such Eligible Policy and any reasonable and customary closing expenses with respect to such Loan;

(iii) if such Loan is a Bridge Loan, (1) such Loan is secured by a valid security interest in a single Eligible Policy, (2) the proceeds of such Loan were used solely to pay off outstanding amounts due and payable under a premium finance loan and any reasonable and customary closing expenses with respect to such Loan and (3) the Obligor thereunder has entered into a binding agreement (a "*Bridge Loan Take-Out Agreement*") with a third party purchaser to sell the Policy securing such Bridge Loan to such purchaser in a manner that satisfies all applicable requirements of the Operating Policies and Practices for a sale price (payable solely in cash) equal to or greater than the principal amount of such Bridge Loan and accrued interest therein and all other amounts payable by the Obligor thereunder;

(iv) the Asset Documents relating to such Loan include all of the Specified Documents (as defined in the Custodian Agreement), in each case substantially the form attached as part of Exhibit B-1 or Exhibit B-2, as applicable, or in such other form as the Agent may approve in writing, such approval not to be unreasonably withheld, together with all other documentation required by the Operating Policies and Practices, all of which Asset Documents have been duly executed and completed in accordance with the Operating Policies and Practices;

(v) such Asset was initially funded by the related Initial Lender or Bridge Loan Lender, as applicable, out of its own funds, and such Initial Lender or Bridge Loan Lender, as applicable, held such Asset for its own account and for its own risk (without there being during such holding period any right or obligation on the part of any GWG Party or any other Person to purchase or acquire such Loan or any interest therein or otherwise cover any losses incurred by such Initial Lender or Bridge Loan Lender, as applicable, with respect thereto) for a period of not less than three (3) Business Days;

(vi) neither the Initial Lender nor any GWG Party has an equity interest in the related Policy;

(vii) such Loan is denominated and payable only in United States dollars in the United States by an Obligor located in the State of Minnesota and is governed by the laws of the State of Minnesota;

(viii) the related Insured has executed and delivered a personal guaranty in such form as the Agent may approve in writing (such approval not to be unreasonably withheld) covering (i) in the case of a Premium Finance Loan, not less than 10% of the maximum principal balance of such Loan (or such other percentage as may be approved in writing by the Agent in its sole discretion) and (ii) in the case of a Bridge Loan (to the extent such Loan is non-recourse to the related Obligor), 100% of the original principal amount owing under such Bridge Loan in the event such Bridge Loan is not paid or satisfied in full on its maturity date (it being understood that, pursuant to the terms of the related Asset Documents, the Bridge Loan may be satisfied by delivery of the related Policy);

(ix) such Loan (a) has not had any of its terms, conditions or provisions amended, modified, waived or rescinded other than in compliance with the Operating

Policies and Practices and the Related Documents, (b) has not been restructured for credit reasons at any time, (c) has not been satisfied, subordinated or rescinded and (d) has not had any material collateral securing such Loan released from the lien granted by the related Asset Documents;

(x) such Loan does not provide for substitution, exchange or addition of collateral;

(xi) as of the date such Loan is first included in the Collateral, no payment under such Loan is past due;

(xii) such Loan has an original term to maturity of (A) in the case of a Premium Finance Loan, not less than 24 months and not more than 120 months and (B) in the case of a Bridge Loan, not less than 30 days and not more than 90 days, with the entire outstanding principal balance of such Loan and all accrued and unpaid interest thereon being due and payable in full on or before the date of such maturity;

(xiii) the Initial Lender relating to such Loan in the case of a Premium Finance Loan is an Approved Initial Lender, and the Bridge Loan Lender relating to such Loan in the case of a Bridge Loan is Opportunity Bridge Funding;

(xiv) none of the Initial Lender or the Bridge Loan Lender, as applicable, the applicable Seller, the Premium Finance Borrower or any other Person is obligated to make any additional loans or other extensions of credit to the related Obligor pursuant to the terms of the related Asset Documents;

(xv) the Asset Documents relating to such Loan incorporate customary and enforceable provisions permitting the holder of such Loan to accelerate the maturity date thereof and to enforce its security interest in the collateral securing such Loan upon the occurrence of an event of default thereunder (after giving effect to any applicable grace period), and the applicable Borrower, and its respective successors and assigns, shall be entitled to enforce all such rights under the related Asset Documents;

(xvi) the promissory note relating to such Loan constitutes an "instrument" or a "payment intangible" within the meaning of Article 9 of the UCC of all applicable jurisdictions, there is only one original of any instrument and such original is in the possession of the Custodian;

(xvii) such Loan is not assumable by another Person in a manner which would release the Obligor thereof or the related Insured from such Obligor's or Insured's obligations with respect to such Loan or any related Loan Document;

(xviii) as of the date such Loan is first included in the Collateral, no material default, breach, violation or event permitting acceleration under the terms of such Loan has occurred; no continuing condition that with notice or the lapse of time would constitute a material default, breach, violation, or event permitting acceleration under the terms of such Loan has arisen and all representations and warranties contained in the applicable Asset Documents are true and correct in all material respects; neither the

Policies and Practices and the Related Documents, (b) has not been restructured for credit reasons at any time, (c) has not been satisfied, subordinated or rescinded and (d) has not had any material collateral securing such Loan released from the lien granted by the related Asset Documents;

(x) such Loan does not provide for substitution, exchange or addition of collateral;

(xi) as of the date such Loan is first included in the Collateral, no payment under such Loan is past due;

(xii) such Loan has an original term to maturity of (A) in the case of a Premium Finance Loan, not less than 24 months and not more than 120 months and (B) in the case of a Bridge Loan, not less than 30 days and not more than 90 days, with the entire outstanding principal balance of such Loan and all accrued and unpaid interest thereon being due and payable in full on or before the date of such maturity;

(xiii) the Initial Lender relating to such Loan in the case of a Premium Finance Loan is an Approved Initial Lender, and the Bridge Loan Lender relating to such Loan in the case of a Bridge Loan is Opportunity Bridge Funding;

(xiv) none of the Initial Lender or the Bridge Loan Lender, as applicable, the applicable Seller, the Premium Finance Borrower or any other Person is obligated to make any additional loans or other extensions of credit to the related Obligor pursuant to the terms of the related Asset Documents;

(xv) the Asset Documents relating to such Loan incorporate customary and enforceable provisions permitting the holder of such Loan to accelerate the maturity date thereof and to enforce its security interest in the collateral securing such Loan upon the occurrence of an event of default thereunder (after giving effect to any applicable grace period), and the applicable Borrower, and its respective successors and assigns, shall be

entitled to enforce all such rights under the related Asset Documents;

(xvi) the promissory note relating to such Loan constitutes an "instrument" or a "payment intangible" within the meaning of Article 9 of the UCC of all applicable jurisdictions, there is only one original of any instrument and such original is in the possession of the Custodian;

(xvii) such Loan is not assumable by another Person in a manner which would release the Obligor thereof or the related Insured from such Obligor's or Insured's obligations with respect to such Loan or any related Loan Document;

(xviii) as of the date such Loan is first included in the Collateral, no material default, breach, violation or event permitting acceleration under the terms of such Loan has occurred; no continuing condition that with notice or the lapse of time would constitute a material default, breach, violation, or event permitting acceleration under the terms of such Loan has arisen and all representations and warranties contained in the applicable Asset Documents are true and correct in all material respects; neither the

Initial Lender or the Bridge Loan Lender, as applicable, nor the applicable Seller nor any of their respective Affiliates shall waive or has waived any of the foregoing; and no collateral securing such Loan shall have been repossessed as of such date;

(xix) neither the applicable Seller nor the Initial Lender or the Bridge Loan Lender, as applicable, has made any other loans to the related Obligor, other than Loans made under the same Loan Agreement, which additional Loans have been (or within seven (7) Business Days of the date such Loans are made, shall be) sold to the Premium Finance Borrower pursuant to the Sale and Servicing Agreement;

(xx) pursuant to the related Asset Documents, each of the related Obligor and the related Insured expressly agrees to make all payments thereunder stated to be due by it thereunder without condition or deduction for any counterclaim, defense, recoupment or setoff;

(xxi) the related Obligor has been instructed to make all payments under such Loan directly to the Collection Account or a Deposit Account;

(xxii) no transfer by an Initial Lender or the Bridge Loan Lender, as applicable, to the applicable Seller, or by the applicable Seller to the applicable Borrower, of such Loan is or may be voidable under any section of the Bankruptcy Code;

(xxiii) such Loan has not been outstanding for more than 60 months;

(xxiv) in the case of a Premium Finance Loan for which the related purchase price has been escrowed with the Initial Lender, such escrow is in compliance with the terms of Section 2.04, the Initial Lender is not in default in respect of any of its obligations in respect of the related escrow arrangement and no bankruptcy, insolvency, receivership or similar proceeding has been instituted by or against such Initial Lender; and

(xxv) such Loan has been approved in writing by the Agent, in its sole discretion, as an "Eligible Loan" hereunder (it being expressly understood and agreed that the Borrower does not intend to ever request any such approval and the Agent does not intend to ever grant such approval).

"*Eligible Obligor*" means, at any time, an Obligor under a Loan that satisfies each of the following criteria:

(i) as of the date of purchase of the related Loan by the Premium Finance Borrower, such Obligor is a Life Insurance Trust settled by the related Insured, which Life Insurance Trust is organized under the laws of the State of Minnesota and the trustee of such Life Insurance Trust will either be an individual resident of the State of Minnesota or a corporation or limited liability company duly incorporated or organized, validly existing and in good standing under the laws of the State of Minnesota; and

(ii) the beneficiaries of such Obligor are individuals that are immediate family members or direct lineal descendants of the Insured with an insurable interest in the life

of the Insured or an estate planning vehicle or trust all of the owners or beneficiaries of which have an insurable interest in the life of the Insured, and all of such owners or beneficiaries are direct lineal descendants of the Insured.

"*Eligible Insured*" means, at any time, an Insured that satisfies each of the following criteria:

(i) the age of such Insured is greater than or equal to 65 years and less than or equal to 85 years;

(ii) the Life Expectancy of such Insured as of the date the related Asset is first included in the Collateral (or, in the case of a Loan, as of the date such Loan was first made) is less than or equal to 18 years;

(iii) each Servicer has continued access to such Insured's medical records pursuant to a written authorization of such Insured;

(iv) such Insured qualifies for a standard (including "flat extras") or preferred universal life insurance policy from the related Qualified Life Insurance Carrier;

(v) such Insured is not a Prohibited Person;

(vi) such Insured and the related beneficiary are not related to or affiliated with the Initial Lender (if applicable), the related Life Settlement Provider (if applicable) or any GWG Party; and

(vii) at the time the Policy was acquired by the Life Settlement Borrower, the Insured was not known by the Life Settlement Borrower or any of its Affiliates to have a terminal, catastrophic, life threatening or chronic illness or medical condition; and

"*Eligible Policy*" means, at any time, a Policy that satisfies each of the following criteria:

(i) the Insured under such Policy is an Eligible Insured;

(ii) no payment of premiums thereon remains unpaid after the due date therefor, and all premiums due during the next succeeding 30-day period (if any) have been paid in full in accordance with the terms of the related Policy Documents;

(iii) such Policy is an in-force, general account (i.e., non-variable), universal life insurance policy and is not (A) part of a group policy, (B) a term policy that is not convertible into a universal life insurance policy or (C) a fractional interest in a universal life insurance policy;

(iv) such Policy was issued by a Qualified Life Insurance Carrier and is governed by the laws of a Qualified State;

(v) in the case of a Policy securing a Loan, a Collateral Assignment in respect of such Policy in favor of the Premium Finance Borrower has been executed by the related Obligor and, in the case of a Premium Finance Loan that has been held by the Premium Finance Borrower for more than 60 days, has been acknowledged by the applicable Qualified Life Insurance Carrier, which Collateral Assignment is in the possession of the Custodian;

(vi) in the case of a Purchased Policy, (A) the Titling Trust owns (or, in the case of an Escrow Policy, will own upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) 100% of the legal and beneficial interest in such Policy and the related Qualified Life Insurance Carrier has confirmed (or, in the case of an Escrow Policy, will confirm within 30 days of the date such Policy is first included in the Eligible Policies hereunder) such ownership in writing in accordance with its standard documentation for effecting a change of ownership, (B) the Life Settlement Borrower owns 100% of the interests in such Titling Trust and the Titling Trust has issued a Trust Certificate to the Life Settlement Borrower evidencing such ownership in form and substance satisfactory to the Agent, which certificate has been duly endorsed by the Life Settlement Borrower in blank and is in the possession of the Custodian, (C) the Titling Trust has duly executed and delivered a Titling Trust Security Agreement in favor of the Agent, pursuant to which the Titling Trust has granted to the Agent a first priority perfected security interest in such Policy to secure the Obligations and (D) if such Purchased Policy has been held by the Life Settlement Borrower for more than 60 days, a Collateral Assignment in respect of such Policy executed by the Titling Trust in favor of the Agent has been acknowledged and consented to by the applicable Qualified Life Insurance Carrier, which Collateral Assignment is in the possession of the Custodian, such that the Agent has a first priority perfected security interest in such Policy;

(vii) such Policy is in full force and effect; the related Qualified Life Insurance Carrier confirmed such effectiveness to the applicable Seller on or about the time the related Asset was acquired by such Seller; and such Policy is not being contested by the Qualified Life Insurance Carrier and is not the subject of any action, suit, investigation, proceeding, dispute (pending or threatened), and is not subject to a right of rescission, setoff, counterclaim, subordination, recoupment, defense, abatement, suspension, deferment, deductible, reduction or termination which has been asserted or threatened with respect to such Policy;

(viii) such Policy is not subject to any Adverse Claims (other than Adverse Claims in favor of the applicable Borrower and Permitted Liens) and no Policy Loans are outstanding thereunder;

(ix) in the case of a Purchased Policy other than a Contestable Policy, the payment of the death benefit cannot be denied for any reason except for non-payment of premium;

(x) in the case of a Policy securing a Loan, in the event the payment of the death benefit is denied for any reason, the related Qualified Life Insurance Carrier will be

obligated to refund all payments of premium received by it under such Policy and neither such Policy nor any applicable law, rule or regulation prohibits or restricts such payment;

(xi) such Policy provides for a lump-sum payment of the death benefit, and the death benefit under such Policy is payable only upon the death of the related Insured;

(xii) the death benefit for such Policy is less than $15,000,000;

(xiii) such Policy constitutes the legal, valid and binding obligation of the applicable Qualified Life Insurance Carrier, enforceable against such party in accordance with its terms, except as such enforcement may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(xiv) the related premiums and death benefit under such Policy are denominated and payable solely in U.S. dollars;

(xv) unless otherwise approved in writing by the Agent in its good faith discretion, such Policy has not been previously settled, pledged or otherwise transferred in whole or in part to any other Person other than (A) in the case of a Purchased Policy, by the Insured (or a related Life Insurance Trust established for the sole benefit of the immediate family members or estate of the Insured) to an Approved Lender (as defined below) as collateral for a premium finance loan made by such Approved Lender pursuant to an Approved Premium Finance Program (as defined below) at the time such Policy was initially issued; *provided* that such loan shall have been repaid in full, and any related Adverse Claim held by such Approved Lender shall have been fully released in writing, on or prior to the date such Policy is first included in the Collateral hereunder pursuant to a written release in a form that has been approved in writing by the Agent, (B) in the case of a Purchased Policy, by the Insured to the applicable Seller or another Life Settlement Provider that has been approved in writing by the Agent and (if applicable) by such Life Settlement Provider to the applicable Seller, in each case in accordance with the Operating Policies and Practices and the related Asset Documents, (C) as collateral for an Eligible Loan included in the Collateral hereunder in accordance with the related Asset Documents and (D) by the applicable Seller to the applicable Borrower or the Titling Trust, and by the applicable Borrower or the Titling Trust to the Agent, in each case pursuant to the Related Documents;

(xvi) the premiums of which have not been funded, directly or indirectly, with the proceeds of any loan (other than an Eligible Loan or a premium finance loan made by an Approved Lender pursuant to an Approved Premium Finance Program);

(xvii) in which no Person has, or has had from the date of issue of such Policy, a direct or indirect interest in the proceeds of the Policy, other than (i) individuals that are immediate family members or direct lineal descendants of the Insured with an insurable interest in the life of the Insured, (ii) an estate planning vehicle or trust all of the owners or beneficiaries of which have an insurable interest in the life of the Insured, and all of

such owners or beneficiaries are immediate family members or direct lineal descendants of the Insured, (iii) the applicable Seller pursuant to the related Asset Documents and the Related Documents, (iv) the applicable Borrower pursuant to the related Asset Documents and the Related Documents, (v) the Agent for the benefit of the Secured Parties and (vi) in the case of a Purchased Policy, the related Approved Lender pursuant to an Approved Premium Finance Program and any applicable Life Settlement Provider;

(xviii) the annual premiums due under such Policy from the time of its issuance through the related Insured's Life Expectancy does not exceed 10% of the related Net Death Benefit, and such Policy does not permit any decrease in the Net Death Benefit;

(xix) upon or immediately after acquisition of such Policy by the applicable Borrower, the related Qualified Life Insurance Carrier has been directed under a Collateral Assignment to make all payments under such Policy directly to the Collection Account or a Deposit Account;

(xx) the Asset Documents relating to such Policy include the related Policy File, the related Purchase and Sale Agreement, the related Origination Agreement (if applicable) and the other Specified Documents (as defined in the Custodian Agreement), in each case in substantially the form attached as part of Exhibit B-1, B-2 or B-3, as applicable or in such other form as the Agent may approve in writing, such approval not to be unreasonably withheld (*provided, however,* that any variation from any such form resulting from a change in applicable law shall not require the consent of the Agent), together with all other documentation required by the Operating Policies and Practices, all of which Asset Documents have been duly executed and completed in accordance with the Operating Policies and Practices;

(xxi) in the case of a Purchased Policy, unless otherwise approved in writing by the Agent in its good faith discretion, such Policy was purchased by the applicable Seller directly from (A) the Insured (or a related Life Insurance Trust established for the sole benefit of the immediate family members or estate of the Insured) or (B) a Life Settlement Provider pursuant to an Origination Agreement and a Purchase and Sale Agreement, which Life Settlement Provider (x) purchased such Policy directly from the Insured (or a related Life Insurance Trust established for the sole benefit of the immediate family members or estate of the Insured), (y) has been approved in writing by the Agent and (z) is duly licensed under the laws of the State where the Insured is located;

(xxii) all representations and warranties contained in the applicable Asset Documents are true and correct in all material respects;

(xxiii) in the event a death certificate is submitted in respect of such Policy, the death benefit under such Policy is required to be paid within 60 days after such submission, and such Policy shall be no longer constitute an "Eligible Policy" hereunder if such death benefit is not received in the Collection Account within 60 days after such submission;

(xxiv) if the Insured was married at the time the Policy was issued or at any time thereafter that the Insured or any related trust owned such Policy, the consent of the Insured's spouse was obtained to the transfer of such Policy in the manner contemplated by the related Asset Documents;

(xxv) the Qualified Life Insurance Carrier has not withheld taxes from any amounts owing to the applicable Borrower with respect to such Policy or any other Policy included in the Collateral;

(xxvi) the related seller of the Policy under the applicable Purchase and Sale Agreement is domiciled in a Qualified State;

(xxvii) the Custodian has received the Policy File relating to such Policy and is holding such Policy File in accordance with the terms of the Custodian Agreement;

(xxviii)in the case of a Policy securing a Loan, (A) the Policy will be delivered to the Life Insurance Trust that is the Obligor on such Loan at an office of the trustee for such Life Insurance Trust in Minnesota, and such trustee will execute and deliver in Minnesota the trust agreement pursuant to which such Life Insurance Trust is created and the other Loan Documents to which the Life Insurance Trust is a party, (B) the insurer issuing the Policy will be licensed to transact insurance in Minnesota, (C) the Policy will be one or more individual (not group) policies of life insurance that comply with and are issued pursuant to Minnesota law, (D) the Policy will be solicited, negotiated and sold by a producer duly licensed as a resident or non-resident agent under, and acting in compliance with, Minnesota law, (E) neither the Initial Lender nor any of the GWG Parties nor any of their respective Affiliates will be involved in any manner in the solicitation, negotiation or sale of, or transacting, the Policy, (F) neither the Initial Lender nor any of the GWG Parties nor any of their respective Affiliates will be compensated in any manner by the related insurer and (G) the Insured will be free to select an insurance company of his or her choice for purposes of providing the Policy; and

(xxix) a credit event giving rise to a cash settlement payment has not occurred under a CDS Transaction referencing debt obligations of the Qualified Life Insurance Carrier with respect to such Policy.

"*Qualified State*" means:

(i) in the case of Premium Finance Loans, any state in the United States (other than Alaska and Virginia) so long as (A) the Initial Lender is MidCountry Bank and MidCountry Bank continues to be a federal savings bank, (B) no licenses or other authorizations are required to be obtained by any GWG Party in order to purchase Premium Finance Loans originated in such state in the manner contemplated by the related Asset Documents and the Related Documents and (C) with respect to any state, if the aggregate Collateral Balance of the Premium Finance Loans for which the related Insured is a resident in such state is equal to or greater than 5% of the Eligible Asset Balance, the Agent has received an opinion in form and substance satisfactory to it regarding the compliance of the related Loan Documents with the laws of such state;

(ii) in the case of Bridge Loans, any state approved in writing by the Agent in its sole discretion (it being understood that, unless and until the Agent otherwise agrees in writing in its sole discretion, there shall be no Qualified States with respect to the Bridge Loans and accordingly none of the Bridge Loans shall be Eligible Assets hereunder); and

(iii) in the case of Purchased Policies, each state (A) that has been approved in writing by the Agent in its sole discretion as a Qualified State hereunder with respect to Purchased Policies, as set forth on Schedule VI hereto (as amended from time to time by the Agent as provided below), (B) where the applicable Life Settlement Provider has all licenses and other authorizations required to be obtained by it (if any) in order to purchase Policies in such state in the manner contemplated by the relevant Asset Documents, and the Agent has received evidence reasonably satisfactory to it of the same, (C) where neither the Borrower nor the Titling Trust is required to obtain any license or other authorization in order to acquire such Purchased Policies originated in such state in the manner contemplated by the Related Documents and (D) with respect to any state, if the aggregate Collateral Balance of the Purchased Policies for which the related seller under the applicable Purchase and Sale Agreement is domiciled in such state, is equal to or greater than 5% of the Eligible Asset Balance, the Agent has received an opinion in form and substance satisfactory to it regarding the compliance of the related Policy Documents with the laws of such state; *provided* that, in the case of a Purchased Policy that is a Contestable Policy, each Qualified State must be an Unregulated State; and *provided further* that the Agent may, at any time in its discretion, deliver an updated Schedule VI to the Borrowers, in which case Schedule VI shall automatically be deemed to have been amended and restated to read as set forth in such new Schedule VI effective upon the date of such delivery.

"*Unregulated State*" any state set forth in Schedule VII hereto, as amended from time to time by the Agent, so long as such state has not adopted a law, rule or regulation relating to life settlements; *provided* that the Agent may, at any time in its discretion, deliver an updated Schedule VII to the Borrowers, in which case Schedule VII shall automatically be deemed to have been amended and restated to read as set forth in such new Schedule VII effective upon the date of such delivery.

"*Approved Lender*" means any lender that has been approved in writing by the Agent in its sole discretion as an "Approved Lender" hereunder.

"*Approved Premium Finance Program*" means a program for the origination of premium finance loans by an Approved Lender pursuant to loan documents the forms of which have been furnished to, and have been approved in writing by, the Agent in its sole discretion.

B. Additional UCC Representations

1. Lawful Assignment. No Asset has been originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of such Asset to the applicable Borrower under the Sale and Servicing Agreement or the grant of a security interest in such Asset under this Agreement shall be unlawful, void, or voidable. None of the GWG Parties nor

any of their respective Affiliates has entered into any agreement with any account debtor that prohibits, restricts or conditions the assignment of any portion of the Assets.

2. All Filings Made. All filings or other action (including, without limitation, UCC filings and notices required to be delivered under the common law) necessary in any jurisdiction to give the applicable Borrower a first priority perfected ownership interest in the Assets and the Other Conveyed Property and to give the Agent a first priority perfected security interest in the Collateral, to the extent required under this Agreement, have been made.

3. Tax Liens. As of the date on which any Asset is first included in the Collateral, there is no lien against any collateral, if any, securing such Asset for delinquent taxes.

4. Creation. The Sale and Servicing Agreement creates a valid and continuing security interest in the Assets in favor of the Borrowers which security interest is prior to all other Adverse Claims, and is enforceable as such as against creditors of and purchasers from either Seller; and this Agreement creates a valid and continuing security interest in the Assets in favor of the Agent (for the benefit of the Secured Parties), which security interest is prior to all other Adverse Claims, and is enforceable as such as against creditors of and purchasers from the Borrower.

5. Good Title. No Asset has been sold, transferred, assigned, or pledged by either Seller or any Affiliate thereof to any Person other than directly to the Borrowers pursuant to the Sale and Servicing Agreement. Immediately prior to the transfer and assignment contemplated by the Sale and Servicing Agreement, the applicable Seller had (or, in the case of an Escrow Policy, will acquire upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) good and marketable title to each Asset, and was (or, in the case of an Escrow Policy, will be upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) the sole owner thereof, free and clear of all Adverse Claims (except for those released on or before the date on which such Asset first became a Asset and Permitted Liens) and, immediately upon the transfer thereof to the Borrowers under the Sale and Servicing Agreement, the Borrowers shall have acquired (or, in the case of an Escrow Policy, will acquire upon release of the Purchase Price pursuant to the related Eligible Escrow Agreement) good and marketable title to each such Asset, and will be the sole owner thereof, free and clear of all Adverse Claims (other than Permitted Liens), and the transfer has been perfected under the UCC or common law, as applicable. No Person has a participation in, or other right to receive, proceeds of any Asset except as provided in this Agreement. None of the GWG Parties nor any Affiliate thereof has taken any action to convey any right to any Person, other than the Borrowers or the Agent, that would result in such Person having a right to payments due under such Asset.

6. Perfection. Each of the applicable Seller and the applicable Borrower has caused or will have caused, on or prior to the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions and the giving of all notices under applicable law in order to perfect such Borrower's interest in the Assets relating to their sale from such Seller to such Borrower and the security interest in the Assets granted by such Borrower to the Agent (for the benefit of the Secured Parties) under this Agreement.

7. No Other Interest. Other than the transfer of the Assets to Borrowers under the Sale and Servicing Agreement and Permitted Liens, none of the Borrowers, the Sellers or any of their respective Affiliates has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Assets (unless such interest has been released). None of the Borrowers, the Sellers or their Affiliates has authorized the filing of, or is aware of any financing statements that include a description of collateral covering the Assets other than any financing statement relating to the sale to the Borrowers under the Sale and Servicing Agreement or the security interest granted to the Agent (for the benefit of the Secured Parties) under this Agreement or that has been released or terminated or is a Permitted Lien.

8. No Notations. None of the tangible chattel paper or instruments that constitute or evidence the Assets has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Borrowers and the Agent (for the benefit of the Secured Parties).

ANNEX IV TO
CONSENT AND AMENDMENT NO. 1

SCHEDULE VI TO
CREDIT AND SECURITY
AGREEMENT

LIST OF APPROVED QUALIFIED STATES FOR PURCHASED POLICIES

Each Unregulated State
Arkansas
California*
Colorado
Connecticut
Florida
Georgia
Illinois**
Indiana
Iowa
Kansas
Kentucky
Louisiana
Maine
Maryland
Minnesota
Mississippi
Montana
Nebraska
Nevada
New Jersey
New York***
North Carolina
Ohio
Oklahoma
Pennsylvania
Tennessee
Texas
Utah
Virginia
Wisconsin

*** California shall satisfy clause (iii)(A) of the definition of "Qualified State" with respect to a Life Settlement Provider that is not licensed as a life settlement provider in California if and only if the Life Settlement Provider (i) was lawfully transacting life settlement business in California prior to July 1, 2010, (ii) has filed its life settlement provider license application with the California Department of Insurance on or prior to September 1, 2010, (iii) is in compliance with all procedures in order for it to continue conducting life settlement business in California pending review and approval of its life settlement provider license application, (iv) is listed on the California Department of Insurance's**

official website list of entities that are currently authorized to operate as life settlement providers in California and (v) has not withdrawn its life settlement provider license application or had such application denied.

**** Illinois shall satisfy clause (iii)(A) of the definition of "Qualified State" with respect to a Life Settlement Provider that is not licensed as a life settlement provider in Illinois if and only if the Life Settlement Provider (i) was a licensed viatical settlement provider under Illinois law prior to July 1, 2010, (ii) continues to satisfy all requirements to hold such license and such license has not been non-renewed, suspended or revoked by the Illinois Department of Insurance, and (iii) complied, on or before July 1, 2010, with the various procedures and requirements and paid the fees listed in Section 10 of the Illinois Viatical Settlements Act and in the Illinois Department of Insurance Bulletin 2010-03.**

***** New York shall satisfy clause (iii)(A) of the definition of "Qualified State" with respect to a Life Settlement Provider that is not licensed as a life settlement provider in New York if and only if the Life Settlement Provider (i) was lawfully transacting life settlement business in New York prior to the effective date of the New York Life Settlement Act, (ii) has filed its life settlement provider license application with the New York State Insurance Department, (iii) has complied, and continues to comply, with the various requirements and procedures outlined in Section 21 of the New York Life Settlement Act, pending review and approval of its life settlement provider license application, (iv) is listed on the New York State Insurance Department's official website list of entities that may lawfully operate as life settlement providers in New York and (v) has not withdrawn its life settlement provider license application or had such application denied.**

ANNEX V TO
CONSENT AND AMENDMENT NO. 1

SCHEDULE VII TO
CREDIT AND SECURITY
AGREEMENT

LIST OF UNREGULATED STATES

Alabama
Arizona
Delaware
District of Columbia
Hawaii
Massachusetts
Michigan
Missouri
New Mexico
South Carolina
South Dakota
Wyoming

ANNEX VI TO
CONSENT AND AMENDMENT NO. 1

SCHEDULE VIII TO
CREDIT AND SECURITY
AGREEMENT

LIFE SETTLEMENT PROVIDERS

1. GWG Life Settlements, LLC

2. Magna Life Settlements, Inc.

Exhibit 10.3

EXECUTION COPY

CONSENT AND AMENDMENT NO. 2

Dated as of June 10, 2011

in relation to

CREDIT AND SECURITY AGREEMENT

Dated as of July 15, 2008

THIS CONSENT AND AMENDMENT NO. 2 (this "*Amendment*") dated as of June 10, 2011, is entered into by and among GWG DLP FUNDING II, LLC, a Delaware limited liability company, as a Borrower ("*GWG DLP*"), UNITED LENDING SPV, LLC, a Delaware limited liability company, as a Borrower ("*United Lending SPV*" and, together with GWG DLP, the "*Borrowers*"), GWG LIFE SETTLEMENTS, LLC, a Delaware limited liability company, as a Seller and the Life Settlement Master Servicer ("*GWG Life Settlements*"), UNITED LENDING, LLC, a Delaware limited liability company, as a Seller and the Premium Finance Master Servicer ("*United Lending*" and, together with GWG Life Settlements, the "*Master Servicers*"), OPPORTUNITY BRIDGE FUNDING, LLC, as a Seller ("*OBF*"), GWG HOLDINGS, LLC, a Delaware limited liability company, as the Performance Guarantor ("*GWG Holdings*"), AUTOBAHN FUNDING COMPANY LLC, a Delaware limited liability company, as the Lender (the "*Lender*"), and DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, as the Agent (the "*Agent*").

PRELIMINARY STATEMENTS

A. Reference is made to the Credit and Security Agreement dated as of July 15, 2008 among the Borrowers, the Master Servicers, OBF, GWG Holdings, the Lender and the Agent, as amended by Consent and Amendment No. 1 thereto ("*Amendment No. 1*") dated as of December 14, 2010 (as further amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

B. GWG Holdings has informed the Agent and the Lender that it intends to (i) convert from a Delaware limited liability company to a Delaware corporation pursuant to Title 8, Section 265 of the Delaware General Corporation Law (the "*Conversion*"), (ii) file a Form S-1 registration statement with the United States Securities and Exchange Commission (the "*SEC*") to register the offer and sale of GWG Holdings debt instruments under the Securities Act of 1933, as amended, and (iii) after the effectiveness of such S-1 registration statement, issue such SEC-registered debt instruments (the "*Holdings Debentures*"), the proceeds of which will, among other things, refinance some or all of the Life Notes issued by GWG Life Settlements.

C. GWG Holdings has requested that the Agent and Lender consent to the Conversion and waive the 30 day notice requirement under Section 5.02(a) of the Credit Agreement in connection therewith, and subject to the terms and conditions set forth herein, the Agent and Lender have agreed to give such consent and waiver.

D. In light of the proposed issuance of the Holdings Debentures, GWG Life Settlements no longer intends to file a registration statement for the Life Notes issued by GWG Life Settlements pursuant to Section 5 of the Securities Act of 1933, as amended.

E. The GWG Parties have requested that the Agent and Lender agree to modify the covenants in Section 4 of Amendment No. 1 and certain provisions of the Credit Agreement in order to reflect their intentions with respect to the Holdings Debentures and Life Notes.

F. The Agent and the Lender have agreed to make such modifications subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Consent.

1.1 Effective as of the Effective Date (as defined in Section 3 below), and subject to the Agent's receipt of each of the documents described in Section 1.2 below in form and substance satisfactory to the Agent, each of the Lender and the Agent hereby consents to the Conversion and waives the 30-day notice requirement in Section 5.02(a) of the Credit Agreement with respect to the Conversion.

1.2 The GWG Parties agree that upon the effectiveness of the Conversion, they shall cause to be delivered to the Agent the following documents, each in form and substance satisfactory to the Agent:

(1) opinions of counsel to GWG Holdings as so converted to a Delaware corporation (such converted entity being hereinafter referred to as "*GWG Holdings, Inc.*") that are substantially similar to those provided with respect to GWG Holdings (a) in paragraphs 1 through 3 of the opinion letter of Locke Lord Bissell & Liddell LLP dated July 15, 2008, delivered pursuant to the Credit Agreement and (b) in paragraphs 1 through 4 of the opinion letter of Ryan Kaplan, Chief Compliance Officer and Corporate Counsel to GWG Holdings dated July 15, 2008, delivered pursuant to the Credit Agreement;

(2) a certificate of the secretary of GWG Holdings, Inc. certifying (a) the certificate of incorporation of GWG Holdings, Inc. certified by the Secretary of State of Delaware, (b) the bylaws of GWG Holdings, Inc., (c) resolutions authorizing the Conversion and GWG Holdings, Inc.'s succession to the obligations of GWG Holdings under the Related Documents , (d) good standing certificates with respect to GWG Holdings, Inc. issued by the Secretary of the State of Delaware and the Secretary of State of Minnesota, (e) incumbency signatures of GWG Holdings, Inc. and

(f) that no action, litigation, arbitration, order, decree or other proceeding or investigation before any court or any other governmental agency or authority against GWG Holdings, Inc. is pending or overtly threatened by a written communication to GWG Holdings, Inc. which, if adversely determined, would have a Material Adverse Effect; and

(3) a reaffirmation of GWG Holdings, Inc.'s obligations under the Performance Guaranty and the other Related Documents to which it is a party in the form attached as Exhibit A hereto.

A failure to satisfy any of the provisions of this Section 1.2 will result in an immediate Event of Default under the Credit Agreement notwithstanding any cure or grace periods contained therein.

SECTION 2. Amendments. Effective as of the Effective Date, the Credit Agreement is hereby amended as follows:

2.1 The definitions of "Change of Control", "Related Documents" and "Subordinated Indebtedness" set forth in Section 1.01 of the Credit Agreement are amended and restated in their entirety as follows:

"*Change of Control*" means the occurrence of any of the following: (i) GWG Life Settlements, LLC shall cease to own, free and clear of all Adverse Claims, all of the outstanding Capital Stock of, and voting rights with respect to, GWG DLP Funding II, LLC, (ii) United Lending, LLC shall cease to own, free and clear of all Adverse Claims, all of the outstanding Capital Stock of, and voting rights with respect to, United Lending SPV, LLC, (iii) the Performance Guarantor shall cease to own, free and clear of all Adverse Claims, all of the outstanding Capital Stock of, and voting rights with respect to, the Sellers, (iv) the Performance Guarantor merges or consolidates with any other Person and after giving effect to such merger or consolidation, the Performance Guarantor is not the surviving entity, or (v) any event or condition occurs which results in any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a person or group that owns the majority of the Capital Stock of the Performance Guarantor as of the Closing Date becoming or obtaining rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding Capital Stock of GWG Holdings.

"*Related Documents*" means, collectively, this Agreement, the Fee Letter, the Sale and Servicing Agreement, the Life Settlement Servicing Agreement, the Performance Guaranty, the Backup Servicing Agreement, the Trust Agreement, each Trust Certificate, the Titling Trust Security Agreement, each Purchase and Sale Agreement, each Assignment, the Collateral Account Agreement, each Deposit Account Control Agreement, each Eligible Escrow Agreement and all other instruments, documents and agreements executed in connection with any of the foregoing. The Related Documents executed by any party are referred to herein as "such party's Related Documents," "its Related Documents" or by a similar expression.

"*Subordinated Indebtedness*" means (a) the GWG Party Debentures, if and only if the aggregate outstanding principal balance of all GWG Party Debentures with a maturity date earlier than the Scheduled Program Maturity Date, together with accrued and unpaid interest thereon, does not at any time exceed $100,000,000 (or such higher amount as is consented to by the Agent in writing), and (b) any other Indebtedness of a GWG Party which (i) matures not earlier than the date that is one year after the Scheduled Program Maturity Date and (ii) has been subordinated to the payment of the obligations of such GWG Party under the Related Documents, as evidenced by a written subordination agreement in form and substance reasonably satisfactory to the Agent.

2.2 Section 1.01 of the Credit Agreement is amended to add the following new definitions of "Capital Stock", "GWG Party Debenture", "GWG Party Debt Issuance Agreement", "GWG Party Debt Prospectus", "Holdings Debenture" and "SEC" in the appropriate alphabetical order:

"*Capital Stock*" of any Person means any and all shares, interests, rights to purchase, warrants, options, contingent share issuances, economic membership interests, limited liability company interests, participations or other equivalents of or interest in equity (however designated) of such Person.

"*GWG Party Debenture*" means any of (i) a Life Note (ii) a Holdings Debenture or (iii) any other note, debenture or other evidence of indebtedness issued by a GWG Party (other than a Borrower), in each case as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with their terms and the terms of this Agreement.

"*GWG Party Debt Issuance Agreement*" means any of (i) the Note Issuance and Security Agreement and (ii) any other indenture or other issuance agreement for the issuance of GWG Party Debentures, in each case as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with its terms and the terms of this Agreement.

"*GWG Party Debt Prospectus*" means any of (i) the Life Notes Prospectus and (ii) any other registration statement, prospectus or offering document with respect to GWG Party Debentures, in each case as the same may be supplemented or otherwise modified or replaced from time to time in accordance with the terms of this Agreement.

"*Holdings Debenture*" means any SEC-registered debt instrument issued by the Performance Guarantor from time to time, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with its terms and the terms of this Agreement.

"*SEC*" means the United States Securities and Exchange Commission.

2.3 Subsection (ff) of Section 4.01 of the Credit Agreement is amended and restated in its entirety as follows:

(ff) ***GWG Party Debt Prospectuses***. Each GWG Party Prospectus is true and accurate in all material respects, on the date as of which such information is stated and does not and will not contain any material misstatement of fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

2.4 Section 5.01(a) of the Credit Agreement is amended to re-number subsection (ix) thereof as subsection (x) and to insert the following new clause (ix) in the appropriate numerical order as follows:

(ix) ***GWG Party Debt Reporting***. Concurrently with the delivery of the monthly report pursuant to subsection (iii) above with respect to each calendar month beginning with the month of December 2010, and until the Final Payout Date, the GWG Parties shall provide to the Agent a status report concerning the GWG Party Debentures as of the end of such month certified by a Responsible Officer of each of the GWG Parties, which report shall include (a) the number of, aggregate principal balance of and aggregate accrued and unpaid interest on, the outstanding GWG Party Debentures as of such month end (both in the aggregate and separately by issuer), (b) the number of, aggregate principal balance of and aggregate accrued and unpaid interest on, the outstanding Life Notes with stated maturities prior to the

Scheduled Program Maturity Date as of such month end, (c) a statement that none of the GWG Parties is an "investment company" within the meaning of the Investment Company Act of 1940, and (d) such other information as may be reasonably requested by the Agent from time to time. The GWG Parties shall promptly notify the Agent of the filing of any registration statement with respect to the GWG Party Debentures, and of the withdrawal of any such registration statement. In addition, the GWG Parties shall deliver to the Agent promptly (and in any event within one (1) Business Day) after their receiving the same, a copy of each comment letter or other correspondence received from the SEC or any other Governmental Authority relating to the GWG Party Debentures or the status of the GWG Parties for purposes of the Investment Company Act of 1940.

2.5 Subsection (h) of Section 5.02 of the Credit Agreement is amended and restated in its entirety as follows:

(h) ***Indebtedness***. None of the Performance Guarantor, the Sellers or the Borrowers shall create, incur, guarantee, assume or suffer to exist any Indebtedness or other liabilities, whether direct or contingent, other than (i) as a result of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) the incurrence of obligations under the Related Documents, (iii) the incurrence of operating expenses in the ordinary course of business (which, in the case of the Borrowers, shall be of the type otherwise contemplated in Section 5.01(k) of this Agreement) and (iv) solely in the case of a Seller and the Performance Guarantor, Subordinated Indebtedness; provided, however, that upon receipt by the Agent of the "1940 Act Opinion" pursuant to, and as defined in, Section 4.1 of Consent and Amendment No. 2 to this Agreement dated as of June 10, 2011, this Section 5.02(h) shall no longer apply to Indebtedness or other liabilities of the Performance Guarantor.

2.6 Subsection (o) of Section 5.02 of the Credit Agreement is amended and restated in its entirety as follows:

(o) ***GWG Party Debt***. The GWG Parties will not, without the prior written consent of the Agent and the Lender (i) make any payments in respect of outstanding GWG Party Debentures or cause the issuance of any additional GWG Party Debentures, if at the time of such proposed payment or issuance an Event of Default, Potential Event of Default or Termination Event exists or would result therefrom, (ii) issue any GWG Party Debentures other than Life Notes issued by GWG Life Settlements pursuant to the Note Issuance and Security Agreement, unless and until the Agent and the Lender have had a reasonable opportunity

to review the related GWG Party Debt Issuance Agreement and related GWG Party Debt Prospectus and have consented to such issuance, such consent not to be unreasonably withheld, (iii) issue or permit the transfer of any GWG Party Debenture except in accordance with the terms and conditions of the applicable GWG Party Debt Issuance Agreement and in a manner consistent with the disclosures made in the applicable GWG Party Debt Prospectus including, without limitation, in each case the transfer restrictions therein or (iv) permit any GWG Party Debt Issuance Agreement, GWG Party Debt Prospectus or GWG Party Debentures to be amended, supplemented or otherwise modified except for amendments, supplements and other modifications that (I) are necessary to comply with changes in applicable securities laws for which the Agent is given prior or concurrent written notice or (II) after receipt by the Agent of the "1940 Act Opinion" pursuant to, and as defined in, Section 4.1 of Consent and Amendment No. 2 to this Agreement dated as of June 10, 2011, with respect to Holdings Debentures, do not have a Material Adverse Effect.

SECTION 3. Conditions Precedent. This Amendment shall become effective as of the date first written above (the "*Effective Date*"), subject to the condition that the Agent shall have confirmed its receipt of:

(i) a copy of this Amendment duly executed by the Borrowers, the Master Servicers, OBF, GWG Holdings, the Lender and the Agent; and

(ii) to the extent invoiced, all fees and expenses due and payable on or prior to the date hereof in connection with this Amendment.

SECTION 4. Additional Covenants Relating to the GWG Party Debt. The GWG Parties are hereby released from the covenants set forth in Section 4 of Amendment No. 1, and such covenants are replaced with those set forth in this Section 4. A failure to satisfy any of the provisions of this Section 4 will result in an immediate Event of Default under the Credit Agreement notwithstanding any cure or grace periods contained therein.

4.1 On or prior to June 14, 2012, the Borrowers shall deliver to the Agent and the Lender an opinion of counsel acceptable to the Agent and the Lender, in form and substance satisfactory to the Agent and the Lender, concluding that, when taking into consideration the registration of GWG Holdings as an SEC reporting company and the securities issued by GWG Holdings and its Affiliates (including the Holdings Debentures and Life Notes), none of the GWG Parties is an "investment company" within the meaning of the Investment Company Act of 1940 (the "*1940 Act Opinion*").

4.2 Notwithstanding any provision of the Credit Agreement to the contrary, during the period beginning on the First Amendment Effective Date and ending on the earliest to occur of (i) the date on which the 1940 Act Opinion is delivered, (ii) the date on which any Interim Funding Trigger Event (as defined below) occurs or (iii) December

14, 2011, the Borrowers may not borrow, and the Lender shall not be required to make, any Advances under the Credit Agreement the proceeds of which shall be used to acquire Assets except for Advances in accordance with the terms and conditions of the Credit Agreement that in the aggregate for such period than do not exceed $30,000,000.

4.3 For purposes of the foregoing, "*Interim Funding Trigger Event*" shall mean any of the following:

(i) GWG Holdings fails to file a registration statement for the Holdings Debentures (the "*Holdings Debentures Registration Statement*") pursuant to Section 5 of the United States Securities Act of 1933, as amended, fails to deliver a courtesy copy of the Holdings Debentures Registration Statement to the Division of Investment Management of the United States Securities and Exchange Commission (the "SEC"), or fails to deliver to the Agent a copy of the Holdings Debentures Registration Statement, together with a copy of written correspondence evidencing delivery of the Holdings Debentures Registration Statement to the Division of Investment Management of the SEC, in each case on or prior to June 14, 2011;

(ii) GWG Holdings withdraws its filing of the Holdings Debentures Registration Statement; or

(iii) any change in, or in the interpretation of, any law, rule or regulation occurs, or any GWG Party receives a comment letter or other correspondence (written or oral) from the SEC or any other Governmental Authority, in each case the result of which is that it reasonably appears that the SEC or such other Governmental Authority are of the view that one or more GWG Parties would be required to register as an investment company under the Investment Company Act of 1940 when considering the existence of the Life Notes or GWG Holdings' note issuance program as proposed in the Holdings Debentures Registration Statement.

4.4 If the 1940 Act Opinion has not been delivered to the Agent and the Lender on or prior to December 14, 2011, notwithstanding any provision of the Credit Agreement to the contrary, the Borrowers may not borrow, and the Lender shall not be required to make, any Advances under the Credit Agreement the proceeds of which shall be used to acquire Assets on or after such date, unless and until the 1940 Act Opinion is delivered in accordance with Section 4.1 above.

4.5 The provisions of Sections 4.2 through 4.4 shall not limit the Borrowers' ability to borrow Advances the proceeds of which shall be used to either (A) fund payments of premium due under a Purchased Policy or a Policy securing a Defaulted Asset included in the Collateral or (b) make periodic payments of Interest and Facility Fees due and payable under the Credit Agreement, in each case in accordance with the terms and conditions of the Credit Agreement.

SECTION 5. Representations and Warranties. Each of the GWG Parties party hereto hereby represents and warrants that (a) this Amendment constitutes its legal, valid and binding obligation, enforceable against such party in accordance with its terms, (b) before and after giving effect to this Amendment, the representations and warranties of each such party, respectively, set forth in Credit Agreement and the other Related Documents are true and correct in all material respects with the same effect as if made on the date hereof and (c) no event has occurred and is continuing that constitutes an Event of Default, Potential Event of Default or Termination Event.

SECTION 6. Fees and Expenses. The Borrowers shall jointly and severally pay to the Agent and the Lender on demand all reasonable out-of-pocket costs and expenses in connection with the preparation, execution and delivery of this Amendment and any of the other instruments, documents and agreements to be executed and/or delivered in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel to the Agent and the Lender with respect thereto.

SECTION 7. Reference to and Effect on the Credit Agreement.

7.1 Upon the effectiveness of this Amendment, (a) each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby, (b) each reference to the Credit Agreement in any other Related Document or any other document, instrument or agreement executed and/or delivered in connection therewith, shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby and (c) this Amendment shall constitute a Related Document for all purposes under the Credit Agreement.

7.2 Except as specifically provided herein, the Credit Agreement, the other Related Documents and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

7.3 Except as specifically provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent or the Lender under the Credit Agreement, the other Related Documents or any other document, instrument, or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein.

SECTION 8. Reaffirmation by Performance Guarantor. The Performance Guarantor hereby (i) reaffirms all of its obligations under the Performance Guaranty and (ii) acknowledges and agrees that (A) the Performance Guaranty shall remain in full force and effect and (B) the Performance Guaranty is hereby ratified and confirmed, in each case after giving effect to this Amendment.

SECTION 9. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES).

SECTION 10. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of this Amendment by facsimile or portable document format (PDF) shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 11. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first written above.

GWG DLP FUNDING II, LLC, as a Borrower

By _____
Name:
Title:

UNITED LENDING SPV, LLC, as a Borrower

By _____
Name:
Title:

GWG LIFE SETTLEMENTS, LLC, as a Seller and Life Settlement Master Servicer

By _____
Name:
Title:

UNITED LENDING, LLC, as a Seller and Premium Finance Master Servicer

By _____
Name:
Title:

OPPORTUNITY BRIDGE FUNDING, LLC, as a Seller

By _____
Name:
Title:

GWG HOLDINGS, LLC, as Performance Guarantor

By _____
Name:
Title:

DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, as Agent

By _____
Name: Jayan Krishnan
Title: Vice President

By _____
Name: Simon Buckley
Title: Vice President

AUTOBAHN FUNDING COMPANY LLC, as Lender

By: DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, its Attorney-in-Fact

By _____
Name: Jayan Krishnan
Title: Vice President

By _____
Name: Simon Buckley
Title: Vice President

EXHIBIT A

REAFFIRMATION OF GUARANTY

[DATE]

DZ Bank AG Deutsche Zentral-Genossenschaftsbank
609 Fifth Avenue
New York, New York 10017-1021

Autobahn Funding Company LLC
c/o DZ Bank AG Deutsche Zentral-Genossenschaftsbank
609 Fifth Avenue
New York, New York 10017-1021

We refer to that certain (i) Credit and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), dated as of July 15, 2008, by and among by and among GWG DLP Funding II, LLC, as a Borrower ("*GWG DLP*"), United Lending SPV, LLC, a Delaware limited liability company, as a Borrower ("*United Lending SPV*" and, together with GWG DLP, the "*Borrowers*"), GWG Life Settlements, LLC, a Delaware limited liability company, as a Seller and the Life Settlement Master Servicer ("*GWG Life Settlements*"), United Lending, LLC, a Delaware limited liability company, as a Seller and the Premium Finance Master Servicer ("*United Lending*" and, together with GWG Life Settlements, the "*Master Servicers*"), Opportunity Bridge Funding, LLC, as a Seller ("*OBF*"), GWG Holdings, Inc. (successor-in-interest to GWG Holdings, LLC), a Delaware corporation, as the Performance Guarantor ("*GWG Holdings*"), Autobahn Funding Company LLC, as lender (the "*Lender*"), and DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as agent (the "*Agent*"), (ii) the Performance Guaranty dated as of July 15, 2008 (as amended or otherwise modified from time to time, the "*Performance Guaranty*") by the Performance Guarantor in favor of the Borrowers, the Lender and the Agent. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement.

On the date hereof, the Performance Guarantor converted from a Delaware limited liability company to a Delaware corporation pursuant to Title 8, Section 265 of the Delaware General Corporation Law on the date hereof (the "*Conversion*"). The Performance Guarantor, as so converted to a Delaware corporation, hereby (i) reaffirms all of its obligations under the Performance Guaranty and the other Related Documents to which it is a party and (ii) acknowledges and agrees that (A) the Performance Guaranty and such other Related Documents remain in full force and effect and are binding upon it after giving effect to the Conversion and (B) the Performance Guaranty and such other Related Documents are hereby ratified and confirmed.

[Signature page to follow]

GWG HOLDINGS, INC.

By: _____
Name:
Title:

Signature Page to Reaffirmation of Performance Guaranty

Exhibit 10.4

EXECUTION COPY

PERFORMANCE GUARANTY

This PERFORMANCE GUARANTY (this "Guaranty") is made as of the 15th day of July, by GWG Holdings, LLC, a Delaware limited liability company (the "Guarantor"), in favor of GWG DLP Funding II, LLC, a Delaware limited liability company (the "Life Settlement Buyer" or a "Buyer"), United Lending SPV, LLC, a Delaware limited liability company (the "Premium Finance Buyer" or a "Buyer" and, together with the Life Settlement Buyer, the "Buyers"), Autobahn Funding Company LLC, as lender (the "Lender"), and DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as agent (the "Agent"), in connection with (i) that certain General Sale and Servicing Agreement, dated as of July 15, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "General Sale and Servicing Agreement"), by and among the Life Settlement Buyer, as a purchaser, the Premium Finance Buyer, as a purchaser, GWG Life Settlements, LLC, a Delaware limited liability company, as a seller and the life settlement master servicer (the "Life Settlement Seller" or a "Seller"), and United Lending, LLC, a Delaware limited liability company, as a seller and the premium finance master servicer (the "Premium Finance Seller" or a "Seller" and, together with the Life Settlement Seller, the "Sellers"), and (ii) that certain Life Settlement Servicing Agreement, dated as of July 15, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Life Settlement Servicing Agreement"), by and among the Life Settlement Seller, as master servicer, Wells Fargo Bank, N.A., as servicer, the Agent, the Life Settlement Buyer, as purchaser, and GWG DLP Trust II, as titling trust.

1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the General Sale and Servicing Agreement or, if not defined therein, in the Life Settlement Servicing Agreement or, if not defined therein, in the Credit Agreement referred to in the General Sale and Servicing Agreement. In addition, the following terms have the following meanings (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Guaranteed Obligations" means all present and future liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of each Seller, arising under or in connection with the General Sale and Servicing Agreement, the Life Settlement Servicing Agreement or any other Related Document to which either Seller is or becomes a party or the transactions contemplated hereby or thereby and shall include, without limitation, all liability for costs, expenses, indemnifications and all other amounts due or to become due from either Seller under the Related Documents, including, without limitation any such amounts that accrue after the commencement of a bankruptcy, insolvency or similar proceeding (in each case whether or not allowed as a claim in such proceeding).

2. Guaranty. For value received and in consideration of the transactions contemplated by the Related Documents, the Guarantor unconditionally guarantees for the benefit of the Buyers and the Secured Parties the full and prompt payment when due of all the Guaranteed Obligations. In addition, the Guarantor shall pay to the each Buyer, the Agent and

the Lender on demand and in immediately available funds an amount equal to all reasonable fees, costs and expenses (including, without limitation, all court costs and all reasonable attorneys' and paralegals' fees, costs and expenses) paid or incurred by the applicable Buyer, the Agent or the Lender in: (1) endeavoring to collect all or any part of the Guaranteed Obligations from, or in prosecuting any action against, the Guarantor relating to this Guaranty or any other Related Document or the transactions contemplated hereby or thereby; (2) taking any action with respect to any security or collateral securing the Guaranteed Obligations or the Guarantor's obligations hereunder; or (3) preserving, protecting or defending the enforceability of, or enforcing, this Guaranty or its rights hereunder. In addition, the Guarantor further agrees to pay to each Buyer, the Agent and the Lender, on demand and in immediately available funds, interest on any amount due hereunder, from the date of demand under this Guaranty until paid in full at the Default Funding Rate. The Guarantor hereby agrees that this Guaranty is an absolute guaranty of payment and is not a guaranty of collection.

3. Obligations Unconditional. The Guarantor hereby agrees that its obligations under this Guaranty shall be unconditional, irrespective of:

(i) the validity, enforceability, avoidance or subordination of any of the Guaranteed Obligations or any of the other Related Documents;

(ii) the absence of any attempt by, or on behalf of, either Buyer, the Lender or the Agent to collect, or to take any other action to enforce, all or any part of the Guaranteed Obligations whether from or against either Seller, any other guarantor of the Guaranteed Obligations or any other party;

(iii) the election of any remedy by, or on behalf of, either Buyer, the Lender or the Agent with respect to all or any part of the Guaranteed Obligations;

(iv) the waiver, amendment, consent, extension, forbearance or granting of any indulgence by, or on behalf of, either Buyer, the Lender or the Agent with respect to any provision of any of the other Related Documents;

(v) the failure of either Buyer, the Lender or the Agent to take any steps to perfect and maintain its security interest in, or to preserve its rights to, any security or collateral for the Guaranteed Obligations or any rights as against any other guarantor of the Guaranteed Obligations or any release of any collateral security for or release of any other guarantor in respect of the Guaranteed Obligations;

(vi) the election by, or on behalf of, either Buyer, the Lender or the Agent, in any proceeding instituted under Chapter 11 of Title 11 of the United States Code (11 U.S.C. 101 et seq.) (the "Bankruptcy Code"), of the application of Section 1111(b)(2) of the Bankruptcy Code;

(vii) any borrowing or grant of a security interest by either Seller, as a debtor-in-possession, under Section 364 of the Bankruptcy Code;

(viii) the disallowance, under Section 502 of the Bankruptcy Code, of all or any portion of the claims of either Buyer, the Lender or the Agent for repayment of all or any part of the Guaranteed Obligations, including any amount due hereunder;

(ix) any actual or alleged fraud by any party (other than the Lender or the Agent); or

(x) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of either Seller or a guarantor (other than the defense of payment or performance).

4. Enforcement; Application of Payments. Upon the occurrence of a Termination Event (as defined in the Credit Agreement), the Agent may proceed directly and at once, without notice, against the Guarantor to obtain performance of and to collect and recover the full amount, or any portion, of the Guaranteed Obligations, without first proceeding against either Seller, any other guarantor or any other party, or against any security or collateral for the Guaranteed Obligations. Subject only to the terms and provisions of the Credit Agreement, the Agent shall have the exclusive right to determine the application of payments and credits, if any, from the Guarantor, the Sellers, any other guarantor or from any other party on account of the Guaranteed Obligations or any other liability of the Guarantor to the Secured Parties.

5. Waivers. Except as otherwise expressly set forth in the Credit Agreement, (i) the Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of receivership or bankruptcy of either Seller, protest or notice with respect to the Guaranteed Obligations, all setoffs and counterclaims and all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, the benefits of all statutes of limitation, and all other demands whatsoever (and shall not require that the same be made on the applicable Seller as a condition precedent to the Guarantor's obligations hereunder), and covenants that this Guaranty will not be discharged, except by complete payment (in cash) of the Guaranteed Obligations. Except as otherwise expressly set forth in the Credit Agreement, the Guarantor further waives all notices of the existence, creation or incurring of new or additional Guaranteed Obligations arising from the transactions contemplated by the Related Documents, and also waives all notices that the principal amount, or any portion thereof, and/or any interest on any instrument or document evidencing all or any part of the Guaranteed Obligations is due, notices of any and all proceedings to collect from the maker, any endorser or any other guarantor of all or any part of the Guaranteed Obligations, or from any other party, and, to the extent permitted by law, notices of exchange, sale, surrender or other handling of any security or collateral given to the Agent to secure payment of all or any part of the Guaranteed Obligations.

(ii) Each of the Agent and each Buyer is hereby authorized, without notice or demand and without affecting the liability of the Guarantor hereunder, from time to time, (a) with the agreement of each Seller (if each Buyer and the Agent do not otherwise have the unilateral right to renew, extend, accelerate or otherwise change), to renew, extend, accelerate or otherwise change the time for payment of, or other terms relating to, all or any part of the Guaranteed Obligations, or to otherwise modify, amend or change the terms of any of the Related Documents; (b) to accept partial payments on all or any part of the Guaranteed

Obligations; (c) to take and hold security or collateral for the payment of all or any part of the Guaranteed Obligations, this Guaranty, or any other guaranties of all or any part of the Guaranteed Obligations or other liabilities of either Seller, (d) to exchange, enforce, waive and release any such security or collateral; (e) to apply such security or collateral and direct the order or manner of sale thereof as in its discretion it may determine; and (f) to settle, release, exchange, enforce, waive, compromise or collect or otherwise liquidate all or any part of the Guaranteed Obligations, this Guaranty, any other guaranty of all or any part of the Guaranteed Obligations, and any security or collateral for the Guaranteed Obligations or for any such guaranty. Any of the foregoing may be done in any manner, without affecting or impairing the obligations of the Guarantor hereunder.

6. Setoff. At any time after all or any part of the Guaranteed Obligations have become due and payable (by acceleration or otherwise), the Agent may setoff and apply toward the payment of all or any part of the Guaranteed Obligations any moneys, credits or other property belonging to the Guarantor, at any time held by or coming into the possession of the Agent or its affiliates.

7. Financial Information. The Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of each Seller and any and all endorsers and/or other guarantors of all or any part of the Guaranteed Obligations, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations, or any part thereof, that diligent inquiry would reveal, and the Guarantor hereby agrees that none of the Lender, the Agent nor either Buyer shall have any duty to advise the Guarantor of information known to it regarding such condition or any such circumstances. In the event any of the Lender, the Agent or either Buyer, in its sole discretion, undertakes at any time or from time to time to provide any such information to the Guarantor, none of the Lender, the Agent nor either Buyer shall be under any obligation (i) to undertake any investigation not a part of its regular business routine, (ii) to disclose any information which either Buyer, the Lender or the Agent, pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (iii) to make any other or future disclosures of such information or any other information to the Guarantor.

8. No Marshalling; Reinstatement. The Guarantor consents and agrees that none of the Lender, the Agent, either Buyer nor any party acting for or on behalf of the Lender, the Agent or either Buyer shall be under any obligation to marshall any assets in favor of the Guarantor or against or in payment of any or all of the Guaranteed Obligations. The Guarantor further agrees that, to the extent that either Seller or any other guarantor of all or any part of the Guaranteed Obligations makes a payment or payments to either Buyer, the Lender, the Agent or any other Secured Party, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to the applicable Seller, such other guarantor or any other party, or their respective estates, trustees, receivers or any other party, including, without limitation, the Guarantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, the part of the Guaranteed Obligations which has been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the time immediately preceding such initial payment, reduction or satisfaction.

9. Subrogation. Until the Guaranteed Obligations have been paid in full, the Guarantor (i) shall have no right of subrogation with respect to such Guaranteed Obligations and (ii) waives any right to enforce any remedy which either Buyer, the Lender or the Agent now has or may hereafter have against the Sellers, any endorser or any guarantor of all or any part of the Guaranteed Obligations or any other party, and the Guarantor waives any benefit of, and any right to participate in, any security or collateral given to either Buyer or the Agent to secure the payment or performance of all or any part of the Guaranteed Obligations or any other liability of either Seller to either Buyer, the Lender or the Agent.

10. Subordination. (i) The Guarantor agrees that any and all claims of the Guarantor against either Seller, any endorser and any other guarantor of all or any part of the Guaranteed Obligations, or against any of their respective properties (collectively, the "Subordinated Indebtedness"), shall be subordinate and subject in right of payment to the prior payment, in full and in cash (or as otherwise agreed by the Agent), of all Guaranteed Obligations; provided, however, that prior to the occurrence of any Event of Default, the Guarantor shall have the right to ask, demand, sue for, take or receive any payment or distribution in respect of the Subordinated Indebtedness from either Seller. Notwithstanding any right of the Guarantor to ask, demand, sue for, take or receive any payment in respect of the Subordinated Indebtedness from either Seller, all rights, liens and security interests of the Guarantor, whether now or hereafter arising and howsoever existing, in any asset of a Seller (whether constituting part of the security or collateral given to the Agent to secure payment of all or any part of the Guaranteed Obligations or otherwise) shall be and hereby are subordinated to the rights of each Buyer, the Lender and the Agent in such asset.

(ii) From and after the occurrence of any Event of Default:

(a) The Guarantor shall have no right to possession of any asset of either Seller or to foreclose upon any such asset, whether by judicial action or otherwise, unless and until all of the Guaranteed Obligations shall have been fully paid and satisfied and all financing arrangements between each Buyer, the Agent and the Lender have been terminated.

(b) If all or any part of the assets of either Seller, or the proceeds thereof, are subject to any distribution, division or application to the creditors of the applicable Seller, whether partial or complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding, or if the business of either Seller is dissolved or if substantially all of the assets of either Seller are sold, then, and in any such event, any payment or distribution of any kind or character, either in cash, securities or other property, which shall be payable or deliverable upon or with respect to any of the Subordinated Indebtedness shall be paid or delivered directly to the Agent for application to payments due hereunder.

(c) The Guarantor hereby irrevocably authorizes and empowers the Agent (as a present grant, effective the date hereof and subject only to the condition that an Event of Default exists) in respect of the Subordinated Indebtedness to demand, sue for, collect and receive every payment or distribution thereon and give acquittance

therefor and to make and present for and on behalf of the Guarantor such proofs of claim and take such other action, in the Agent's own name or in the name of the Guarantor or otherwise, as the Agent may deem necessary or advisable for the enforcement of this Guaranty. The Agent may vote such proofs of claim in any such proceeding, receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued and apply the same on account of any unpaid Guaranteed Obligation.

(d) Should any payment, distribution, security or instrument or proceeds of any of the foregoing be received by the Guarantor upon or with respect to the Subordinated Indebtedness following the occurrence of an Event of Default and prior to the satisfaction of all of the Guaranteed Obligations and the termination of all financing arrangements between each Buyer and the Lender, the Guarantor shall (to the extent of unpaid Guaranteed Obligations) receive and hold the same in trust, as trustee, for the benefit of the Agent and shall forthwith deliver the same to the Agent, in precisely the form received (except for the endorsement or assignment of the Guarantor where necessary), for application to any of the Guaranteed Obligations, due or not due, and, until so delivered, the same shall be held in trust by the Guarantor as the property of the Agent. If the Guarantor fails to make any such endorsement or assignment to the Agent, the Agent or any of its officers or employees are hereby irrevocably authorized to make the same.

(iii) The Guarantor agrees that until the Guaranteed Obligations have been paid in full (either in cash or by way of setoff under Section 6) and satisfied (except for contingent indemnification obligations) and all financing arrangements between each Buyer and the Lender have been terminated, the Guarantor will not assign or transfer to any other party any claim the Guarantor has or may have against either Seller, without the prior written consent of the Agent.

11. Enforcement; Amendments; Waivers. No delay on the part of either Buyer, the Lender or the Agent in the exercise of any right or remedy arising under this Guaranty, the Credit Agreement, any of the other Related Documents or otherwise with respect to all or any part of the Guaranteed Obligations, the Collateral or any other guaranty of or security for all or any part of the Guaranteed Obligations shall operate as a waiver thereof, and no single or partial exercise by either Buyer, the Lender or the Agent of any such right or remedy shall preclude any further exercise thereof. No modification or waiver of any of the provisions of this Guaranty shall be binding upon either Buyer, the Lender or the Agent, except as expressly set forth in a writing duly signed and delivered by the applicable Buyer, the Lender or the Agent (as applicable). Failure by either Buyer, the Lender or the Agent at any time or times hereafter to require strict performance by a Seller, any other guarantor of all or any part of the Guaranteed Obligations or any other party of any of the provisions, warranties, terms and conditions contained in any of the Related Documents now or at any time or times hereafter executed by such parties and delivered to either Buyer, the Lender or the Agent shall not waive, affect or diminish any right of the Buyer, the Lender or the Agent at any time or times hereafter to demand strict performance thereof, and such right shall not be deemed to have been waived by any act or knowledge of either Buyer, the Lender, the Agent, or their respective agents, officers or employees, unless such waiver is contained in an instrument in writing, directed and delivered to the applicable Seller, specifying such waiver, and is signed by the Lender or the Agent (as

applicable). No waiver of any Event of Default by either Buyer, the Lender or the Agent shall operate as a waiver of any other Event of Default or the same Event of Default on a future occasion, and no action by either Buyer, the Lender or the Agent permitted hereunder shall in any way affect or impair either Buyer's, the Lender's or the Agent's rights and remedies or the obligations of the Guarantor under this Guaranty. Any determination by a court of competent jurisdiction of the amount of any principal and/or interest owing by either Seller to the Lender or the Agent shall be conclusive and binding on the Guarantor irrespective of whether the Guarantor was a party to the suit or action in which such determination was made.

12. Effectiveness; Termination. This Guaranty shall become effective upon its execution by the Guarantor and shall continue in full force and effect and may not be terminated or otherwise revoked until the Final Payout Date. If, notwithstanding the foregoing, the Guarantor shall have any right under applicable law to terminate or revoke this Guaranty, the Guarantor agrees that such termination or revocation shall not be effective until a written notice of such revocation or termination, specifically referring hereto, signed by the Guarantor, is actually received by the Agent. Such notice shall not affect the right and power of the Lender or the Agent to enforce rights arising prior to receipt thereof by the Agent. If the Lender grants loans or takes other action after the Guarantor terminates or revokes this Guaranty but before the Agent receives such written notice, the rights of the Agent with respect thereto shall be the same as if such termination or revocation had not occurred.

13. Successors and Assigns. This Guaranty shall be binding upon the Guarantor and upon its successors and assigns and shall inure to the benefit of each Buyer, the Lender and the Agent and their respective successors and assigns; all references herein to either Buyer, either Seller, to the Lender, to the Agent and to the Guarantor shall be deemed to include their respective successors and assigns; provided that the Guarantor may not assign any of its rights or obligations hereunder without the prior written consent of each Buyer, the Lender and the Agent. The successors of each Seller shall include, without limitation, its respective receivers, trustees, debtors-in-possession or successor trustees.

14. GOVERNING LAW. THIS GUARANTY WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

15. CONSENT TO JURISDICTION; COUNTERCLAIMS; FORUM NON CONVENIENS. (a) EXCLUSIVE JURISDICTION. EXCEPT AS PROVIDED IN SUBSECTION (b) OF THIS SECTION 15, EACH BUYER, THE AGENT, THE LENDER AND THE GUARANTOR AGREE THAT ALL DISPUTES BETWEEN THEM ARISING OUT OF OR RELATED TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS GUARANTY, WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED ONLY BY FEDERAL COURTS LOCATED IN NEW YORK, NEW YORK OR, TO THE EXTENT SUCH COURTS LACK JURISDICTION, STATE COURTS LOCATED IN NEW YORK, NEW YORK, BUT THE PARTIES ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK, NEW YORK.

(b) OTHER JURISDICTIONS. EACH OF THE LENDER, AGENT AND EACH BUYER SHALL HAVE THE RIGHT TO PROCEED AGAINST THE GUARANTOR OR ITS REAL OR PERSONAL PROPERTY IN A COURT IN ANY LOCATION TO ENABLE THE AGENT TO OBTAIN PERSONAL JURISDICTION OVER THE GUARANTOR OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE AGENT. THE GUARANTOR SHALL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT BY THE AGENT, EITHER BUYER OR THE LENDER ARISING OUT OF OR RELATING TO THIS GUARANTY.

(c) VENUE; FORUM NON CONVENIENS. EACH OF THE GUARANTOR, EACH BUYER, THE AGENT AND THE LENDER WAIVES ANY OBJECTION THAT IT MAY HAVE (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON FORUM NON CONVENIENS) TO THE LOCATION OF THE COURT IN WHICH ANY PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS SECTION 15.

16. SERVICE OF PROCESS. THE GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE GUARANTOR'S NOTICE ADDRESS SPECIFIED BELOW, SUCH SERVICE TO BECOME EFFECTIVE FIVE (5) DAYS AFTER SUCH MAILING.

17. WAIVER OF JURY TRIAL. EACH OF THE GUARANTOR, EACH BUYER, THE AGENT AND THE LENDER WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG EITHER BUYER, THE LENDER, THE AGENT OR THE GUARANTOR ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS GUARANTY OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH. ANY OF THE AGENT, THE GUARANTOR, EITHER BUYER OR THE LENDER MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS GUARANTY WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

18. Further Assurances. If the Guarantor fails to perform any of its obligations hereunder, the Agent may (but shall not be required to) perform, or cause performance of, such obligation; and the Agent's reasonable costs and expenses incurred in connection therewith shall be payable by the Guarantor.

19. Waiver of Bond. The Guarantor waives the posting of any bond otherwise required of the Agent or the Lender in connection with any judicial process or proceeding to enforce any judgment or other court order entered in favor of either Buyer, the Agent or the Lender, or to enforce by specific performance, temporary restraining order, or preliminary or permanent injunction, this Guaranty or any other agreement or document among any of the Agent, the Lender, the Guarantor or either Buyer.

20. Advice of Counsel. The Guarantor represents and warrants to each Buyer, the Agent and the Lender that he has discussed this Guaranty and, specifically, the provisions of Sections 14 through 19 hereof, with its lawyers.

21. Notices. All notices and other communications required or desired to be served, given or delivered hereunder shall be in writing or by a telecommunications device capable of creating a printed record and shall be addressed to the party to be notified as follows:

if to the Guarantor, at:

GWG Holdings, LLC
60 South Sixth Street, Suite 950
Minneapolis, MN 55402
Attention: Ryan Kaplan
Telecopy: 612-746-0445

if to the Buyers, at:

GWG DLP Funding II, LLC
60 South Sixth Street, Suite 950
Minneapolis, MN 55402
Attention: Ryan Kaplan
Telecopy: 612-746-0445

United Lending SPV, LLC
60 South Sixth Street, Suite 950
Minneapolis, MN 55402
Attention: Ryan Kaplan
Telecopy: 612-746-0445

if to the Lender, at:

Autobahn Funding Company LLC
c/o DZ BANK AG Deutsche
Zentral-Genossenschaftsbank
New York Branch
609 5th Avenue
New York, New York 10017-1021
Attention: Asset Securitization Group
Telecopy: (212) 745-1651

if to the Agent, at:

DZ BANK AG Deutsche
Zentral-Genossenschaftsbank
New York Branch
609 5th Avenue
New York, New York 10017-1021
Attention: Asset Securitization Group
Telecopy: (212) 745-1651

or, as to each party, at such other address as designated by such party in a written notice to the other party. All such notices and communications shall be deemed to be validly served, given or delivered (i) five (5) days following deposit in the United States mails, with proper postage prepaid; (ii) upon delivery thereof if delivered by hand to the party to be notified; (iii) upon delivery thereof to a reputable overnight courier service, with delivery charges prepaid; or (iv) upon confirmation of receipt thereof if transmitted by a telecommunications device.

22. Severability. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

23. Merger. This Guaranty represents the final agreement of the Guarantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, among any of the Agent, the Guarantor and the Lender.

24. Execution in Counterparts. This Guaranty may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Guaranty by facsimile shall be effective as delivery of a manually executed counterpart of this Guaranty.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Guaranty has been duly executed by the Guarantor as of the day and year first set forth above.

GWG HOLDINGS, LLC

By _____

Name:

Title: CEO

Acknowledged and agreed to
as of the date and year first above written

GWG DLP FUNDING II, LLC, as Life Settlement Buyer

By:_____
Name:
Title:

UNITED LENDING SPV, LLC, as Premium Finance Buyer

By:_____
Name:
Title:

AUTOBAHN FUNDING COMPANY LLC

By: DZ BANK AG DEUTSCHE
ZENTRAL-GENOSSENSCHAFTSBANK,
its Attorney-in-Fact

By: _____
Name: Christopher Tucker
Title: Vice President

By: _____
Name: Jeffrey Willner
Title: Assistant Vice President

DZ BANK AG DEUTSCHE
ZENTRAL-GENOSSENSCHAFTSBANK

By: _____
Name: Christopher Tucker
Title: Vice President

By: _____
Name: Jeffrey Willner
Title: Assistant Vice President

SECOND AMENDED AND RESTATED

NOTE ISSUANCE AND SECURITY AGREEMENT

NOVEMBER 15, 2010

among

GWG LIFE SETTLEMENTS, LLC,
as Borrower

NOTEHOLDERS PARTY HERETO,
as Lenders

LORD SECURITIES CORPORATION,
as Trustee

and

GWG LIFENOTES TRUST,
as Secured Party

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THIS SECOND AMENDED AND RESTATED NOTE ISSUANCE AND SECURITY AGREEMENT is made and entered into as of November __, 2010, among GWG LIFE SETTLEMENTS, LLC, a Delaware limited liability company (the "Borrower"), the note holders made party hereto as lenders (the "Lenders"), GWG LifeNotes Trust, a Minnesota trust ("GWG Trust") and Lord Securities Corporation, a Delaware corporation ("GWG Trustee").

W I T N E S S E T H:

WHEREAS, the Borrower desires that the Lenders extend financing to the Borrower on the terms and conditions set forth herein.

WHEREAS, the Lenders are willing to provide such financing on the terms and conditions set forth in this Agreement.

WHEREAS, the parties hereto were previously parties to that certain Amended and Restated Note Issuance and Security Agreement, dated May 9, 2009 (the "Prior Note Issuance and Security Agreement") and the Borrower and the GWG Trustee desire to enter into this Agreement to amend and restate in its entirety the Prior Note Issuance and Security Agreement

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Agreement and the other Transaction Documents, the following terms have the following meanings:

"Adverse Claim" means a lien, security interest, pledge, charge or encumbrance, or similar right or claim of any Person, other than liens in favor of the Master Collateral Agent and Liquidity Providers pursuant to the Transaction Documents.

"Affected Party" means each Lender, any permitted assignee of any Lender, and any holder of a participation interest in the rights and obligations of any Lender, the GWG Trust, and any Affiliate of any of the foregoing.

"Affiliate" means, with respect to any Person, any other Person that (i) directly or indirectly controls, is controlled by or is under common control with such Person or (ii) is an officer or director of such Person. A Person shall be deemed to be "controlled by" another Person if such other Person possesses, directly or indirectly, power (a) to vote 5% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing partners of such other Person, or (b) to direct or cause the direction of the management and policies of such other Person whether by contract or otherwise. The word "Affiliated" has a correlative meaning.

"Agreement" means this Second Amended and Restated Note Issuance and Security Agreement, as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Applicable Law" means, as to any Person or any matter, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing, in each case applicable to or binding upon such Person (or any of its property) or such matter, or to which such Person (or any of its property) or such matter is subject, including, without limitation, any laws relating to consumers and consumer protection, usury, truth-in-lending disclosure, equal credit opportunities and ERISA.

"Borrower" has the meaning set forth in the preamble.

"Business Day" means any day on which (a) commercial banks in New York City and Minneapolis, Minnesota are not authorized or required to be closed, and (b) in the case of a Business Day which relates to a Eurodollar Loan, dealings are carried on in the interbank eurodollar market.

"Calculation Date" means the fifteenth day of each calendar month (or if such day is not a Business Day, the next succeeding Business Day).

"Calculation Date Report" means the Calculation Date Report, substantially in the form of Exhibit C.

"Collateral" has the meaning set forth in Section 2.6.

"Collections" means, collectively, (a) all payments made by or on behalf of the Issuing Insurance Companies or any other Person in respect of the Insurance Policies, including without limitation, all death benefits, all withdrawals of cash surrender value and any proceeds of any other Collateral, whether in the form of cash, checks, wire transfers, electronic transfers or any other form of cash payment, in each case to the extent (and only to the extent) released to the Borrower in accordance with the DZ Bank Credit and Security Agreement or any other loan agreement with a Liquidity Provider, as applicable and (b) all proceeds from the sale of Collateral.

"Contestability Period" means the contractual right period within which the Issuing Insurance Company may contest the Insurance Policy.

"Conveyed Property" means all Eligible Life Insurance Policies owned by the Borrower or Master Trusts constituting Collateral.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, (iv) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such

Person, (vi) all obligations of such Person to purchase securities or other property which arise out of or in connection with the sale of the same or substantially similar securities or other property, (vii) all obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, (viii) all obligations of such Person in respect of swap, interest rate cap, hedging or similar agreements or arrangements and (ix) all Debt of others Guaranteed by such Person.

"Debt Coverage Ratio" shall have the meaning set forth in Section 2.1.

"Distribution Date" means the 10th day of each month (or if such day is not a Business Day, the next succeeding Business Day).

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"DZ Bank" means DZ Bank AG Deutsche Zentral-Genossenschaftsbank, individually and as Agent on behalf of Autobahn Funding Company LLC, under the DZ Bank Credit and Security Agreement.

"DZ Bank Credit and Security Agreement" means the Credit and Security Agreement, dated as of July 15, 2008, among DZ Bank, Autobahn Funding Company LLC, GWG Holdings, LLC, Opportunity Bridge Funding, LLC, United Lending, LLC, United Lending SPV, LLC, GWG DLP Funding II, LLC, and the Borrower, as amended, restated, supplemented or otherwise modified from time to time.

"Eligible Account" means either (a) a segregated account with an Eligible Institution or (b) a segregated account a depository institution organized under the laws of the United States or any of the states thereof, including the District of Columbia (or any domestic branch of a foreign bank).

"Eligible Institution" means a depositary institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank) whose deposits are insured by the Federal Deposit Insurance Corporation.

"Eligible Insurance Company" means an Issuing Insurance Company organized under the laws of, and subject to regulation by, any state of the United States of America, provided that on the Purchase Date of an Eligible Life Insurance Policy, either such Issuing Insurance Company is Federal Employees Group Life Insurance Company Co. or the financial strength rating assigned to the insurance company (or to the Person that has issued a credit swap, guaranty or other credit enhancement with respect to such Issuing Insurance Company that is satisfactory to the Borrower) is at least A- by S&P, A3 by Moody's, A- by Fitch Inc. or A- by A.M. Best Company. If such Issuing Insurance Company is rated by more than one rating agency and such ratings are split ratings, the lower of such ratings shall be used in order to determine whether such Issuing Insurance Company is an Eligible Insurance Company pursuant to the foregoing sentence.

"Eligible Life Insurance Policy" means any Insurance Policy that meets all of the following criteria as of the Purchase Date:

(a) the Insurance Policy:

(i) offers "permanent" life insurance benefits (whole life, variable universal life or universal life);

(ii) has no more than two Insureds; and

(iii) is issued by an Eligible Insurance Company;

(b) the Contestability Period for such Insurance Policy shall have expired;

(c) the Rescission Period shall have expired, unless the Net Death Benefit of such Insurance Policy, when combined with the Net Death Benefit of all of the other Eligible Life Insurance Policies that then, or that will on such Purchase Date, constitute Trust Property for which the Rescission Period shall not have expired is less than $30,000,000;

(d) the Net Death Benefit exceeds $50,000 and does not exceed $15,000,000;

(e) the Insurance Policy does not have a provision (including, but not limited to, any provisions relating to war or terrorist acts) limiting the future realization of Net Death Benefit upon and due to the death of any Insured (either at issue or after any conversion privilege exercisable at the sole option of the Insured) other than for non- payment of premiums;

(f) the Life Expectancy, as of the relevant Purchase Date is not less than 36 months and does not exceed 168 months;

(g) the Originator has determined that the Insurance Policy is an Eligible Life Insurance Policy;

(h) the Insured is not less than 65 years old;

(i) all restrictions or obligations imposed by applicable laws have been complied with in relation to the origination and acquisition of the Insurance Policy;

(j) all premiums projected to be required to keep the Insurance Policy in full force and effect through the next premium payment date have been paid at the time the Purchase by the Purchasers is completed;

(k) the Insurance Policy is in full force and effect;

(l) the Insurance Policy is not regulated by any state which prohibits the purchase or the transfer of ownership of such Insurance Policies;

(m) the Insurance Policy is not a Group Policy or part of a Group Policy, unless such Insurance Policy can immediately be converted at the option of the owner thereof to a separate universal or whole life Insurance Policy;

(n) the Insurance Policy provides for a level Net Death Benefit through the Life Expectancy Date;

(o) the Insurance Policy is not purchased in a jurisdiction where the transfer of such Insurance Policy is subject to the payment of sales or other taxes except where such sales or other taxes have been paid;

(p) the Life Expectancy Report does not conclude that the Insured is HIV positive or has been diagnosed as having AIDS; and

(q) such Insurance Policy meets such other criteria as the Originator may determine from time to time.

"Event of Bankruptcy" shall be deemed to have occurred with respect to a Person if either:

(a) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts and such case or proceeding shall remain undismissed or unstayed for a period of sixty (60) days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect; or

(b) such Person shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Person or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or similar entity, its board of directors shall vote to implement any of the foregoing.

"Event of Default" shall mean any and all of the events described in Section 11.1.

"Extension Period" shall have the meaning described in Section 4.3.

"Fees" means, collectively, all (i) Master Collateral Agent Fees, Servicing Fees, GWG Trustee Fees, and Trustee Fees, (ii) all usual and customary expenses of the Borrower and the Master Trusts in connection with the transactions contemplated hereby, which expenses shall include, without limitation, expenses of outside legal counsel to the Borrower and the Master Trusts, accountants' fees incurred in connection with the preparation of financial statements for the Borrower and the Master Trusts required to be delivered hereunder and franchise taxes of the Borrower and other administrative fees and expenses approved by GWG Trustee, and (iii) all

costs and expenses to be paid by the Borrower pursuant to Section 13.11 (other than costs and expenses incurred in connection with the Transaction Documents).

"Governmental Authority" means any country or nation, or any state or other political subdivision thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Group Policy" means insurance which is issued to a group, such as an employer or trade union, and which provides coverage for individuals associated with that group and sometimes their dependents.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"GWG Trust" means that Minnesota trust created to hold a secondary security interest to the Collateral for the exclusive benefit of the Lenders.

"GWG Trustee" means the trustee of the GWG Trust defined above, which initially will be Lord Securities Corporation, whose New York business office is located at 48 Wall Street 27th Floor, New York, NY 10005.

"Indemnified Amounts" has the meaning set forth in Section 12.1(a).

"Indemnified Party" has the meaning set forth in Section 12.1(a).

"Insurance Policy" means any Eligible Life Insurance Policy constituting Conveyed Property.

"Insurance Policy File" has the meaning set forth in the Transaction Documents and held by the Master Collateral Agent.

"Insured" means a natural person who is named as the insured on an Insurance Policy.

"Interest" means simple annual interest at the per annum rate stated in the Promissory note for each Loan that shall be based on a three hundred sixty (360) day year, consisting of twelve (12) months, each consisting of thirty (30) days.

"Interest Payment Date" with respect to any Loan, means the first Distribution Date occurring after the receipt of the proceeds of such Loan according to the terms of the Loan issued

pursuant to Section 3.2, as applicable, and each subsequent Distribution Date occurring after the last day of each Interest Period thereafter, in each case, as specified by the Borrower in an Interest Period with respect to such Loan pursuant to Section 3.2, as applicable.

"Interest Period" means with respect to any Loan:

(a) the period commencing on the date of the receipt of the proceeds of such Loan and ending on, but excluding, the next Interest Payment Date therefor; and

(b) thereafter, each period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next Interest Payment Date therefor;

provided, however, that if any Interest Period for any Loan that commences before the Maturity Date for such Loan would otherwise end on a date occurring after such Maturity Date, such Interest Period shall end on such Maturity Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment" means any investment in any Person, whether by means of share purchase, capital contribution, loan, time deposit or otherwise.

"Issuing Insurance Company" means with respect to any Eligible Life Insurance Policy, the insurance company that is obligated to pay the related benefit upon the death of the related Insured by the terms of such Insurance Policy (or the successor to such obligation).

"Lender" means the owner of any one of the different series or classes of Promissory Notes executed and issued by the Borrower pursuant to Section 2 of this Agreement.

"Lien" shall mean any mortgage, pledge, assignment, lien, security interest or other charge or encumbrance of any kind, including the retained security title of a conditional vendor or a lessor.

"Life Expectancy" means with respect to any Eligible Life Insurance Policy other than a Small Eligible Life Insurance Policy, the average of two separate life expectancies of the related Insured, stated in months, provided by two separate Qualified Consulting Physicians to achieve 50% percentile cumulative mortalities for such Insured, which weighted average is calculated in the Pricing Model, and, if not provided, by applying the provided life expectancy in months to the most recent Valuation Basic Table published by the Society of Actuaries to calculate a 50^{th} percentile cumulative mortality schedule for such Insured. For policies with more than one Insured that pay upon the death of the second Insured ("Joint Policies"), the "Life Expectancy" with respect to any Eligible Life Insurance Policy other than a Small Eligible Life Insurance Policy means the joint life expectancy of the related Insureds in months to achieve a 50^{th} percentile cumulative mortality for such Insureds and calculated in the Pricing Model by applying the average of the cumulative mortality schedules provided for the two joint life expectancies by the Qualified Consulting Physicians and, if not provided, by applying the provided life expectancy in months to the most recent Valuation Basic Table published by the

Society of Actuaries to calculate a 50th percentile cumulative mortality for such Insureds. Life Expectancy for a Small Eligible Life Insurance Policy shall be stated in months as determined by applying the most recent Valuation Basic Table published by the Society of Actuaries to calculate a 50th percentile cumulative mortality schedule for such Insured.

"Life Expectancy Date" means with respect to any Insurance Policy, the last day of the last month of the Life Expectancy for such Insurance Policy.

"Life Expectancy Report" means, an assessment by a Qualified Consulting Physician in a written statement dated within 180 days prior to the date such Eligible Life Insurance Policy.

"LifeNotes Account" has the meaning set forth in Section 5.1(a) to this Agreement.

"Liquidity Providers" means DZ Bank, Autobahn Funding Company LLC, each other party to whom any "Obligations" (as defined in the DZ Bank Credit and Security Agreement) are owed pursuant to the Transaction Documents, and providers of future lines of credit that Borrower or its Subsidiaries may enter into from time to time whose interests are senior in right and claim to those of the Lender.

"Loan" means any amount disbursed as the Principal Amount by any Lender to the Borrower under a Promissory Note issued pursuant Section 2 to this Agreement.

"Loan Term" means the duration of any Promissory Note from note issuance to Maturity Date issued pursuant to Section 2 to this Agreement.

"Loan Issuance Limit" has the meaning set forth in Section 2.1 to this Agreement.

"Master Collateral Agent Agreements" means the Custodian Agreement, dated as of July 15, 2008, among GWG DLP Funding II, LLC, Borrower, United Lending SPV, LLC, United Lending, LLC, the Master Collateral Agent and DZ Bank and any collateral agent agreement entered into with a future Liquidity Provider of the Borrower or any of its Subsidiaries, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Master Collateral Agent" means Wells Fargo, in its capacity as master collateral agent under the Master Collateral Agent Agreements or any collateral agent agreement entered into with a future Liquidity Provider of the Borrower or any of its Subsidiaries.

"Master Collateral Agent Fees" means the fees payable to Master Collateral Agent as set forth in the applicable fee schedule.

"Master Servicer" means Borrower, or its assignee, in its capacity as Master Servicer under the applicable Servicing Agreements.

"Master Servicing Fee" means a fee to be paid to the Master Servicer at the time of the purchase of each Eligible Life Insurance Policy in the format specified in the Transaction Documents.

"Master Trusts" means GWG DLP Master Trust II, a Delaware statutory trust and any future master trust that may be created, or wholly-owned or partially-owned, by Borrower and its Subsidiaries.

"Master Trust Agreements" means the Trust Agreement among the Trustee, Wells Fargo Delaware Trust Company and GWG DLP Funding II, LLC pursuant to which the GWG DLP Master Trust II is established and any future trust agreement pursuant to which any Master Trust may be created or owned by Borrower and its Subsidiaries, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Material Adverse Effect" means, with respect to any event or circumstance, a material adverse effect on:

(a) the business, assets, financial conditions or operations of the Borrower;

(b) the ability of the Borrower to perform its obligations under this Agreement or any other Transaction Document to which such Person is a party;

(c) the validity or enforceability against the Borrower, the Master Trusts, the Originator or the Master Servicer of this Agreement or the other Transaction Documents to which such Person is a party;

(d) the status, existence, perfection or priority of (i) the Master Collateral Agent's security interest in the Conveyed Property, (ii) the Master Trusts' ownership interest in the Conveyed Property transferred, or purported to have been transferred, to it, or (iii) GWG Trust's security interest in the Collateral; or

(e) the validity, enforceability or collectibility of a material number of Eligible Life Insurance Policies.

"Maturity Date" means the maturity date of any Promissory Note issued pursuant to Section 2 of this Agreement, subject to the Extension Period set forth in Section 4.3.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Present Asset Value" means an amount equal to the net present value of the Net Death Benefit constituting Portfolio Assets utilizing a discount rate equal to the Weighted Average Cost of Capital of the Borrower for the month immediately preceding the calculation date in the Portfolio Pricing Model.

"Net Death Benefit" means, with respect to an Eligible Life Insurance Policy, the amount projected to be paid by the Issuing Insurance Company to the Purchasers on the Life Expectancy Date.

"Note Rate" shall mean the annual interest rate set forth in any Promissory Note.

"Obligations" means all obligations (monetary or otherwise) of the Borrower to the Lenders, GWG Trust, Liquidity Providers, Master Collateral Agent, or the Servicer and their respective successors, permitted transferees and assigns arising under or in connection with this Agreement, the Promissory Notes and each other Transaction Document, in each case however created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due

"Operating Agreement" means the Amended and Restated Limited Liability Company Agreement, dated as of February 22, 2006, with respect to the Borrower, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Originator" means Borrower, or its assignee, in its capacity as an originator under the Transaction Documents.

"Percentage" with respect to any Lender means the ratio, expressed as a percentage, of, the ratio, expressed as a percentage, of (i) the aggregate outstanding principal amount of such Lender's Loans over (ii) the aggregate outstanding principal amount of all of the Loans.

"Permitted Investment" means, at any time:

(a) marketable obligations issued by or the full and timely payment of which is directly and fully guaranteed or insured by the United States government or any other government with an equivalent rating, or any agency or instrumentality thereof when such marketable obligations are backed by the full faith and credit of the United States government or such other equivalently rated government, as the case may be, but excluding any securities which are derivatives of such obligations;

(b) time deposits, bankers' acceptances and certificates of deposit of any domestic commercial bank or any United States branch or agency of a foreign commercial bank;

(c) commercial paper which is rated in the highest rating category by Moody's and in one of the two highest rating categories by S&P;

(d) secured repurchase obligations for underlying securities of the types described in clauses (a) and (b) above entered into with any bank of the type described in clause (c) above;

(e) freely redeemable shares in money market funds which invest solely in obligations, bankers' acceptances, time deposits, certificates of deposit, repurchase agreements and commercial paper of the types described in clause (a) through (c) above, without regard to the limitations as to the maturity of such obligations, bankers' acceptances, time deposits, certificates of deposit, repurchase agreements or commercial paper set forth below, which are rated at least "AAm" or "AAmg" by S&P and "Aa2" by Moody's, provided that there is no r-highlighter affixed to such rating;

(f) any money market fund that is rated at least "AAm" or "AAmg" by S&P and "Aa2" by Moody's (provided that there is no r-highlighter affixed to such rating); and

(g) as allowed for in Section 5.1(b) herein.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture, government or any agency or political subdivision thereof or any other entity.

"Policy Illustration" means a level premium, policy values and Net Death Benefit projection produced by the Eligible Insurance Company or an agent of the Eligible Insurance Company, using the Eligible Insurance Company's current/non-guaranteed values sufficient to carry the Eligible Life Insurance Policy to the Life Expectancy Date.

"Policy IRR" means the expected annual internal rate of return for any Insurance Policy that constitutes Collateral as determined in accordance with the Pricing Model as of the Purchase Date.

"Portfolio Assets" means all Eligible Life Insurance Policies that constitute Conveyed Property.

"Portfolio Pricing Model" means the latest version of the portfolio pricing model developed by Milliman, Inc. and licensed by Borrower, which model shall calculate the Net Asset Present Value or using the mortality probabilities set forth in the mortality tables provided with the Life Expectancy Reports or the VBT Select Table.

"Premium" means, with respect to any Insurance Policy, as indicated by the context, any premium paid with respect thereto, or any scheduled premium, determined and projected in the Policy Illustration, which may be optimized for minimum annual or lesser periods of premium payments and which may be further adjusted to reflect mortality probabilities using the mortality tables provided with the Life Expectancy Reports, Pricing Model or using the VBT Select Table.

"Pricing Model" means the latest version of the pricing model developed by Milliman, Inc. and licensed by Borrower, which model shall calculate the Policy IRR or using the mortality probabilities set forth in the mortality tables provided with the Life Expectancy Reports or the VBT Select Table.

"Principal Amount" means for any Promissory Note, the principal balance owing to the Lender.

"Promissory Note" has the meaning set forth in Section 2.5.

"Purchase and Sale Agreements" means the DZ Bank Credit and Security Agreement and any credit agreement with a future Liquidity Provider entered into by Borrower or its Subsidiaries, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Purchase Date" means the date the Purchasers purchase any Eligible Life Insurance Policies under the Transaction Documents.

"Purchase Price" means the total acquisition cost of any Eligible Life Insurance Policies constituting Collateral under the Transaction Documents.

"Purchasers" means Master Trusts or the Borrower, as the case may be.

"Qualified Consulting Physician" means (a) 21st Services; (b) Fasano; (c) AVS; (d) EMSI; (e) ISC; and (e) any other independent third-party consulting physician or group of consulting physicians approved by the Borrower.

"Rating Agency" means each of S&P and Moody's.

"Regulatory Change" means, relative to any Affected Party:

(a) any change in (or the adoption, implementation, change in the phase-in or commencement of effectiveness of) any: (i) United States Federal or state law or foreign law applicable to such Affected Party, (ii) regulation, interpretation, directive, requirement or request (whether or not having the force of law) applicable to such Affected Party of (A) any court or government authority charged with the interpretation or administration of any law referred to in clause (a)(i), or of (B) any fiscal, monetary or other authority having jurisdiction over such Affected Party, or (iii) GAAP or regulatory accounting principles applicable to such Affected Party and affecting the application to such Affected Party of any law, regulation, interpretation, directive, requirement or request referred to in clause (a)(i) or (a)(ii) above;

(b) any change in the application to such Affected Party of any existing law, regulation, interpretation, directive, requirement, request or accounting principles referred to in clause (a)(i), (a)(ii) or (a)(iii) above, other than any such change that results solely from a downgrade in the credit ratings of such Affected Party; or

(c) the issuance, publication or release of any regulation, interpretation, directive, requirement or request of a type described in clause (a)(ii) above to the effect that the obligations of any Lender hereunder are not entitled to be included in the zero percent category of off-balance sheet assets for purposes of any risk-weighted capital guidelines applicable to such Lender or any related Affected Party.

For the avoidance of doubt, any interpretation of Accounting Research Bulletin No. 51 by the Financial Accounting Standards Board (including, without limitation, Interpretation No. 46: Consolidation of Variable Interest Entities) shall constitute a Regulatory Change, regardless of whether it occurred before or after the date hereof.

"Required Lenders" means for the purposes stated in Section 11.2(a) of this Agreement, Lenders holding at least 10% of the aggregate Principal Amount outstanding with all Lenders. For all other purposes, Required Lenders shall mean Lenders holding at least 50.1% of the aggregate Principal Amount outstanding with all Lenders.

"Related SPV Collateral" means, with respect to any Liquidity Provider, any SPV Collateral in which such Liquidity Provider (or an agent or other intermediary acting for the benefit of such Liquidity Provider) has been granted a security interest.

"Related Liquidity Provider" means (i) DZ Bank, with respect to any Related SPV Collateral in which DZ Bank (or an agent or other intermediary for the benefit of DZ Bank and one or more other Liquidity Providers that are beneficiaries of the DZ Bank Credit and Security Agreement) has been granted a security interest, and (ii) a Liquidity Provider with respect to any Related SPV Collateral in which such Liquidity Provider (or any agent or other intermediary for the benefit of such Liquidity Provider and one or more other Liquidity Providers that are beneficiaries of such Liquidity Providers credit agreement with the Borrower or its Subsidiaries) has been granted a security interest.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and its successors.

"Secured Parties" means each Lender, the GWG Trust, the GWG Trustee, each Liquidity Provider and each Affected Party.

"Senior" means, with respect to an Eligible Life Insurance Policy, as the context may require, (i) an Insured or Insureds, as the case may be, or (ii) the owner of an Eligible Life Insurance Policy covering the life of one or more Insureds.

"Senior Obligations" means, collectively, all Obligations owing to the Liquidity Providers.

"Servicer" means Wells Fargo Bank, National Association, acting as Servicer and any Successor Servicer as defined in the Servicing Agreements, the Borrower, and any Person approved by the Borrower or its Subsidiaries, and their respective successors and assigns.

"Servicing Agreements" means the Life Settlement Servicing Agreement, dated as of July 15, 2008, among the Servicer, the Master Servicer, GWG DLP Master Trust II, DZ Bank and GWG DLP Funding II, LLC and any future servicing agreement entered into by Borrower or its Subsidiaries, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the Transaction Documents.

"Servicing Fee" means a monthly fee, payable to the Servicer in arrears on each Distribution Date, as set forth in the Transaction Documents.

"Small Eligible Life Insurance Policy" means an Eligible Life Insurance Policy which has a Net Death Benefit equal to or less than $250,000.

"SPV Borrower" means GWG DLP Funding II, LLC or any Subsidiary of the Borrower.

"SPV Collateral" means all assets and property in which either SPV Borrower or either Master Trust has acquired, or purports to have acquired, an interest (including, without limitation, all assets and property which the Borrower has transferred, or purports to have transferred, to any such Person pursuant to the Transaction Documents).

"Subordinate Obligations" means all Obligations other than the Senior Obligations.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which securities or other ownership interests whose limited purpose is to purchase Eligible Life Insurance Policies.

"Successor Servicer" means any Person that succeeds to the duties of the Servicer.

"Tax" or "Taxes" means any and all fees (including documentation, recording, license and registration fees), taxes (including net income, gross income, franchise, value added, ad valorem, sales, use, property (personal and real, tangible and intangible) and stamp taxes), levies, imposts, duties, charges, assessments or withholdings of any nature whatsoever, general or special, ordinary or extraordinary, together with any and all penalties, fines, additions to tax and interest thereon, imposed on a Person or for which a Person is liable either directly or by way of an obligation to reimburse or indemnify. For the avoidance of doubt, "Tax" or "Taxes" imposed on the Purchasers or the UTI Owners shall include any tax withholdings on income allocated to or amounts payable to the Purchasers or the UTI Owners and any tax required to be paid over by the Purchasers of the UTI Owners to any taxing authority or required to be withheld from any payment made by or on behalf of the Purchasers or the UTI Owners, but shall not include any Taxes imposed upon anyone else unless such Taxes are in whole or in part the legal responsibility or legal obligation of the Purchasers or the UTI Owners, or can otherwise be collected from the assets or income of the Purchasers or the UTI Owners.

"Termination Date" means that date at which there are no Loans outstanding by Borrower to Lenders under this Agreement.

"Transaction Documents" means this Agreement, the Purchase and Sale Agreements, the Servicing Agreements, the Promissory Notes, the Master Trust Agreements, the Operating Agreement, the Master Collateral Agent Agreements, the other agreements entered into between Liquidity Providers, the Borrower, the Master Trusts and/or the Master Servicer (including, without limitation, all other "Related Documents" as defined in the DZ Bank Credit and Security Agreement) and the UCC financing statements filed in connection with any of the foregoing, and any agreements related to any future Liquidity Provider to the Borrower or its Subsidiaries, as any of the foregoing may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with this Agreement.

"Trust Property" has the meaning set forth in the Master Trust Agreements.

"Trustee" means Wells Fargo Bank, National Association or future trustee of a Master Trust.

"Trustee Fees" means the fees payable to the Trustee as set forth in the Transaction Documents.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

"UTI" has the meaning set forth in the Master Trust Agreements.

"UTI Certificate" has the meaning set forth in the Master Trust Agreements.

"UTI Owners" means GWG DLP Funding II, LLC and any future Subsidiaries of Borrowers that are parties to a Master Trust Agreement.

"Weighted Average Cost of Capital" means an amount, expressed as a percentage, equal to the weighted average interest rate on the aggregate Loans outstanding and on the aggregate Liquidity Lines outstanding for the month immediately preceding the Calculation Date. The Weighted Average Cost of Capital shall be reported to the Master Servicer by the Borrower in each Calculation Date Report.

"Wells Fargo" means Wells Fargo Bank, National Association, a national banking association.

SECTION 1.2. Other Definitional Provisions.

Unless otherwise specified therein, all terms defined in this Agreement have the meanings as so defined herein when used in the Promissory Notes or any other Transaction Document, certificate, report or other document made or delivered pursuant hereto.

Each term defined in the singular form in Section 1.1 or elsewhere in this Agreement shall mean the plural thereof when the plural form of such term is used in this Agreement, the Promissory Notes or any other Transaction Document, and each term defined in the plural form in Section 1.1 shall mean the singular thereof when the singular form of such term is used herein or therein.

The words "hereof," "herein," "hereunder" and similar terms when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, subsection, schedule and exhibit references herein are references to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified.

SECTION 1.3. Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

SECTION 1.4. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

ARTICLE II
THE LENDERS' LOANS, BORROWING PROCEDURES, SECURITY INTEREST AND PROMISSORY NOTES

SECTION 2.1. The Loans. On the terms and subject to the conditions set forth in this Agreement, the Borrower may issue Loans from time to time pursuant to Promissory Notes pursuant to Section 2.2; provided, however, that the aggregate principal amount of all Loans from time to time outstanding hereunder shall not cause the "Debt Coverage Ratio" to exceed ninety percent (90%) (the "Loan Issuance Limit"). The Debt Coverage Ratio is be defined as a percentage of (A) the aggregate sum of the Borrower's and its Subsidiaries' (i) Obligations to the Liquidity Providers under the Transaction Documents; and (ii) the Principal Amount of Loans outstanding under this Agreement, over (B) the aggregate sum of all Conveyed Property which shall include (i) the Net Present Asset Value of all Eligible Life Insurance Policies constituting Trust Property; and (ii) the aggregate of all Permitted Investments held in the accounts of the Borrower and its Subsidiaries.

SECTION 2.2. Loan Procedures. The Borrower may receive Loans in one or more series or classes hereunder by issuing a Promissory Note to the Lender.

(a) Each such Loan (herein called a "Promissory Note") shall be in the form of Exhibit A and shall specify the Lender, initial Loan Term, Interest Period, therefore and shall include the date and Principal Amount of Loan. There shall be an initial series of Loans entitled Secured Loans, Series I. The Loans (Series I) shall be issued as various classes of Loans substantially in the form set forth in Exhibit A hereto. The Loans (Series I) shall be issued in initial minimum denominations of $25,000 (unless the Borrower otherwise approves a smaller denomination). Each Loan (Series I) shall be payable as provided in the form of Loan and in this Agreement. The Loans (Series I) shall be issued in the maturities and class denominations with interest rates upon the unpaid principal amounts thereof based on the table set forth in Exhibit A-1, as such table may be amended and updated from time to time by the Borrower based on the interest rates then in effect for each class denomination.

(b) The Loans may be issued by the Borrower with different maturity dates based on the class or series designation for the Loans, but in no event may a Loan have a different rank in security to that of other Lenders under this Agreement. Interest rates may vary as among the series and classes of Loans and upon the date of issuance of such Loan. Following execution and delivery of this Agreement, a Promissory Note shall be executed by the Borrower, and delivered to Lender only after the receipt of the Loan issuance proceeds equal to the aggregate issue price of the Loan. Unless stated on Exhibit A-1, the Loans bear simple interest at their respective stated rates of interest per annum.

SECTION 2.3. Funding. Subject to the satisfaction of the conditions precedent set forth in Article VII with respect to such Loan and the limitations set forth in Section 2.1, the Borrower shall accept the proceeds of such Loan, less any selling costs, on the date set forth in the Promissory Note. Upon receipt by the Borrower of funds from Lender, the Borrower will place such funds in such accounts constituting Collateral of the Lender or provide such funds to Borrower or its Subsidiaries whose equity interests constitute Collateral of the Lender.

SECTION 2.4. Representation and Warranty. Each Loan shall automatically constitute a representation and warranty by the Borrower to each Lender that on the requested date of such Loan (a) the representations and warranties contained in Article VIII will be true and correct as of such requested date as though made on such date, (b) no Event of Default has occurred and is continuing or will result from the making of such Loan, and (c) after giving effect to such requested Loan, the aggregate principal balance of the outstanding Loans hereunder will not exceed the Loan Issuance Limit.

SECTION 2.5. Promissory Notes. The Loans to the Borrower shall be evidenced by a Promissory Note executed by the Borrower (as amended, modified, extended or replaced from time to time Promissory Notes) substantially in the form set forth in Exhibit A, with appropriate insertions, payable to the order of the Lender.

SECTION 2.6. Security Interest.

(a) To secure the timely repayment of the principal of, and interest on, the Promissory Notes, and all other Obligations of the Borrower to any Secured Party, and the prompt performance when due of all covenants of the Borrower hereunder and under any other Transaction Document, whether now or hereafter existing or arising, due or to become due, direct or indirect, the Borrower hereby grants to the GWG Trust, for the benefit of the Secured Parties, a continuing, senior security interest in all of the Borrower's right, title and interest in, to and under all of the following, whether now or hereafter owned, existing or arising: (A) the equity and beneficial interests in GWG DLP Funding II, LLC and any Subsidiary of the Borrower, (B) all bank accounts of the Borrower and all funds, investments and other items of value therein, including the LifeNotes Account, (C) to the extent permitted by Applicable Law, all other assets of the Borrower and (D) all proceeds of, and all amounts received or receivable with respect to any of, the foregoing. In addition, subject to the terms of the pledge agreements in favor of GWG Trust, each of the parties set forth in Schedule 1.0 agrees to pledge each of the equity interests set forth in Schedule 1.0 in GWG Holdings, LLC to secure the timely repayment of the principal of, and interest on, the Promissory Notes. All of the rights and assets described in the foregoing sentences are herein referred to collectively as "Collateral".

The Borrower, and the owners set forth in Schedule 1.0 shall, and the Borrower, and the owners set forth in Schedule 1.0 shall cause GWG Trust to, file such financing statements, and execute and deliver such agreements, certificates and documents, and take such other actions, as the GWG Trust reasonably requests in order to perfect, evidence or protect the security interest granted pursuant to Section 2.6(a). The Borrower, and the owners set forth in Schedule 1.0 hereby authorize GWG Trust to file such financing statements as GWG Trust may determine is reasonably necessary or advisable to perfect such security interest without the signature of the Borrower or the owners set forth in Schedule 1.0.

Upon the payment by the Borrower of all of the Borrower's Loans then outstanding or the terms for release under the pledge agreement, the security interest in the Collateral related thereto for the benefit of the Lenders shall be released by the GWG Trust.

SECTION 2.7. GWG Trustee Removal. Lord Securities Corporation will serve as GWG Trustee unless (i) a vote is undertaken by the Required Lenders to remove Lord Securities

Corporation as the GWG Trustee or (ii) the Borrower elects to remove Lord Securities Corporation as the GWG Trustee on fifteen days advance written notice, provided there is no Event of Default at the time of removal. If the GWG Trustee is removed, the Borrower shall simultaneously appoint an independent third party trustee of the GWG Trust. Any replacement trustee shall be subject to removal under this provision on the same terms as Lord Securities Corporation.

ARTICLE III
INTEREST, INTEREST PERIODS; FEES, ETC.

SECTION 3.1. Interest Rates. The Borrower hereby promises to pay interest on the unpaid principal amount of each Loan for the period set forth in the Promissory Note commencing on the date of such Loan until such Loan is paid in full, at a rate *per annum* equal to the Note Rate applicable to such Interest Period.

SECTION 3.2. Interest Payment Dates. Interest accrued on each Loan shall be payable as set forth in the Promissory Note, without duplication:

(a) on the Maturity Date for such Loan;

(b) on the date of any payment or prepayment, in whole or in part, of Principal Amount outstanding on such Loan; or

(c) on each Interest Payment Date as set forth in the terms of the Promissory Note.

SECTION 3.3. Fees. The Borrower agrees to pay all Fees to the Persons entitled thereto in accordance with Section 5.2.

SECTION 3.4. Computation of Interest and Fees. All interest and fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or fee is payable over a year comprised of 360 days.

ARTICLE IV
PAYMENTS; PREPAYMENTS; RENEWALS

SECTION 4.1. Repayments and Prepayments. Provided the Lender has not provided Notice of Non-Renewal under Section 4.4 and any applicable Extension Period has expired, the Borrower shall repay in full the unpaid Principal Amount of each Loan on the Maturity Date thereof. Prior thereto, the Borrower:

(a) may voluntarily prepay its Loans, either in whole or in part, provided the Borrower shall provide notice to Lender of its prepayment; and

(b) shall, immediately upon any acceleration of the Maturity Date of any of the Loans pursuant to Section 11.2, repay all such Loans, unless, pursuant to Section 11.2(a),

only a portion of all Loans is so accelerated, in which event the Borrower shall repay the accelerated portion of the Loans.

SECTION 4.2. Making of Payments. The Borrower shall make payments by check or wire transfer to a Lender pursuant to information provided by the Lender on the Note Subscription Agreement in the form of Exhibit B, unless Lender has provided Borrower with thirty days advance written notice of any changes to such information.

SECTION 4.3. Due Date Extension. If any payment of Principal or Interest with respect to any Loan falls due on a day which is not a Business Day, then such due date shall be extended to the next following Business Day, and additional Interest shall accrue at the applicable interest rate and be payable for the period of such extension. At Borrower's option, Borrower may extend the Maturity Date of any Promissory Note for up to two additional six-month terms if the original term of the Promissory Note is less than one year and may extend the Maturity Date for up to one six-month term if the original term of the Promissory Note is one year or greater but less than three years (each an "Extension Period"). If the original term of the Promissory Note is less than one year and a six month extension is exercised, the Note Rate will be increased to the then current one-year Note Rate and if the term of the Promissory Note is extended for an additional six month term by Borrower the interest rate will be increased by an additional 50 basis points or 0.50% per annum. All other six month term extensions of the note by Borrower will result in an increase in the Note Rate by 50 basis points or 0.50% per annum. The Borrower will provide the Lender notice of its election to exercise its Extension Period option at least fifteen (15) days prior to the Maturity Date.

SECTION 4.4. Loan Renewals. Each Loan issued under this Agreement shall automatically renew for another Loan Term and at the Note Rate in effect at the Maturity Date for the same Class of Promissory Note issued unless the Lender provides Borrower thirty (30) days prior to the Maturity Date of Notice of Non-Renewal ("Notice of Non-Renewal"). In the event the Note Rate differs from the original Promissory Note, the Borrower will provide the Lender notice of the new Note Rate sixty (60) days prior to the Maturity Date and Lender shall provide Borrower with a Notice of Non-Renewal if Lender does not accept the Loan's renewal at the new Note Rate. Upon receipt of a Notice of Non-Renewal, the Borrower will make payments in accordance with this Agreement, subject to the Extension Period rights described in Section 4.3. Notice shall be calculated from the date of postmark of such notice if by mail, or date of receipt if by email or other electronic means.

SECTION 4.5. Loan Prepayment Requests. Each Loan issued under this Agreement shall be due on its respective Maturity Date; provided, however, that a Lender may request the Borrower to prepay the Loan from the Lender prior to the Maturity Date. Upon Lender's request, the Borrower may, at its sole discretion, pay the Principal Amount and Interest due, less a prepayment fee in an amount of 6.0% of the Principal Amount.

ARTICLE V
ACCOUNTS; DISTRIBUTION OF COLLECTIONS

SECTION 5.1. Accounts.

(a) LifeNotes Account. On or prior to the date hereof, Borrower shall establish and maintain, in the name of the Borrower, an Eligible Account bearing a designation clearly indicating that the funds deposited therein are held for the benefit of GWG Trustee (the "LifeNotes Account"). All proceeds received from the issuance of Promissory Notes and all proceeds received by Borrower from GWG DLP Funding II, LLC and Subsidiaries related to proceeds received on Conveyed Property or Collateral shall be deposited into the LifeNotes Account. Payments received by Borrower for fees related to its services as the Master Servicer or Originator shall not be deposited in the LifeNotes Account.

(b) Payments out of LifeNotes Account. Funds on deposit in the LifeNotes Account (including proceeds from a Liquidity Provider) shall only be used (i) in connection with the acquisition of a Conveyed Property (which shall include without limitation investments in a Subsidiary of Borrower to purchase Eligible Life Insurance Policies), (ii) paying accrued interest on the Loans, (iii) paying Premiums due and payable to the Issuing Insurance Companies for the Insurance Policies, (iv) paying Loan Principal Amounts at maturity or prepayment; (v) paying Obligations to the Liquidity Providers, (vi) paying fees associated with maintaining the Conveyed Property, including but not limited to, servicing fees, trustee fees, collateral agent fees; (vii) paying expenses incurred by the Borrower related to the Promissory Notes offering, including but not limited to, sales expenses and professional accounting, tax and due diligence fees, (viii) making tax disbursements to the equity holders of the Borrower for tax liabilities related to the Conveyed Property and (viii) purchasing interest rate caps, swaps or hedging instruments. Notwithstanding the foregoing, Borrower shall be permitted to withdraw funds equal to 10% of the cash proceeds derived from the maturities of the Life Insurance Policies deposited in the LifeNotes Account for distributions to Borrower's members, provided that such withdrawals do not cause the Debt Coverage Ratio to be greater than 80% and there is no Event of Default under the Note Issuance and Security Agreement.

(c) Collections Held In Trust. If at any time the Borrower shall receive any Collections or other proceeds of any Collateral other than through payment into the LifeNotes Account, the Borrower shall promptly (but in any event within two (2) Business Days of receipt thereof) remit or cause to be remitted all such Collections or other proceeds to the LifeNotes Account. All Collections received by the Borrower shall be held by such Person in trust for the exclusive benefit of the GWG Trust. The outstanding principal amount of the Loans shall not be deemed repaid by any amount of the Collections held in trust by any Person, unless such amount is finally paid to Lenders in accordance with Section 5.2.

SECTION 5.2. Application of Collections. Collections shall be distributed in accordance with the following order of priority:

First, Subject to Section 6.1 of this Agreement, to the Liquidity Providers to cover any Senior Obligations due and owing by the Borrower under the relevant Transaction Documents (if any);

Second, to Master Collateral Agent, to the escrow agent (if any) and to the Trustee, the accrued Master Collateral Agent Fees, the accrued escrow agent fees (if any) and the accrued Trustee Fees, respectively, then due and payable on such date;

Third, to Servicer, the accrued Servicing Fees and to the Master Servicer, the accrued Annual Master Servicing Fee, then due and payable pursuant to the Servicing Agreements on such date;

Fourth, for payment of Premiums related to the Collateral; and

Fifth, any remainder shall then be distributed to the LifeNotes Account.

SECTION 5.3. Permitted Investments.

(a) Funds at any time held in the LifeNotes Account may be invested and reinvested by Borrower (unless an Event of Default shall have occurred and be continuing, in which case at the written direction of GWG Trustee, subject to instructions by the Liquidity Providers) pursuant to Section 5.1(b) in one or more Permitted Investments in a manner provided in Section 5.3(c).

(b) Each investment made pursuant to this Section 5.3 on any date shall mature or be available not later than the Business Day preceding the Distribution Date after the day on which such investment is made, except that any investment made on the day preceding a Distribution Date shall mature on such Distribution Date.

(c) Any investment of funds in the LifeNotes Account shall be made in Permitted Investments in which GWG Trust has a perfected security interest.

(d) GWG Trustee shall not be liable in any manner by reason of any insufficiency in the LifeNotes Account resulting from any loss on any Permitted Investment included therein.

ARTICLE VI
SUBORDINATION OF CASH FLOWS

SECTION 6.1. Subordination of Cash Flows to Liquidity Providers. All proceeds on the Collateral will be distributed in accordance with Section 5.2 above and available cash will be distributed first to the Liquidity Providers to the extent necessary to pay amounts then due and payable by the Borrower or Subsidiaries to the Liquidity Providers. As a result, the payment of the Principal, interest and any other amounts payable in respect of all Loans issued hereunder shall be subordinated and subject in right of payment to the prior payment in full of all Obligations of the Borrower or Subsidiaries to the Liquidity Providers, whether outstanding at the date of this Agreement or thereafter incurred, or thereafter created, assumed or guaranteed. Each Lender by such Lender's acceptance of Loans understands and acknowledges that cash proceeds on the Trust Property will first be used to make payments in accordance with the provisions of the DZ Bank Credit and Security Agreement or other senior credit agreement with

a Liquidity Provider, as applicable, and that only the amounts released to the Borrower in accordance with those agreements constitutes "Collections" under this Agreement.

SECTION 6.2. Acceptance of Subordination by Lenders. The subordination provisions set forth on Exhibit D are hereby incorporated by reference and shall constitute part of this Article VI. Each Lender by such Lender's acceptance of Loans, acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to the Liquidity Providers and no amendment or modification of the provisions contained herein shall diminish the rights of the Liquidity Providers under the Transaction Documents unless the Liquidity Providers shall have agreed in writing thereto. Each Person holding any Loan whether upon original issue or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions of this Article. Furthermore, each Lender acknowledges that Borrower may amend any of the Transaction Documents (other than this Agreement), including but not limited to its loan agreement with the Liquidity Providers at any time without the prior consent of Lender.

SECTION 6.3. Limitations on Remedies in Event of Default. Notwithstanding anything to the contrary herein including in Section 11.2 hereof, each Lender, GWG Trust and GWG Trustee agree that they shall not take any actions to file a petition in bankruptcy against Borrower, any SPV Borrower or the Master Trusts without the prior written consent of the Liquidity Providers or unless one year and one day shall have elapsed after the Senior Obligations have been indefeasibly paid in full in cash and the related Transaction Documents to which the Liquidity Providers, are a party have been terminated.

ARTICLE VII
WITHHOLDING TAXES

SECTION 7.1. Withholding Taxes. All payments made by the Borrower hereunder shall be made free and clear of, and without reduction or withholding for or on account of, any present or future Taxes, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority or other taxing authority excluding, in the case of each Lender, net income taxes imposed on such Lender by the jurisdiction under the laws of which such Lender is organized or any political subdivision or taxing authority thereof or therein (such Taxes, excluding such net income taxes, the "Covered Taxes"). If any Covered Taxes are required to be withheld from any amounts payable to any Lender, the amounts so payable to such Lender shall be increased to the extent necessary to yield to such Lender (after payment of all Taxes) all such amounts payable hereunder at the rates or in the amounts specified herein, provided that no Lender that has failed to deliver the forms required to be delivered pursuant to Section 7.3(b) shall be entitled to any payment under this Section 7.3(a) until such time as it delivers such forms. Whenever any Covered Taxes are payable by the Borrower, as promptly as possible thereafter, the Borrower shall send to the Lender a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Covered Taxes when due to the appropriate taxing authority or fails to remit to the Lender the required documentary evidence, the Borrower shall indemnify each Lender for such Covered Taxes and any incremental Taxes that may become payable by any Lender as a result of any such failure. At least five (5) Business Days prior to the first date on which any payments, including discount or Fees, are payable hereunder for the account of any Lender, if such Lender is not organized under

the laws of the United States, such Lender agrees to deliver to the Borrower two (2) duly completed copies of (i) United States Internal Revenue Service Form W-8BEN or W-8ECI (or successor applicable form) certifying that such Lender is entitled to receive payments hereunder without deduction or withholding of any United States federal income taxes or (ii) United States Internal Revenue Service Form W-9 or substitute W-9 (or successor applicable form) to establish an exemption from United States backup withholding tax. Each Lender shall replace or update such forms as is necessary or appropriate to maintain any applicable exemption or as is requested by the Borrower.

ARTICLE VIII
CONDITIONS TO BORROWING

The making of the Loans hereunder is subject to the following conditions precedent:

SECTION 8.1. All Loans. The making of Loans is subject to the following further conditions precedent:

(a) Representations and Covenants. On and as of the date of such Loan: (i) the representations of the Borrower (including in its capacity as Master Servicer) set forth in this Agreement and the other Transaction Documents to which it is a party shall be true and correct in all material respects with the same effect as if made on such date, and (ii) each of the Borrower (including in its capacity as Master Servicer and as Originator), GWG DLP Funding II, LLC and the Master Trusts shall be in compliance with the covenants set forth in this Agreement and the other Transaction Documents to which it is a party.

(b) No Event of Default. No Event of Default shall have occurred and be continuing or will result from the making of such Loan, and after giving effect to such Loan, the aggregate outstanding balance of the Loans will not exceed the Loan Issuance Limit.

(c) Insurance Policy Files. The Master Collateral Agent, Borrower, or Subsidiary is in possession of the related Insurance Policy Files (and if the Insurance Policy Files are not in possession of the Master Collateral Agent, then Borrower has verified that the contents thereof are complete) for each Insurance Policy constituting Conveyed Property.

(d) Material Adverse Effect. No event has occurred that resulted in a Material Adverse Effect.

ARTICLE IX
REPRESENTATIONS AND WARRANTIES

SECTION 9.1. Representations and Warranties. The Borrower makes the following representations and warranties to each Lender, GWG Trust, and GWG Trustee:

(a) Organization and Good Standing, etc. Each of the Borrower, GWG DLP Funding II, LLC, Subsidiaries, and the Master Trusts has been duly organized and is validly existing and in good standing under the laws of the State of Delaware (and is not organized under the laws of any other jurisdiction or Governmental Authority), with power and authority to

own their respective properties and to conduct their respective businesses as such properties are presently owned and such businesses are presently conducted. Each of the Borrower, GWG DLP Funding II, LLC, Subsidiaries, and the Master Trusts is duly licensed or qualified to do business as a foreign entity in good standing in the jurisdiction where its principal place of business and chief executive office are located and in each other jurisdiction in which the failure to be so licensed or qualified would be reasonably likely to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization. Each of the Borrower, GWG DLP Funding II, LLC, Subsidiaries and the Master Trusts (a) has all necessary power, authority and legal right to (i) execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party, and (ii) in the case of the Borrower, to borrow moneys on the terms and subject to the conditions herein provided, and (b) is duly authorized, by all necessary action, the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and, in the case of the Borrower, the borrowing, and the granting of security therefor, on the terms and conditions provided herein.

(c) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents and the fulfillment of the terms hereof will not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (i) the organizational documents of the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trusts, or (ii) any indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trusts is a party or by which any of them or any of their respective properties is bound, (b) result in or require the creation or imposition of any Adverse Claim upon any of their respective properties pursuant to the terms of any such indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument, other than pursuant to the terms of the Transaction Documents, or (c) violate any law or any order, rule, or regulation applicable to the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trusts or of any court or of any federal, state or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Borrower or the Master Trusts or any of their respective properties.

(d) Validity and Binding Nature. This Agreement is, and the other Transaction Documents to which it is a party when duly executed and delivered by the Borrower and the other parties thereto will be, the legal, valid and binding obligation of the Borrower and, if it is a party thereto, each of GWG DLP Funding II, LLC, Subsidiaries and the Master Trusts enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body required for the due execution, delivery or performance by the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trust of any Transaction Document to which it is a party remains unobtained or unfiled.

(f) Quality of Title. The Collateral in which a security interest is granted, or an assignment is made, to GWG Trust or Lenders, pursuant hereto shall be owned by the Borrower free and clear of any Adverse Claim, except for the Adverse Claims created or permitted pursuant hereto. This Agreement and the financing statements filed in connection with this Agreement create a valid security interest in favor of GWG Trust (for the benefit of the Lenders) in the Collateral, subject to the senior interest of Liquidity Providers. No effective financing statement or other instrument similar in effect covering any of the Collateral or any interest therein is on file in any recording office except for financing statements in favor of GWG Trust (for the benefit of the Lenders) in accordance with this Agreement.

(g) Offices. The principal place of business and chief executive office of each of the Borrower is located at the address set forth on Section 13.2 (or at such other locations, notified to GWG Trustee in jurisdictions where all action required hereby has been taken and completed).

(h) Compliance with Applicable Laws; Licenses, etc.

(i) Each of the Borrower, GWG DLP Funding II, LLC, Subsidiaries and the Master Trusts is in compliance with the requirements of all Applicable Laws, a breach of any of which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(ii) Neither the Borrower, GWG DLP Funding II, LLC, Subsidiaries nor the Master Trusts has failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain could reasonably be expected to have a Material Adverse Effect.

(iii) Each of the Borrower, Funding II, LLC, Subsidiaries and the Master Trusts has complied with all licensure requirements in each state in which it is required to be specifically registered or licensed as a purchaser, owner or servicer of life insurance policies.

(i) No Proceedings. There is no order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority to which the Borrower, GWG DLP Funding II, LLC, Subsidiaries, or the Master Trusts is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against the Borrower, GWG DLP Funding II, LLC, Subsidiaries, or the Master Trusts that, individually or in the aggregate, could have a Material Adverse Effect; and there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending before or by any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Agreement, the Promissory Notes or any other Transaction Document, (B) seeking to prevent the issuance of the Promissory Notes or the consummation of any of the other transactions contemplated by this Agreement or any other Transaction Document, or (C) seeking to adversely affect the federal income tax attributes of the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trusts.

(j) Investment Company Act, etc. Neither the Borrower, GWG DLP Funding II, LLC nor the Master Trusts is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "holding company", or a "subsidiary company", of a "holding company", or an "affiliate" of a "holding company", or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(k) Eligible Receivables. Each Insurance Policy is an Eligible Life Insurance Policy.

(l) Accuracy of Information. All information heretofore furnished by, or on behalf of, the Borrower to Lenders, GWG Trust or GWG Trustee or any other Secured Party in connection with any Transaction Document, or any transaction contemplated thereby, is true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(m) No Material Adverse Change. Since December 31, 2008, there has been no material adverse change in either the Borrower's, GWG DLP Funding II, LLC's, or the Master Trusts' financial condition, business, or operations (taken as a whole) with respect to its ability to perform its obligations under any Transaction Document to which the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trusts is a party.

(n) Trade Names and Subsidiaries. Neither the Borrower, GWG DLP Funding II, LLC nor the Master Trusts has used any other names, trade names or assumed names for the six year period preceding the date of this Agreement except in the case of the Borrower, Great West Growth, LLC. Neither the Borrower, GWG DLP Funding II, LLC nor the Master Trusts has any Subsidiaries or owns or holds, directly or indirectly, any equity interest in any Person, except that Borrower owns the beneficial interests in GWG DLP Funding II, LLC and such other Subsidiaries as it may identify in its books and records and GWG DLP Funding II, LLC own the beneficial interests in GWG DLP Master Trust II represented by the UTI.

(o) Sales by Originator. Each sale of Conveyed Property by Originator shall have been effected under, and in accordance with the terms of, the relevant Transaction Documents, including the payment of an amount equal to the Purchase Price therefor and each such sale shall have been made for "reasonably equivalent value" (as such term is used under Section 548 of the Federal Bankruptcy Code) and not for or on account of "antecedent debt" (as such term is used under Section 547 of the Federal Bankruptcy Code) owed by either the Master Trusts or GWG DLP Funding II, LLC to the Originator.

ARTICLE X
COVENANTS

SECTION 10.1. Affirmative Covenants. From the date hereof until the first day following the Termination Date, the Borrower hereby covenants and agrees as follows:

(a) Compliance with Laws, Etc. The Borrower shall comply, and shall cause GWG DLP Funding II, LLC, Subsidiaries and the Master Trusts to comply, in all material respects with all Applicable Laws.

(b) Preservation of Company or Trust Existence. The Borrower shall preserve and maintain, and shall cause GWG DLP Funding II, LLC, Subsidiaries and the Master Trusts to preserve and maintain, its existence, rights, franchises and privileges, and sole jurisdiction of formation, in Delaware, and qualify and remain qualified in good standing as a foreign entity in the jurisdiction where its principal place of business and its chief executive office are located and in each other jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications could have a Material Adverse Effect.

(c) Performance and Compliance with Receivables. The Borrower shall timely and fully perform and comply, and shall cause GWG DLP Funding II, LLC, Subsidiaries, and the Master Trusts to timely and fully perform and comply, in all material respects with all provisions, covenants and other promises required to be observed by it under the Transaction Documents and otherwise with respect to the Insurance Policies.

(d) Reporting Requirements. The Borrower shall furnish to the GWG Trustee for the benefit of Lenders:

(i) with respect to the Borrower, GWG DLP Funding II, LLC, Subsidiaries and the Master Trusts, on each Calculation Date, for the month immediately preceding, a Calculation Report of all Portfolio Assets and corresponding Debt Coverage Ratio;

(ii) with respect to the Borrower, GWG DLP Funding II, LLC, Subsidiaries and the Master Trusts as soon as available, and in any event within 180 days after the end of each fiscal year of the Borrower, GWG DLP Funding II, LLC or the Master Trusts, as the case may be a copy of the annual balance sheet for such fiscal year of the Borrower, GWG DLP Funding II, LLC, or the Master Trusts, as the case may be, as at the end of such fiscal year, together with the related statements of earnings for such fiscal year, certified by the chief executive or financial officer of the Borrower (which certification shall state that such balance sheets and statements fairly present the financial condition and results of operations for such fiscal quarter (or, if applicable, year), subject to year-end audit adjustments), delivery of which balance sheets and statements shall be accompanied by a certificate of such chief financial officer to the effect that no Event of Default exists;

(iii) as soon as possible and in any event within forty-five (45) Business Days after any officer of the Borrower has actual knowledge of the occurrence of an Event of Default, an officer's certificate of the Borrower setting forth details of such event and the action that the Borrower proposes to take with respect to such Event of Default shall be provided to Lenders, provided such notice may be withheld if GWG Trustee determines in good faith that withholding notice is in the Lenders' best interests, unless the Event of Default is a failure to pay the Principal Amount or Interest on any Loan;

(iv) promptly, from time to time, such other information, documents, records or reports respecting the Collateral, the Insurance Policies or the condition or operations, financial or otherwise, of the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trusts as GWG Trustee may from time to time reasonably request in order to protect the interests of GWG Trust, the Master Collateral Agent or any Lender under or as contemplated by this Agreement and the other Transaction Documents.

(e) Use of Proceeds. The Borrower and GWG DLP Funding II, LLC shall use the proceeds of the Loans in accordance with Section 5.1.

(f) Separate Legal Entity. The Borrower hereby acknowledges that each Lender, the Trust, the Trustee, and GWG Trust are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon the Borrower's identity as a legal entity separate from GWG DLP Funding II, LLC or any other Person. Therefore, from and after the date hereof, the Borrower shall take all reasonable steps to continue GWG DLP Funding II, LLC's identities as a separate legal entity and to make it apparent to third Persons that GWG DLP Funding II, LLC is an entity with assets and liabilities distinct from those of any other Person, and is not a division of any other Person. GWG DLP Funding II, LLC will be separate limited purpose limited liability companies whose primary activities are restricted in their respective organizational documents to owning the UTI or a subsidiary that owns the UTI and certain related assets and financing the acquisition thereof and conducting such other activities as it deems necessary or appropriate to carry out its primary activities;

(g) Defense. The Borrower shall, and shall cause GWG DLP Funding II LLC, Subsidiaries, and the Master Trusts to, defend the Collateral against all lawsuits and statutory claims and liens of all Persons at any time claiming the same or any interest therein adverse to the Master Collateral Agent, GWG Trust, GWG Trustee or the Secured Parties that could reasonably be expected to have a Material Adverse Effect.

(h) Perfection. The Borrower shall, at the Borrower's expense, perform all acts and execute all documents necessary or reasonably requested by GWG Trustee at any time to evidence, perfect, maintain and enforce the title or the security interest of GWG Trust in the Collateral and the priority thereof. Where permitted by law, the Borrower hereby authorizes GWG Trustee on behalf of GWG Trust to file one or more financing statements covering all of the Collateral and other assets of the Borrower.

(i) Additional Assistance. The Borrower shall provide such cooperation, information and assistance, and prepare and supply GWG Trustee with such data regarding the performance by the Issuing Insurance Companies of their obligations under the Insurance Policies and the performance by the Borrower, GWG DLP Funding II, LLC, Subsidiaries, and the Master Trusts of their respective obligations under the Transaction Documents, as may be reasonably requested by GWG Trustee from time to time.

(j) Accounts. The Borrower shall establish and maintain the LifeNotes Account for purposes of this Agreement. The Borrower may open additional bank accounts it

deems necessary so long as those accounts constitute Collateral. The Borrower shall not close the LifeNotes Account unless GWG Trustee shall have consented thereto in its sole discretion.

(k) Keeping of Records and Books of Account. The Borrower shall, and shall cause GWG DLP Funding II, LLC, Subsidiaries, and the Master Trusts to, maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate the documents relating to the Collateral in the event of the destruction thereof), and keep and maintain all records and other information, reasonably necessary or reasonably advisable for the Loans and the collection of the Insurance Policies.

(l) Deposit of the Collections. The Borrower shall, and shall cause GWG DLP Funding II, LLC and Subsidiaries to, deposit all proceeds received by Borrower from GWG DLP Funding II, LLC and Subsidiaries related to proceeds received on Conveyed Property into the LifeNotes Account.

SECTION 10.2. Negative Covenants. From the date hereof until the first day following the Termination Date, the Borrower hereby covenants and agrees that it shall not, and it shall not permit GWG DLP Funding II, LLC or the Master Trusts to:

(a) Assignment of Receivables, etc. Except as provided herein or in the Transaction Documents, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist, any Adverse Claim (other than the Adverse Claims under the Transaction Documents) upon or with respect to, any of the Collateral.

(b) Amendments to Transaction Documents, etc. Amend, otherwise modify or waive any term or condition of this Agreement that would have a materially adverse effect on the Lenders without the prior written notice to the Lenders, and consent if necessary, by the Required Lenders.

(c) Mergers, Acquisitions, Sales, Subsidiaries, etc.

(i) Unless approved by the GWG Trustee, be a party to any merger or consolidation, or directly or indirectly purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, except for Permitted Investments or sell, transfer, assign, convey or lease any of its property and assets (or any interest therein) other than pursuant to, or as contemplated by, this Agreement or the other Transaction Documents;

(ii) make, incur or suffer to exist an investment in, equity contribution to, loan or advance to, or payment obligation in respect of the deferred purchase price of, or payment for, property from, any other Person, except for Permitted Investments, pursuant to the Transaction Documents and, in the case of the Borrower, the investment in a Subsidiary of the Borrower, and except for the payment of fees to brokers, which will be deferred with respect to the purchase of any Eligible Life Insurance Policy until after the Rescission Period for such Eligible Life Insurance Policy has expired;

(iii) enter into any transaction with any Affiliate except for the transactions contemplated by the Transaction Documents and other transactions upon fair and reasonable terms materially no less favorable to the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trusts, as the case may be, than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

(d) Change in Business Policy. Make any change in the character of its business, which could reasonably be expected to cause a Material Adverse Effect.

(e) Chief Executive Office. Move its chief executive office or jurisdiction of formation or permit the documents and books evidencing the Collateral to be moved unless (i) the Borrower shall have given to GWG Trustee not less than 30 days' prior written notice thereof, clearly describing the new location, and (ii) the Borrower or the Master Trusts, as the case may be, shall have taken such action, satisfactory to GWG Trustee, to maintain the title or ownership of the Borrower, GWG DLP Funding II, LLC, Subsidiaries or the Master Trusts, as the case may be, and any security interest of GWG Trust, in the Collateral at all times fully perfected and in full force and effect. The Borrower shall not, and shall not permit GWG DLP Funding II, LLC, or the Master Trusts to, in any event become or seek to become organized under the laws of more than one jurisdiction.

(f) Sale of Assets. Sell, transfer or convey any assets which serve as Collateral, unless the proceeds of which are deposited in the LifeNotes Account.

ARTICLE XI
EVENT OF DEFAULTS; REMEDIES

SECTION 11.1. Event of Defaults. Each of the following shall constitute an Event of Default under this Agreement:

(a) Non-Payment. The Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, Subsidiaries, or the Master Trusts shall fail to make when due any payment or deposit to be made by it under this Agreement or any other Transaction Document, which failure shall have continued for thirty (30) Business Days, or any Loan is not paid in full on the Maturity Date therefore, subject to the Extension Period set forth in Section 4.3 above.

(b) Breach of Representations and Warranties. Any representation or warranty made or deemed made by the Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, Subsidiaries, or the Master Trusts under or in connection with this Agreement or any other Transaction Document to which it is a party or any information or report delivered by or on behalf of any such Person to GWG Trustee, any Lender or Master Collateral Agent hereunder or under any other Transaction Document shall prove to have been incorrect or untrue in any material respect when made or delivered (or deemed to have been made or delivered).

(c) Non-Compliance with Other Provisions. The Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, Subsidiaries, or the Master Trusts

shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or in any other Transaction Document on its part to be performed or observed and any such failure shall remain unremedied for 30 days, provided that it shall be an Event of Default if the Debt Coverage Ratio exceeds 90% and continues to be above 90% for a period of five consecutive days following Borrower's report to the GWG Trustee that the ratio is above 90%.

(d) Validity of Transaction Documents. (a) This Agreement or any other Transaction Document shall (except in accordance with its terms), in whole or in part, cease to be the legally valid, binding and enforceable obligation of the Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, Subsidiaries, or the Master Trusts, if the Borrower, GWG DLP Funding II, LLC, the Master Trusts is a party thereto, (b) the Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, Subsidiaries, the Master Trusts, or any other party shall directly or indirectly contest in any manner such effectiveness, validity, binding nature or enforceability of such document, or (c) this Agreement shall cease to create a valid security interest in favor of GWG Trust in the Collateral.

(e) Bankruptcy. An Event of Bankruptcy shall have occurred with respect to the Borrower, GWG DLP Funding II, LLC, or the Master Trusts.

(f) Tax Liens; ERISA Liens. The Internal Revenue Service shall file notice of a lien pursuant to the Internal Revenue Code with regard to any assets of the Borrower, GWG DLP Funding II, LLC, the Master Trusts or the Pension Benefit Guaranty Corporation shall, or shall indicate its intention to, file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower, GWG DLP Funding II, LLC, or the Master Trusts in excess of $200,000; provided, however, that in each case the filing of such a notice of lien shall not be an Event of Default for so long as such filing is being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside. Notwithstanding anything provided in the preceding sentence, no Adverse Claim (other than Adverse Claims created by the Transaction Documents) shall be permitted with respect to any Collateral.

(g) Defaults. A default (after giving effect to the applicable grace period) shall have occurred and be continuing under any instrument, agreement or legal commitment evidencing, securing or providing for the issuance of indebtedness for borrowed money or off balance sheet financing in excess of $250,000 of, or guaranteed by, Borrower, which default if unremedied, uncured, or unwaived would permit acceleration of the maturity of such indebtedness for borrowed money or off balance sheet financing and such default shall have continued unremedied, uncured or unwaived for a period long enough to permit such acceleration and any notice of default required to permit acceleration shall have been given.

(h) Servicer Termination Events. A servicer termination event shall have occurred and be continuing under the Servicing Agreements.

SECTION 11.2. Remedies.

(a) Termination. Upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in Section 11.1(e)), the GWG Trustee, at the

request of the Required Lenders shall, by notice to the Borrower, declare all or any portion of the outstanding Principal Amount of the Loans and other Obligations to be due and payable (and accelerate the Maturity Date of each Loan) whereupon the full unpaid amount of all the Loans and other Obligations shall be and become immediately due and payable (and the Maturity Date for all of the Loans shall be deemed to have occurred), without further notice, demand or presentment.

(b) Automatic Termination. Upon the occurrence of an Event of Default described in Section 11.1(e), all outstanding Loans and other Obligations shall become immediately and automatically due and payable (and the Maturity Date shall be deemed to have occurred for all of the Loans), all without presentment, demand, protest, or notice of any kind.

Following the occurrence and during the continuance of an Event of Default, the GWG Trustee shall provide notice to Lenders after forty-five (45) days and exercise its rights and remedies on behalf of the Lenders to preserve and protect the Collateral for the benefit of the Lenders.

In addition to all rights and remedies under this Agreement or otherwise, the GWG Trustee shall have all other rights and remedies provided under the relevant UCC and under other Applicable Laws, which rights shall be cumulative. Without limiting the generality of the foregoing, on and after the occurrence of an Event of Default, the GWG Trustee (on behalf of the Lenders) may without being required to give any notice (except as herein provided or as may be required by the Liquidity Providers or by mandatory provisions of law), sell the Collateral or any part thereof in any commercially reasonable manner at public or private sale, for cash, upon credit or for future delivery, as directed by the GWG Trustee and at such price or prices as the GWG Trustee may deem satisfactory. The Borrower will, and will cause the Master Trusts and GWG Trust to, execute and deliver such documents and take such other action as the GWG Trustee reasonably deems necessary or advisable in order that any such sale may be made in compliance with applicable law. Upon any such sale, the GWG Trustee shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely and free from any claim or right of whatsoever kind, including any equity or right of prepayment of the Borrower which may be waived, and the Borrower, to the extent permitted by applicable law, hereby specifically waives all rights of prepayment, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The GWG Trustee instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the security interests in the Collateral and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

In furtherance of the rights, powers and remedies of the GWG Trust and GWG Trustee during the continuance of an Event of Default, subject to any rights granted to the Master Collateral Agent or the Liquidity Providers, the Borrower hereby irrevocably appoints GWG Trustee as its true and lawful attorney, with full power of substitution, in the name of the Borrower, or otherwise, for the sole use and benefit of the GWG Trustee (for the further benefit of the Lenders), but at the Borrower's expense, to the extent permitted by law and subject to the last sentence of the immediately preceding subsection, to exercise, at any time and from time to

time during the continuance of an Event of Default, all or any of the following powers with respect to all or any of the Collateral.

(i) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof,

(ii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto,

(iii) to sell, transfer, assign or otherwise deal in or with the Collateral or the proceeds or avails thereof, as fully and effectually as if GWG Trust were the absolute owner thereof, and

(iv) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto.

Notwithstanding anything to the contrary contained in this Agreement, if at any time the rights, powers and privileges of the GWG Trust and GWG Trustee following the occurrence of an Event of Default conflict (or are inconsistent) with the rights and obligations of the Liquidity Providers, Master Collateral Agent, Servicer or the Master Servicer, the rights, powers and privileges of the Liquidity Providers and Master Collateral Agent shall supersede the rights and obligations of GWG Trust to the extent of such conflict (or inconsistency), with the express intent of maximizing the rights, powers and privileges of the Master Collateral Agent following the occurrence of an Event of Default.

The parties hereto acknowledge that this Agreement is, and is intended to be, a contract to extend financial accommodations to the Lenders within the meaning of Section 365(e)(2)(B) of the Federal Bankruptcy Code (11 U.S.C. § 365(e)(2)(B)) (or any amended or successor provision thereof or any amended or successor code).

ARTICLE XII
INDEMNIFICATION

SECTION 12.1. General Indemnity. Without limiting any other rights which any such Person may have hereunder or under applicable law, the Borrower hereby agrees to indemnify each of the GWG Trustee, Master Collateral Agent, the Servicer, and each of their respective successors, transferees, participants and assigns and all officers, directors, shareholders, controlling persons, employees and agents of any of the foregoing (each of the foregoing Persons being individually called an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related and reasonable costs and expenses actually incurred, including reasonable attorneys' fees and disbursements actually incurred (all of the foregoing being collectively called "Indemnified Amounts") awarded against or incurred by any of them arising out of or relating to any Transaction Document or the transactions contemplated thereby, the acceptance and administration of this Agreement by such Person, any commingling of funds (whether or not permitted hereunder), or the use of proceeds therefrom by the Borrower, GWG DLP Funding II, LLC or the Master Trusts, including (without limitation) in respect of the funding of any Loan or in respect of any Insurance Policy; excluding, however, (i) Indemnified

Amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence on the part of any Indemnified Party, and (ii) any tax upon or measured by net income (except those described in Section 7.1(a)) on any Indemnified Party; including (without limitation), however, Indemnified Amounts resulting from or relating to:

(a) any representation or warranty made by or on behalf of the Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, the Master Trusts, GWG Trust in this Agreement or any other Transaction Document, which was incorrect in any respect when made;

(b) failure by the Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, the Master Trusts, to comply with any covenant made by it in this Agreement or in any of the other Transaction Documents;

(c) except as expressly set forth in this Agreement, the failure by the Borrower to create and maintain in favor of GWG Trust, for the benefit of the Lenders a valid security interest in the Collateral, free and clear of any Lien (other than the Liens under the Transaction Documents);

(d) the Borrower's, GWG DLP Funding II, LLC's or the Master Trusts' use of the proceeds of the Loans;

(e) the failure by the Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, the Master Trusts to pay when due any taxes (including sales, excise or personal property taxes) payable in connection with the purchase and sale of the Conveyed Property;

(f) the commingling of the Collections with other funds of the Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC the Master Trusts, or any other Person;

(g) any legal action, judgment or garnishment affecting, or with respect to, distributions on any Insurance Policy or the Transaction Documents; and

(h) any failure to comply with any Applicable Law with respect to any Insurance Policy or any other part of the Collateral.

If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment of the amounts indemnified against in this Section 12.1 that is permissible under Applicable Law.

SECTION 12.2. Third-Party Beneficiaries. The Borrower hereby agrees that each of the Indemnified Parties that is not a party hereto is a third-party beneficiary of the indemnification provided in Section 12.1 and shall be entitled to enforce Section 12.1 on its own behalf as if it were a party hereto.

ARTICLE XIII
MISCELLANEOUS

SECTION 13.1. Amendments, etc. No amendment or waiver of, or consent to the Borrower's departure from, any provision of this Agreement that has a materially adverse effect on a Lender shall be effective unless it is in writing and signed by the Required Lenders and GWG Trustee and such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given; provided that no amendment, waiver or other modification of this Agreement shall be effective unless not less than ten (10) days prior written notice thereof has been given to DZ Bank and, in the case of any amendment, waiver or other modification that directly or indirectly relates to Article VI or the provisions of Exhibit D or that otherwise affects the rights or interests of any Liquidity Provider, DZ Bank has consented in writing thereto; provided further that no Amendment shall be effect unless all Affected Lenders approve any Amendment that extends the Maturity Date of any Loan (except as provided herein in Section 4.3);

(b) Reduces the Principal Amount or Note Rate of any Loan; or

(c) Results in an Adverse Claim against the Collateral.

SECTION 13.2. Notices, etc. All notices, directions, instructions, demands and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and sent:

(a) To the Borrower, GWG DLP Funding II, LLC, or GWG Trust at 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota, 55402;

(b) To the Lender, at the name and address of registered holder of the Loan as set forth on the Loan Subscription Agreement; and

(c) To GWG Trustee, at 48 Wall Street 27th Floor, New York, NY 10005.

All such notices, directions, instructions, demands and communications shall be effective: (a) if sent by overnight courier, on the Business Day after the day sent, (b) if by U.S. mail, three Business Days after being deposited in the mail, (c) if delivered personally, when delivered, and (d) if faxed, when the sender thereof shall have received electronic confirmation of the transmission thereof (provided that should such day not be a Business Day, on the next Business Day), except any such notice, direction, demands or other communications to the Borrower shall only be effective upon actual receipt.

SECTION 13.3. No Waiver; Remedies. No failure on the part of any Lender, GWG Trustee or the Master Collateral Agent to exercise, and no delay in exercising, any right hereunder or under any Transaction Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 13.4. Binding Effect; Assignability; Term. This Agreement shall be binding upon and inure to the benefit of the Borrower, each Lender, the Master Collateral Agent, GWG Trust, GWG Trustee, the Liquidity Providers and their respective successors and assigns, except that Borrower shall not have the right to assign any of its respective rights, or to delegate any of its respective duties and obligations, hereunder without the prior written consent of GWG Trustee, DZ Bank and the Required Lenders. This Agreement shall create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until such time as the Loans have terminated and all the principal of and interest on the Loans and all other amounts owing hereunder are paid in full and no further Loans are to be made hereunder. The Liquidity Providers are express third party beneficiaries of this Agreement and shall be entitled to enforce the provisions of this Agreement in the same manner as if they were parties hereto.

SECTION 13.5. Governing Law; Jury Trial. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF, OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS.

SECTION 13.6. No Proceedings. Each of GWG Trust and GWG Trustee hereby agrees that it will not institute against the Borrower, GWG DLP Funding II, LLC or the Master Trusts any bankruptcy, reorganization, insolvency or similar proceeding until a date that is at least one year and one day after the last day on which the Loans have terminated and all of the Obligations hereunder shall have been paid in full.

SECTION 13.7. Confidentiality. Each Lender agrees to maintain the confidentiality of any information regarding the Borrower (including in its capacity as Master Servicer), GWG DLP Funding II, LLC, the Master Trusts, GWG Trustee obtained in accordance with the terms of this Agreement that is not publicly available, but such Lender may reveal such information: (a) as necessary in connection with the administration or enforcement of this Agreement or the other Transaction Documents or its funding of Loans under this Agreement, (b) as required by Applicable Law, government regulation, court proceeding or subpoena, (c) to regulatory agencies and examiners, (d) to any potential assignee or participant or (e) to its attorneys and auditors, provided that in no event shall any Lender reveal any information with respect to the Insureds in violation of Applicable Law.

SECTION 13.8. Limited Recourse. Except as explicitly set forth herein or in any other Transaction Document, no recourse under any Transaction Document shall be had against, and no liability shall attach to, any trustee, officer, employee, director, Affiliate, shareholder, partner, member or beneficiary, whether directly or indirectly, of any party thereto, or any of their respective Affiliates (including, without limitation, any member of the Borrower). It is expressly agreed and understood as a condition of (and in consideration for) the execution and delivery of each Transaction Document that each Transaction Document is the corporate, trust or limited

liability company (as applicable) obligation of the parties thereto, to the extent explicitly set forth therein, and that none of any trustee, officer, employee, director, Affiliate, shareholder, partner, member or beneficiary, whether directly or indirectly, of any party shall have any liability for the performance or breach of performance of any of the obligations under the Transaction Documents.

SECTION 13.9. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

SECTION 13.10. Submission to Jurisdiction. Each party hereto hereby submits exclusively to the jurisdiction of the courts of the State of Minnesota and of any Federal court located in the State of Minnesota (or any appellate court from any thereof) in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each party hereto hereby irrevocably waives any objection that it may have to the laying of venue of any such proceeding and any claim that any such proceeding has been brought in an inconvenient forum.

SECTION 13.11. Costs and Expenses. In addition to its obligations under Section 3.4 and Section 12, the Borrower agrees to pay on demand:

(a) all reasonable and actual costs and expenses incurred by each Lender and GWG Trustee, in connection with (i) the perfection of the GWG Trust's security interests in the Collateral and (ii) the maintenance of the LifeNotes Account; and

(b) all stamp and other Taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement.

SECTION 13.12. Severability of Provisions. If any one or more provisions of this Agreement shall for any reason be held invalid, then such provisions shall be deemed severable from the remaining provisions of this Agreement and shall in no way affect the validity or enforceability of other provisions of this Agreement.

SECTION 13.13. ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS EXECUTED AND DELIVERED HEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND THERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

SECTION 13.14. Tax Disclosure. Notwithstanding anything herein to the contrary, to the extent not inconsistent with applicable securities laws, each party hereto (and each of their employees, representatives or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transaction (as defined in Section 1.6011-4 of the Treasury Regulations) and all materials of any kind (including opinions or other tax analyses) to the extent relating to such tax treatment and tax structure.

SECTION 13.15. Amendment and Restatement of Prior Note Issuance and Security Agreement. The parties hereto acknowledge and agree that pursuant to Section 13.1 of the Prior Note Issuance and Security Agreement, the Prior Note Issuance and Security Agreement may be amended by the Borrower and the GWG Trustee if such amendments to do not have a materially adverse effect on a Lender. This Agreement amends, restates and replaces in its entirety the Prior Note Issuance and Security Agreement, which is heretofore null and void and of no further force and effect.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

GWG LIFE SETTLEMENTS, LLC, as the Borrower

By:_____
Name:_____
Title:_____

GWG LIFENOTES TRUST, as Secured Party on behalf of Lenders

By:_____
Name: Philip A. Martens
Title: Vice President

LORD SECURITIES CORPORATION, as GWG Trustee

By:_____
Name: Philip A. Martens
Vice President

EXHIBIT A

FORM OF NOTE

Note Number

Hennepin County, Minnesota

$

Effective Date _____, _____

Due on _____, _____

GWG LIFE

SERIES I SECURED NOTE, CLASS ___

___ INTEREST RATE, PAYABLE [MONTHLY, ANNUALLY, MATURITY]

GWG LIFE (the "Issuer"), for value received, hereby promises to pay to the order of _____ _____ (the "Lender"), at such location as may be designated by the Lender from time to time, the principal amount of _____ Dollars ($_____) ("Principal"), and to pay Interest on the unpaid balance thereof from the date hereof, in lawful money of the United States, as follows:

From the effective date shown above, the Lender shall be paid simple annual interest at the per annum rate stated above ("Interest"). All Interest paid hereunder shall be based on a three hundred sixty (360) day year, consisting of twelve (12) months, each consisting of thirty (30) days. Interest shall be payable with the frequency (monthly, annually, or at maturity only) stated above, for the preceding period, on or about the 10th day of the month following the end of such period during which any part of the Principal amount hereof is outstanding and unpaid.

The Principal amount hereof, and any interest not theretofore paid, shall be due and payable on the due date set forth above, subject to the right of the Issuer to extend the due date for up to two additional six month terms if the original term of the note is less than one year, and to extend the due date for up to one six month term if the original term of the note is one year or greater but less than three years. If the original term of the note is less than one year and a six month extension is exercised, the interest rate will be increased to the then current one-year interest rate and if the term of the note is extended for an additional six month term by Issuer the interest rate will be increased by an additional 50 basis points or 0.50% per annum. All other six month term extensions of the note by Issuer will result in an increase in the interest rate by 50 basis points or 0.50% per annum. The Issuer will repay the note on the tenth of the month following its maturity (or the first business day after the tenth of the month). Interest will not accrue on the Note for the time period between the maturity date and the repayment date.

The Issuer may prepay this Note at any time without penalty.

The Issuer, on the Maturity Date, shall exchange the Lender's Note for a new Note having terms and conditions identical to the Note exchanged (except that if such replacement Note shall bear Interest at the interest rate different from the original note, the Issuer shall provide prior notice). In the event that the Lender hereof does not wish to renew this Note on the Maturity Date set forth above, written notice must be given to the Issuer at least thirty (30) calendar days prior to the Maturity Date. Notwithstanding the foregoing, the Issuer may determine, at its option, not to renew any Note.

These Notes are issued pursuant to that certain Note Issuance and Security Agreement dated November __, 2010 (the "Note Issuance Agreement") between the Issuer, GWG LifeNotes Trust ("LifeNote Trust"),

and Lord Securities Corporation, as Special Trustee (the "Special Trustee"), as amended and supplemented from time to time. Pursuant to the Note Issuance Agreement, Notes may be issued to the Lender. The Notes are issued, and will be issued to finance life insurance policies owned directly or indirectly by Issuer. The terms of the Notes include those stated in the Note Issuance Agreement and the Notes are subject to all such terms incorporated herein by reference thereto, and may be amended from time to time.

Under the Note Issuance Agreement, the Issuer assigns and pledges to the LifeNote Trust on behalf of Lender to secure the payment of the principal and interest on the Notes, and the performance of all covenants made by the Issuer under the Note Issuance Agreement and grants the LifeNote Trust on behalf of Lender a security interest in the Collateral. The Collateral includes (i) all interests in subsidiaries of the Issuer, (ii) all investment earnings thereon, and all other property at any time made subject to the Note Issuance Agreement pursuant to the provisions of the Note Issuance Agreement, (iii) all proceeds of the Collateral, except as otherwise provided in the Note Issuance Agreement, and (iv) all accounts and general intangibles owned by the Issuer. The Lender's rights to cash proceeds of life insurance policies owned directly or indirectly by the Issuer is subordinate to amounts owed to the senior Liquidity Providers pursuant to the terms of the Note Issuance Agreement.

Each payment made to Lender shall be credited first on Interest then due, and the remainder, if any, on Principal; and Interest shall thereupon cease upon the Principal so credited. Should default be made on payment of any installment when due, or of any obligation, covenant, or warranty of the Issuer in the Note Issuance Agreement, the whole sum of Principal and Interest shall become immediately due and payable, at the option of Special Trustee on behalf of the Lender of this Note. All Principal and Interest shall be payable in lawful money of the United States.

Any notice required or permitted under this Note shall be given in writing and shall be deemed effectively given upon personal delivery or when sent by first class mail, postage prepaid, to the party to be notified at the address indicated herein, or at such other address as such party may designate by ten (10) days' advance written notice to the other parties.

Any term of this Note may be amended and the observance of any term of this Note may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Lender. Any amendment or waiver effected in accordance with this section shall be binding upon the Lender and each future Lender of this Note.

This Note may not be assigned without the prior written consent of the Issuer. This Note shall be binding upon the heirs, assigns, successors in interest, agents, and employees of the parties hereto. The Issuer agrees to pay any and all reasonable attorneys' fees and costs incurred by Lender, LifeNote Trust and/or the Special Trustee associated with the enforcement of the terms of this Note.

If one or more provisions of this Note are held to be unenforceable under applicable law; such provision shall be excluded from this Note and the balance of the Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

This Note shall be governed, construed, and enforced in accordance with the laws of the State of New York.

GWG LIFE, a Delaware limited liability company

By: _____
Name: _____
Title: _____

THE SECURITY EVIDENCED HEREBY WAS ISSUED PURSUANT TO REGULATION D IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "1933 ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF REGISTRATION UNDER THE 1933 ACT OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT THE SECURITIES MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 OR RULE 144A UNDER THE 1933 ACT, OR PURSUANT TO ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT AND IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED AND/OR DELIVERED IN CONNECTION HEREWITH (COLLECTIVELY, THE "SUBORDINATED LOAN DOCUMENTS"), THE INDEBTEDNESS AND OTHER OBLIGATIONS OF THE BORROWER UNDER THE SUBORDINATED LOAN DOCUMENTS ARE SUBORDINATED IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE VI OF THE SECOND AMENDED AND RESTATED NOTE ISSUANCE AND SECURITY AGREEMENT DATED AS OF NOVEMBER __, 2010 (AS AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "AGREEMENT") AMONG GWG LIFE, AS BORROWER, THE NOTEHOLDERS PARTY THERETO, AS LENDERS, AND THE SPECIAL TRUSTEE OF THE LIFENOTE TRUST, AND LIFENOTES TRUST, AS SECURED PARTY, INCLUDING THE PROVISIONS OF EXHIBIT D THEREOF. ANY PERSON WHO ACQUIRES ANY SUCH INDEBTEDNESS OR OBLIGATION OR ANY INTEREST THEREIN, BY ITS ACCEPTANCE THEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE AGREEMENT AND ANY OTHER SUBORDINATED LOAN DOCUMENT, THE TERMS OF THE AGREEMENT SHALL GOVERN AND CONTROL.

EXHIBIT B

SUBSCRIPTION AGREEMENT

GWG LIFE

SERIES I
SECURED NOTES
MINIMUM INVESTMENT - $25,000
220 SOUTH SIXTH STREET, SUITE 1200
MINNEAPOLIS, MN 55402

THIS SUBSCRIPTION AGREEMENT (the "Agreement") is made by and between **GWG Life**, a Delaware limited liability company (the "Company"), and the undersigned prospective purchaser (sometimes hereinafter referred to as the "Subscriber" or the "Investor") who is subscribing hereby for certain of the **GWG Life, Series I Notes** (the "Notes"), pursuant to the Company's Confidential Private Placement Memorandum, dated November 15, 2010 (the "Memorandum" which term includes all exhibits and supplements thereto and any amendments thereof) distributed to a limited number of accredited investors in connection with the offering of the Notes.

In consideration of the Company's agreement to sell Notes to the Subscriber upon the terms and conditions summarized in the Memorandum, the Subscriber hereby agrees and represents to the Company as follows:

SUBSCRIPTION

1) The Notes will be offered and sold to you in a non-public placement to a limited number of purchasers in the United States who are "Accredited Investors" as that term is defined under Rule 501 of Regulation D ("Regulation D") promulgated under the Securities Act of 1933, as amended (the "1933 Act"). The Notes are offered pursuant to the Memorandum.

2) Upon original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the 1933 Act, the Notes shall bear the following legend:

   THE SECURITY EVIDENCED HEREBY WAS ISSUED PURSUANT TO REGULATION D IN A TRANSACTION, EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "1933 ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF REGISTRATION UNDER THE 1933 ACT OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT THE SECURITIES MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 OR RULE 144A UNDER THE 1933 ACT, OR PURSUANT TO ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT OR PURSUANT, TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT AND IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

3) On the basis of the representation and warranties contained in this Agreement, and subject to its terms and conditions and further subject to acceptance of this Agreement by the

Company; the Company agrees to issue and sell to the Investor, and the Investor agrees to purchase from the Company, the number of Notes set forth on the signature page hereof by payment to the Company of the amount set forth on the signature page hereof (the "Subscription Amount") either (i) in the form of a certified or bank check, payable in United States dollars to "**GWG Life –LifeNotes Trust Account**" or (ii) by wire transfer to the following account:

WIRE INSTRUCTIONS:
GWG LIFENOTES TRUST ACCOUNT
00497-18394
ROUTING: 091001157
BANK NAME: M&I BANK

4) The Subscriber understands that the Company will accept or reject all subscriptions no more than 30 calendar days following receipt of the completed Subscription Agreement and a transfer to the Company of funds in the full Subscription Amount. No notes will be issued or dated prior to the Company's receipt and acceptance of a completed Subscription Agreement. In the event that a subscription is rejected, the Subscription Amount (or, in the case of rejection of a portion of the undersigned's subscription, the part of the Subscription Amount relating to such rejected portion) shall be returned to the Subscriber by the Company, without interest being paid thereon.

5) The Subscriber hereby acknowledges receipt of a copy of the Memorandum, including all exhibits thereto, and hereby adopts, accepts and agrees to be bound by each provision thereof upon the (i) execution and delivery to the Company of the completed Subscription Agreement submitted by the Subscriber, and (ii) acceptance by the Company of the Subscriber's subscription for Notes.

6) In connection with the undersigned's purchase of the Notes pursuant to this agreement, the undersigned desires to execute and become a party to the Note Issuance and Security Agreement (the "Note Issuance and Security Agreement"), by and among the Company, LifeNotes Trust, Lord Securities Corporation, and the Noteholders parties thereto and the Trust Agreement (the "Trust Agreement"), by and among Lord Securities Corporation, as Special Trustee, the Company, and the Noteholders parties to the Note Issuance and Security Agreement. The undersigned hereby acknowledges that a copy of the Note Issuance and Security Agreement and Trust Agreement has been made available to it.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees that by signing this Subscription and Letter of Investment Intent, and upon acceptance hereof by the Company, the undersigned will be added as a Lender to the Note Issuance and Security Agreement and as a Noteholder to the Trust Agreement, that the terms, provisions, obligations and agreements of the Note Issuance and Security Agreement and Trust Agreement shall be binding upon the undersigned as a "Lender" under the Note Issuance and Security Agreement and as a "Noteholder" under the Trust Agreement, and such terms, provisions, obligations and agreements shall inure to the benefit of and be binding upon the undersigned and his, hers or its successors and assigns. The signature page to this Subscription and Letter of Investment Intent will be deemed to be a counterpart signature page to the Note Issuance and Security Agreement and Trust Agreement. In addition, the undersigned acknowledges and ratifies the appointment of Lord Securities Corporation, as Special Trustee on behalf of the LifeNotes Trust, which is established for the benefit of the undersigned and the other holders of Notes.

REPRESENTATIONS AND WARRANTIES

The Subscriber hereby represents, warrants to, and agrees with the Company as follows:

1) In the case of a Subscriber who is an individual, the Subscriber has reached the age of majority in the state or country in which he or she resides, has adequate means of providing for his or her current needs and personal contingencies and has no need for liquidity in this investment.

2) The Subscriber, if acting in a representative capacity or as an agent, has full authority to make the representations and warranties specified herein and to consummate the transactions contemplated herein in such capacity.

3) The Subscriber is acquiring the Notes for the Subscriber's own account, for investment purposes only, not for the account of any other person, and not with a view to distribution, assignment, or resale to others or to fractionalization in whole or in part (excluding transfers which constitute bona fide gifts, provided the transferee agrees to be bound by the terms of this Agreement). No other person has or will have a direct or indirect beneficial interest in the Notes. The Subscriber will not sell, hypothecate or otherwise transfer the Notes unless (i) the Notes to be transferred are registered under the 1933 Act and applicable state securities laws, or (ii) in the opinion of subscriber's counsel, concurred in by counsel to the Company, an exemption from the registration requirements of the 1933 Act and from the requirements of such state laws is available.

4) The Subscriber has been furnished with and has carefully read the Memorandum, and is familiar with and understands the terms of the offering and the terms of the Notes. The Subscriber and his, her, or its representatives have also either been supplied with or been given access by the Company to all information which the Subscriber has requested relating to an investment in the Notes, and all documents and information a reasonable investor would consider material in making an investment decision concerning the Notes, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Company and the Notes, so that the Subscriber has all information the Subscriber deems to be relevant or material to make a decision to purchase the Notes. In evaluating the suitability of an investment in the Company, the Subscriber has not relied upon any representations or other information (whether oral or written) from any other person, including without limitation, the Company, other than as set forth in the Memorandum, and is not relying on any other person to undertake to furnish or verify the information relating to this transaction. With respect to individual tax and other economic considerations involved in this investment, the Subscriber is not relying on the Company. The Subscriber has carefully considered and has, to the extent the Subscriber believes necessary, discussed with the Subscriber's professional, legal, tax, accounting and financial advisors the suitability of an investment in the Notes for the Subscriber's particular tax and financial situation and has determined that the Notes being subscribed for by the Subscriber are a suitable investment for the Subscriber.

5) The Subscriber has a pre-existing personal or business relationship with the Company or its officers or directors, or, by reason of the Subscriber's business or financial experience (or the business or financial experience of the Subscriber's professional advisors who are not affiliated with and who are not compensated by the Company or any affiliate of the Company) has the capacity to protect his, her or its own interests in connection with this investment in the Notes, and either alone or with the Subscriber's professional advisors (as

described above) has such knowledge and experience in financial and business matters that the Subscriber is capable of evaluating the merits and risks of an investment in the Notes.

6) THE SUBSCRIBER HEREBY REPRESENTS AND WARRANTS TO THE COMPANY THAT HE, SHE, OR IT SATISFIES ONE OF THE FOLLOWING REQUIREMENTS: (Initial the applicable statement)

INITIALS

____ i. the Subscriber is an individual whose net worth (excluding the value of his or her principal residence), individually or jointly with spouse, currently exceeds $1,000,000; or

____ ii. the Subscriber is an individual whose individual income (exclusive of that of spouse) exceeded $200,000 in each of the immediately preceding 2 years, and who reasonably expects his or her personal income to exceed $200,000 in the current year; or

____ iii the Subscriber is an individual whose joint income with that of his or her spouse exceeded $300,000 in each of the immediately preceding 2 years, and who reasonably expects such joint income to exceed $300,000 in the current year; or

____ iv. the Subscriber is a director, executive officer, or general partner of the Company or a director, executive officer or general partner of a general partner of the Company; or

____ v. the Subscriber is (a) a bank as defined in Section 3(a)(2) of the 1933 Act or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the 1933 Act, whether acting in its individual or fiduciary capacity, (b) a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, (c) an insurance company as defined in Section 2(13) of the 1933 Act, (d) an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that act, (e) a Small Business Investment Company licensed by the United States Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, (f) a plan established and maintained by a state, its political subdivision, or any agency or instrumentality of a state or its political subdivision, for the benefit of its employees, if such plan has total assets in excess of $5 million, or (g) as employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which plan fiduciary is a bank, savings and loan association, insurance company or a registered investment advisor, or if the employee benefit plan has total assets in excess of $5 million or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors; or

____ vi. the Subscriber is a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940; or

____ vii. the Subscriber is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, a corporation, a Massachusetts or similar business trust or a partnership, not formed for the specific purpose of acquiring the Notes, with total assets in excess of $5 million; or

____ viii the Subscriber is a trust not formed for the specific purpose of acquiring the Notes, whose total assets exceed $5 million and whose purchase is directed by a person with such knowledge and experience in financial and business matters that he or she is capable of

evaluating the merits and risks of this investment; or

_____ ix. the Subscriber is an entity all of the equity owners of which meet the requirements of category (i), (ii), (iii), (iv), (v), (vi), (vii) or (viii) above.

7) Indicate whether the assets being invested in the notes constitute "plan assets" within the meaning of ERISA and regulation 2510.3-101 promulgated thereunder (Initial whichever one applies):

_____ Yes, the assets being invested in the notes do constitute "plan assets" within the meaning of ERISA and regulation 2510.3-101 promulgated thereunder.

_____ No, the assets being invested in the notes do not constitute "plan assets" within the meaning of ERISA and regulation 2510.3-101 promulgated thereunder.

8) The Subscriber recognizes that investment in the Company involves substantial risks, including the risk of loss of the entire amount of such investment, and has taken full cognizance of and understands all the risk factors and tax consequences related to the Subscriber's purchase of the Notes. The Subscriber is willing to assume, and has substantial financial resources necessary to withstand, all the risks involved in the investment and the potential loss of investment in the Notes.

9) If this Subscription Agreement is executed and delivered on behalf of a partnership, corporation or trust: (i) such partnership, corporation, or trust has been duly authorized and is duly qualified (a) to execute and deliver this Subscription Agreement and all other instruments executed and delivered on behalf of such partnership, corporation, or trust or by use of a power of attorney in connection with the purchase of its Notes, (b) to delegate authority pursuant to a power of attorney, and (c) to purchase and hold such Notes; (ii) the signature of the party signing on behalf of such partnership, corporation, or trust is binding upon such partnership, corporation or trust; and (iii) such partnership, corporation or trust has not been formed for the specific purpose of acquiring such Notes, unless each equity and beneficial owner of such entity is an Accredited Investor under Regulation D and has submitted information substantiating such qualification.

10) The Subscriber hereby agrees to indemnify and hold harmless the Company, and each officer, director, or control person, of the Company and each officer and director of any such control person (each, an "Indemnified Party"), who was or is a party to or is threatened to be made a party to any threatened, pending or completed suit, action or proceeding, whether civil, or criminal, administrative, or investigative, to the fullest extent permitted by law, against any Losses incurred by reason of or arising, from any actual or alleged misrepresentation or misstatement of facts or omission to represent or state facts made by the Subscriber to the Company including, without limitation, any such misrepresentation, misstatement, or omission contained in this Subscription Agreement. For purposes of this paragraph, "Losses" shall include any and all losses, damages, liabilities and expenses for which an Indemnified Party has not otherwise been reimbursed (including attorneys' fees, judgments, fines and amounts paid in settlement or incurred in a securities or other action in which no judgment in favor of the Subscriber is rendered) actually and reasonably incurred by such person or entity in connection with such action, suit or legal proceeding.

UNDERSTANDINGS

The Subscriber understands, acknowledges, and agrees with the Company as follows:

1) This subscription may be rejected, in whole or in part, by the Company or its Officers in their sole and absolute discretion. The Company may also allot to any prospective Subscriber fewer than the principal amount of Notes subscribed for by such prospective Subscriber.

2) This Subscription is and shall be irrevocable by the Subscriber except to the extent otherwise provided by any applicable state law.

3) THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED, RESOLD OR OTHERWISE DISPOSED OF EXCEPT AS PERMITTED UNDER THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. IN ADDITION, INVESTORS WILL NEED TO OBTAIN THE COMPANY'S CONSENT TO TRANSFER OR ASSIGN THE NOTES. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT UNTIL THE NOTES MATURE.

4) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE NOTES, THE NOTE ISSUANCE AND SECURITY AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED AND/OR DELIVERED IN CONNECTION THEREWITH (COLLECTIVELY, THE "SUBORDINATED LOAN DOCUMENTS"), THE INDEBTEDNESS AND OTHER OBLIGATIONS OF THE COMPANY UNDER THE SUBORDINATED LOAN DOCUMENTS ARE SUBORDINATED IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE VI OF THE NOTE ISSUANCE AND SECURITY AGREEMENT, INCLUDING THE PROVISIONS OF EXHIBIT D THEREOF. THE SUBSCRIBER IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE NOTE ISSUANCE AND SECURITY AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE NOTE ISSUANCE AND SECURITY AGREEMENT AND ANY OTHER SUBORDINATED LOAN DOCUMENT, THE TERMS OF THE NOTE ISSUANCE AND SECURITY AGREEMENT SHALL GOVERN AND CONTROL.

MISCELLANEOUS

1) This Subscription Agreement is not binding on the Company until the Company has executed it.

2) This Subscription Agreement and the representations and warranties contained herein shall be binding upon the heirs, executors, administrators, and other successors of the Subscriber and this Subscription Agreement shall inure to the benefit of and be enforceable by the Company. If there is more than one signatory hereto, the obligations, representations, warranties and agreements of the Subscriber are made jointly and severally.

3) Neither this Subscription Agreement nor any provisions hereof shall be waived, modified, changed, discharged, terminated, revoked or canceled except by an instrument in writing signed by the party against whom any such change, discharge or termination is sought.

4) Failure of the Company to exercise any right or remedy under this Subscription Agreement or any other agreement between the Company and the Subscriber, or delay by the Company

in exercising such right or remedy, will not operate as a waiver thereof. No waiver by the Company will be effective unless and until it is in writing and signed by the Company.

5) This Subscription Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of New York, as such laws are applied by New York courts to agreements entered into and to be performed in New York by and between residents of New York. In the event that any provision of this Subscription Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

6) This Subscription Agreement and the Note Issuance and Security Agreement constitute the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by writing executed by all parties hereto.

**** INDIVIDUAL OR JOINT SUBSCRIBERS SIGNATURE PAGE****

(This page should be completed only if Subscriber(s) are either one or two individual persons)

The undersigned Subscriber, desiring to purchase notes of GWG Life, Series I (the "Notes") pursuant to the Confidential Private Placement Memorandum (the "Memorandum" which term includes all exhibits and supplements thereto and any amendments thereof) of GWG Life a Delaware limited liability company (the "Company"), by executing this Signature Page, hereby agrees to be bound by all terms of this Subscription Agreement, and further hereby executes, adopts, makes, confirms and agrees to all terms, conditions, representations and warranties of this Subscription Agreement.

Dated as of this _____ day of _____, 20__

Amount of Notes to Purchase: $_____

		(Please check one option in <u>each</u> column) *(Note: 6 Month Notes Pay Interest Monthly or At Maturity Only)*	
Class of Notes to Purchase: ____	or	____ 6 Month	____ Monthly
		____ 1 Year	____ Annually
Qualified ☐ Non-Qualified ☐		____ 2 Year	___ At Maturity
(Please check one)		____ 3 Year	
		____ 5 Year	
		____ 7 Year (only payable At Maturity)	

Print Name of Subscriber	Print Name of Co-Subscriber (if any)
Signature of Subscriber	Signature of Co-Subscriber (if any)
Subscriber SS#	Co-Subscriber SS# (if any)
Subscriber Date of Birth	Co-Subscriber Date of Birth (if any)

Mailing Address

_____

_____

_____

Subscriber Phone # _____

Subscriber Email _____

Interest Preferred Method
☐ Check ☐ Direct Deposit
(Payment Form must be completed for either option)

* If investor is not a United States citizen, furnish IRS Form W-8BEN with this Subscription Agreement

EXECUTION OF AGREEMENT BY POWER OF ATTORNEY

IF THE SUBSCRIBER HAS SIGNED THIS SUBSCRIPTION AGREEMENT BY POWER OF ATTORNEY, THE SUBSCRIBER REPRESENTS THAT ATTACHED HERETO IS A TRUE AND COMPLETE COPY OF SUCH POWER OF ATTORNEY.

****ENTITY SIGNATURE PAGE****

(This page should be used when the Subscriber is a Trust, LLC, Custodian, or other legal entity)

The undersigned Subscriber, desiring to purchase notes of GWG Life, Series I (the "Notes") pursuant to the Confidential Private Placement Memorandum (the "Memorandum" which term includes all exhibits and supplements thereto and any amendments thereof) of GWG Life a Delaware limited liability company (the "Company"), by executing this Signature Page, hereby agrees to be bound by all terms of this Subscription Agreement, and further hereby executes, adopts, makes, confirms and agrees to all terms, conditions, representations and warranties of this Subscription Agreement.

Dated as of this _____ day of _____, 20__

Amount of Notes to Purchase: $_____

(Please check one option in <u>each</u> column)
(Note: 6 Month Notes Pay Interest Monthly or At Maturity Only)

Class of Notes to Purchase: ____ or

____ 6 Month
____ 1 Year
____ 2 Year
____ 3 Year
____ 5 Year
____ 7 Year (only payable At Maturity)

____ Monthly
____ Annually
____ At Maturity

Qualified ☐ Non-Qualified ☐
(Please check one)

Name of Subscriber

FBO (if Subscriber is a Custodian)

Tax ID of Subscriber

Authorized Signature

Print Name of Authorized Signor and Title

Subscriber Date of Incorporation or Declaration of Trust

Mailing Address

Subscriber Phone # _____

Subscriber Email _____

Interest Preferred Method
☐ Check ☐ Direct Deposit
(Payment Form must be completed for either option)

* If investor is not a United States citizen, furnish IRS Form W-8BEN with this Subscription Agreement

EXECUTION OF AGREEMENT BY POWER OF ATTORNEY
IF THE SUBSCRIBER HAS SIGNED THIS SUBSCRIPTION AGREEMENT BY POWER OF ATTORNEY, THE SUBSCRIBER REPRESENTS THAT ATTACHED HERETO IS A TRUE AND COMPLETE COPY OF SUCH POWER OF ATTORNEY.

Life Notes Payment Form

Subscriber: _____

If you want your interest payments via a check, complete the following information

Check Should be made out to: (If check goes to Subscriber at their mailing address, you only have to check the Subscriber box)	Subscriber ☐	Another Person or Entity ☐
Payable to:		
Street Address:		
City, State, Zip:		

If you want your interest payments made via direct deposit, complete the following information

Account Type:	Checking ☐	Savings ☐	Other ☐
Bank Name:			
Bank Street Address:			
Bank City, Sate, Zip:			
Routing Number:			
Account Number:			
FBO:			

I authorize M&I Bank and its Agents, acting on behalf of GWG Life and its affiliate entities (collectively "GWG") to initiate electronic credit entries, and if necessary, debit entries and adjustments for any credit entries in error to my checking and/or savings accounts listed above. I agree to hold GWG harmless from any and all loss and to indemnify GWG, limited to the amount of the credit entry. This authorization will remain in effect until M&I Bank has received written information of its termination in such time and in such manner as to afford M&I Bank and its agents a reasonable opportunity to cancel it.

_____ _____

Signature of Subscriber or Authorized Signor Date

_____

Print Name of Subscriber or Authorized Signor

PLACEMENT AGENT CERTIFICATION

BASED ON THE INFORMATION OBTAINED FROM THE SUBSCRIBER CONCERNING HIS OR HER INVESTMENT OBJECTIVES, HIS OR HER OTHER INVESTMENTS AND HIS OR HER FINANCIAL SITUATION AND NEEDS, THE UNDERSIGNED PLACEMENT AGENT HAS REASONABLE GROUNDS TO BELIEVE THAT AN INVESTMENT IN THE NOTES OF THE COMPANY IS SUITABLE FOR THE SUBSCRIBER. PRIOR TO THE SUBSCRIBER'S EXECUTING THIS SUBSCRIPTION AGREEMENT, THE UNDERSIGNED PLACEMENT AGENT HAS INFORMED THE SUBSCRIBER OF ANY COMPENSATION THE UNDERSIGNED PLACEMENT AGENT SHALL RECEIVE ON ACCOUNT OF THE SALE OF THE NOTES HEREIN AND ALL PERTINENT FACTS RELATING TO AN INVESTMENT IN THE NOTES, INCLUDING THE RISK FACTORS DISCLOSED IN THE MEMORANDUM. THE UNDERSIGNED BELIEVES THAT THE REPRESENTATIONS AND WARRANTIES EXPRESSED ABOVE ARE TRUE AND CORRECT.

Placement Agent

Firm

Address

City / State / Zip Code

Phone Number

Email Address

By _____
Agent's Authorized Signature

Name of Broker-Dealer: _____

Subscription accepted by the Company

Dated: _____

GWG LIFE

By _____

Its _____

EXHIBIT D

SUBORDINATION PROVISIONS

1. Except to the extent provided in Section 3 of this Exhibit D, the payment of any and all Subordinate Obligations, including, without limitation, all interest, fees and other charges, shall be subordinated to the prior payment in full of any and all amounts due under or in respect of the Senior Obligations. The priorities of the liens, claims, encumbrances, security interests or other interests established, altered or specified in Article VI (including the provisions of this Exhibit D incorporated by reference therein) are applicable irrespective of the time or order of attachment or perfection (or lack of attachment or perfection) thereof, the method of perfection, the time or order of filing of financing statements or the taking of possession, or the giving of or failure to give notice of the acquisition or expected acquisition of purchase money or other security interests or otherwise and irrespective of any other law, decision, fact, circumstance, act or occurrence that might otherwise affect the priorities established under this Agreement.

2. Upon the commencement of any Event of Bankruptcy with respect to the Borrower (a "Borrower Bankruptcy Case"), all Senior Obligations shall be paid in full in cash (including, without limitation, all pre-petition and post-petition interest, fees and other charges payable under the Senior Obligations, whether or not such interest, fees and other charges are allowable claims in the Borrower Bankruptcy Case) and the related Transaction Documents to which the Liquidity Providers are a party terminated in accordance with their terms (the date on which such payment in full and termination occurs being the "Senior Payout Date"), before any further payments may be made under the Subordinate Obligations.

3. Until the Senior Payout Date, payments in respect of the Obligations and proceeds of the Collateral shall be distributed in accordance with Section 5.2 of the Agreement and available cash will first be applied to the Senior Obligations or (to the extent no Senior Obligations are then due and payable but the Senior Payout Date has not occurred) distributed to the Related Liquidity Providers to be held as collateral for payment of the Senior Obligations until the Senior Payout Date has occurred, and remaining payments, if any, in respect of the Obligations shall be applied to Subordinate Obligations; provided that if no "Event of Default" or "Potential Event of Default" (as defined in the DZ Bank Credit and Security Agreement) exists under the Senior Obligations or the related Transaction Documents, the Borrower may pay and the Lenders may accept all regularly scheduled payments of principal and interest on the Subordinate Obligations and any prepayment payments permitted under this Agreement. If an "Event of Default" or "Potential Event of Default" shall exist under the Senior Obligations or the related Transaction Documents, (a) no further payments may be made by the Borrower or accepted by any Lender in respect of the Subordinate Obligations, and (b) to the extent any payments or proceeds are received by any Lender, GWG Trust or the GWG Trustee on account of the Subordinate Obligations subsequent to an "Event of Default" or "Potential Event of Default", such payment or proceeds shall be held by the Lender, GWG Trust or the GWG Trustee, as the case may be, in trust for the Liquidity Providers and immediately paid over to the Related Liquidity Providers.

4. GWG Trust, GWG Trustee and each Lender waives the right to enforce any security (including without limitation the exercise of any right of offset) for a Subordinate Obligation until the earlier of (i) the Senior Payout Date or (ii) 180 days following the date of an uncured Event of Default by Borrower under this Agreement or the Subordinate Obligations, provided that if prior to the expiration of the 180-day period, the Liquidity Providers have commenced a judicial proceeding or non-judicial action to collect or enforce any rights or claims against the Borrower or SPV Borrower or foreclose on any collateral for the Senior Obligations, or a case or proceeding by or against Borrower or SPV Borrowers is commenced under the federal Bankruptcy Code or any other insolvency law, then such 180-day period shall be extended during the continuation of such proceedings and actions until the Senior Payout Date.

5. After the Senior Payout Date, the Lenders will be subrogated to the rights of the Liquidity Providers to receive payments on the related Senior Obligations to the extent the Liquidity Providers received payments in respect of the Subordinate Obligations.

6. Each Lender agrees that the provisions of this Exhibit D and Article VI are for the benefit of the Liquidity Providers and shall not impose any obligations on any Liquidity Provider with respect to the Transaction Documents or the Senior Obligations.

7. Until the Senior Payout Date, each of GWG Trust, the GWG Trustee and each Lender agrees as follows:

(a) It will not challenge, avoid, subordinate or contest or directly or indirectly support any other Person in challenging, avoiding, subordinating or contesting in any judicial or other proceeding, including, without limitation, any Event of Bankruptcy, the priority, attachment, validity, extent, perfection or enforceability of any Lien or other Adverse Claim held by any Liquidity Provider in all or any part of the Related SPV Collateral with respect to such Liquidity Provider.

(b) It will not interfere with any state law collection or foreclosure action brought by or on behalf of any Liquidity Provider with respect to any Related SPV Collateral of such Liquidity Provider, including without limitation any judicial or non judicial foreclosure action.

(c) It will not object to or oppose a sale or other disposition of any Related SPV Collateral free and clear of Liens or other claims of the Lenders under Section 363 of the United States Bankruptcy Code or any other Applicable Law if the Related Liquidity Provider has consented to such sale or disposition.

(d) Each Lender agrees to turn over to the Related Liquidity Providers any "adequate protection" of its interest in any Collateral that it receives in any case or proceeding relating to any Event of Bankruptcy to the extent necessary to make the Liquidity Providers whole and agrees that it will not seek to have the automatic stay lifted with respect to any Collateral, appoint a Chapter 11 trustee under Section 1104 of the United States Bankruptcy Code or convert or dismiss such case or proceeding under Section 1112 of the Bankruptcy Code, in each case without the prior written consent of the Related Liquidity Providers.

(e) In the event any proceeds of the Collateral are received by a Lender, GWG Trust or the GWG Trustee for application to a Subordinate Obligation other than as expressly

permitted by the terms of this Agreement, such proceeds shall be received by the Lender, GWG Trust or the GWG Trustee, as the case may be, in trust for the benefit of the Liquidity Providers, and the Lender, GWG Trust or the GWG Trustee, as the case may be, shall promptly turn over such proceeds to the Related Liquidity Providers in the same form as received, with any necessary endorsement. Upon the Senior Payout Date, any remaining proceeds of the Collateral shall be delivered to the GWG Trustee and applied to the Subordinate Obligations, except as otherwise required pursuant to Applicable Law. In the event any proceeds of the SPV Collateral are received by a Lender, GWG Trust or the GWG Trustee, such Person will hold such proceeds in trust for the benefit of the Related Liquidity Provider and shall promptly turn over such proceeds to the Related Liquidity Provider for application in accordance with the terms of the Transaction Documents to which such Related Liquidity Provider is a party.

8. The Liquidity Providers have permitted the incurrence of the Subordinate Obligations in reliance on this Agreement. Each of GWG Trust, the GWG Trustee and each Lender expressly waives (i) notice of acceptance by the Liquidity Providers of this Agreement, (ii) notice of the existence or creation of non-payment of all or any part of the Senior Obligations, (iii) all diligence in collection or protection of or realization upon all or any part of the Collateral or the SPV Collateral or any other guaranty or security and any requirement that any Liquidity Provider protect, secure, perfect or insure any Lien or any Property subject thereto or exhaust any right or take any action against the Borrower or any other Person or any such Property, (iv) promptness, diligence, notice of acceptance and any other notice with respect to any Senior Obligation and (v) to the fullest extent permitted by applicable law, and except as otherwise expressly provided hereunder for the benefit of the Liquidity Providers, all of its rights as a secured creditor (other than the right to receive notice of the sale of other disposition of the Collateral and the right to receive, in accordance with Section 9-615 of the UCC, proceeds of such sale or other disposition, if any remaining after the application of such proceeds to pay in full in cash the Senior Obligations and the occurrence of the Senior Payout Date) in connection with any dealing in the Collateral or the SPV Collateral by a Liquidity Provider. For the purposes of this Agreement, "Property" means, with respect to any Person, all property and interests in property of such Person, whether real, personal or mixed, whether now owned or existing or hereafter acquired or arising and wheresoever located.

9. Each of GWG Trust, the GWG Trustee and each Lender agrees and consents that the Liquidity Providers may, at any time and from time to time, in their sole discretion, without the consent of or notice to GWG Trust, the GWG Trustee, the Lenders or any other Person, without incurring responsibility to GWG Trust, the GWG Trustee or the Lenders, and without impairing or releasing the subordination provided for herein or the obligations of GWG Trust, the GWG Trustee and the Lenders to the Liquidity Providers hereunder, amend, restate, supplement or otherwise modify the Transaction Documents (other than this Agreement) in any way whatsoever, including, without limitation, to do any of the following: (i) shorten the final maturity of all or any part of the Senior Obligations, (ii) increase the principal amount of the Senior Obligations or the loans outstanding under the related Transaction Documents or modify the amortization of the principal amount of all or any part of the Senior Obligations or any such loans, (iii) increase any interest rate applicable to any Senior Obligation or any such loan, (iv) impose any additional fee or penalty upon the Borrower or any of its Affiliates or otherwise under the Transaction Documents or increase the amount of or rate of or any fee or penalty provided for, (v) retain or obtain a Lien on any Property to secure any Senior Obligation or transfer additional Properties to any SPV Borrower or Master Trust, (vi) enter into new Transaction Documents with the Borrower or any of its Affiliates,

(vii) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, all or any of the Senior Obligations or any loans under the Transaction Documents or otherwise amend, restate, supplement or modify in any manner, or grant any waiver or release with respect to any Senior Obligation, any such loan or any Transaction Documents, (viii) retain or obtain the primary or secondary obligation of any other Person, (ix) release any Person liable in any manner under or in respect of Senior Obligation or loan or release or compromise any obligation of any nature of any Person with respect to any Senior Obligation or loan, (x) sell, exchange or otherwise deal with any Property at any time pledged, assigned or mortgaged to secure or otherwise securing, any Senior Obligation or any such loan, (xi) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any Property securing any Senior Obligation or loan, or release, compromise, alter or exchange any obligations of any nature of any Person with respect to any such Property, (xii) amend, or grant any waiver or release with respect to, or consent to any departure from, any guaranty of any Senior Obligation or loan, (xiii) exercise or refrain from exercising any rights against and release the Borrower, any of its Affiliates or any other Person, (xiv) apply any sum from time to time received to the Senior Obligations or any such loan in such manner as such Person shall determine and (xv) otherwise deal with the Senior Obligations, such loans, any related security and the related Transaction Documents in such Liquidity Provider's sole discretion.

10. Each of GWG Trust, the GWG Trustee and each Lender hereby waives, to the fullest extent permitted by applicable law, any rights it may have under applicable law to assert the doctrine of marshaling or otherwise to require a Liquidity Provider to marshal any property of the Borrower, any SPV Borrower, any Master Trust or any other Person for the benefit of GWG Trust, the GWG Trustee or any Lender and any valuation, stay or appraisement laws.

11. Each of the parties hereto acknowledges and agrees that (i) all SPV Collateral constitutes property of the relevant SPV Borrower and/or the relevant Master Trust and, in either case, is subject to the first priority perfected security interest of the Related Liquidity Provider (or an agent or other intermediary on behalf of such Related Liquidity Provider) pursuant to the related Transaction Documents to which such Related Liquidity Provider is a party, (ii) neither the Borrower nor any of GWG Trust, the GWG Trustee or any Lender has any lien, claim, encumbrance, security interest or other interest in any of such SPV Collateral (it being acknowledged and agreed that the membership interests of the SPV Borrowers pledged to GWG Trust hereunder do not constitute such an interest), (iii) if an Asset or other item of Property hereafter becomes included in the SPV Collateral or the Borrower otherwise transfers (or purports to transfer) any Asset or other item of Property to an SPV Borrower or Master Trust, then any lien, claim, encumbrance, security interest or other interest the Borrower, GWG Trust, the GWG Trustee or any Lender may have in such Asset or other Property shall be automatically and irrevocably released without any further action by any party, and (iv) if for any reason the Borrower, GWG Trust, the GWG Trustee or any Lender is determined to have retained or to hold any interest in any such Asset or Property, then any lien, claim, encumbrance, security interest or other interest that the Borrower, GWG Trust, the GWG Trustee or such Lender, as the case may be, may have in such Asset or Property shall in all respects be junior and subordinate to the security interest of the Related Liquidity Provider (or its agent, as the case may be) for the benefit of itself and the other related Liquidity Providers that are the beneficiaries of such security interest under the related Transaction Documents.

12. Each of the Lenders, GWG Trust and the GWG Trustee agrees that it will not (whether directly or indirectly through the voting of membership interests or otherwise) institute against, or join any other person in instituting against, the Borrower, any SPV Borrower or any Master Trust any proceeding under any bankruptcy, insolvency or similar law without the prior written consent of the Liquidity Providers or until one year plus one day after the Senior Payout Date. Each of the Lenders, GWG Trust and the GWG Trustee acknowledges that the Liquidity Providers have entered into the transactions contemplated by the Transaction Documents in reliance of the existence of the SPV Borrowers and the Master Trusts as separate legal entities. In the event any bankruptcy, insolvency or similar proceeding is instituted by or against the Borrower or any of its Affiliates, each of the Lenders, GWG Trust and the GWG Trustee hereby agrees that it will not petition or request (and it will not solicit any other person to petition or request) any court having jurisdiction over such proceeding to substantively consolidate the assets and liabilities of any SPV Borrower or Master Trust with those of the Borrower or any such Affiliate, and it will not support any such petition or request made by any other party.

13. Upon DZ Bank's written request, the Borrower shall provide any information DZ Bank reasonably requests regarding the Subordinate Obligations and will provide DZ Bank with access to records and documents pertaining to or connected with such Subordinate Obligations.

14. The Liquidity Providers shall be entitled to specific performance of this Agreement and each of GWG Trust, the GWG Trustee and each Lender waives any rights to contest the entitlement of any Liquidity Provider to same.

15. The duties and benefits of this Agreement shall be binding and enforceable by the parties' successors and assigns. The Liquidity Providers and the Lenders may assign all or any portion of their respective rights and obligations hereunder to any other Person without consent of any other party; provided that each of GWG Trust, the GWG Trustee and each Lender agrees that all Promissory Notes and other instruments, documents and agreements governing the Subordinate Obligations will contain a legend to the effect set forth in Exhibit D-1 hereto. With respect to any portion of a Subordinate Obligation so assigned or transferred, the term "Lender" shall refer to such transferee or assignee.

16. To the extent of any conflict between the provisions of this Exhibit D and any other provision of this Agreement, the provisions of this Exhibit D shall control.

EXHIBIT D-1

SUBORDINATION LEGEND

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED AND/OR DELIVERED IN CONNECTION HEREWITH (COLLECTIVELY, THE "SUBORDINATED LOAN DOCUMENTS"), THE INDEBTEDNESS AND OTHER OBLIGATIONS OF THE BORROWER UNDER THE SUBORDINATED LOAN DOCUMENTS ARE SUBORDINATED IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE VI OF THE AMENDED AND RESTATED NOTE ISSUANCE AND SECURITY AGREEMENT DATED AS OF NOVEMBER __, 2010 (AS AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "AGREEMENT") AMONG GWG LIFE SETTLEMENTS, LLC, AS BORROWER, THE NOTEHOLDERS PARTY THERETO, AS LENDERS, LORD SECURITIES CORPORATION, AS TRUSTEE, AND GWG LIFENOTES TRUST, AS SECURED PARTY, INCLUDING THE PROVISIONS OF EXHIBIT D THEREOF. ANY PERSON WHO ACQUIRES ANY SUCH INDEBTEDNESS OR OBLIGATION OR ANY INTEREST THEREIN, BY ITS ACCEPTANCE THEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE AGREEMENT AND ANY OTHER SUBORDINATED LOAN DOCUMENT, THE TERMS OF THE AGREEMENT SHALL GOVERN AND CONTROL.

SCHEDULE 1.0

Member	Class	Units
Mokeson, LLC (1)	Class A	867
SFS Trust 1982 (2)	Class A	260
SFS Trust 1992E (2)	Class A	175
SFS Trust 1976 (2)	Class A	100
Steven F. Sabes	Class A	399
Opportunity Finance, LLC	Class A	244
Jon R. Sabes	Class B	100
Current Outstanding Units		2,245

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "**Agreement**") is made and entered into on November 15, 2010, by and between the parties listed on Exhibit A hereto (each a "**Pledgor**" and collectively the "**Pledgors**") and GWG Life Notes Trust (the "**Pledgee**").

WHEREAS, GWG Life Settlements, LLC is a party to that certain Second Amended and Restated Note Issuance and Security Agreement dated November 15, 2010 (the "**NISA**") pursuant to which GWG Life Settlements, LLC has issued certain Notes to the Lenders under such Agreement (collectively, the "**Loans**");

WHEREAS, GWG Life Settlements, LLC is wholly-owned by GWG Holdings, LLC, a Delaware limited liability company (the "**Company**"),

WHEREAS, Pledgors are certain of the members of the Company and will derive direct financial benefit from the Loan;

WHEREAS, Pledgors have agreed to pledge all of the equity interests now owned or hereafter acquired by them in the Company (collectively, the "**Pledged Securities**") to the Pledgee as security for the full and faithful payment and performance of the Company's obligations under the Loans.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Pledge. To secure the payment and performance of the Loans, Pledgor hereby grants a security interest to the Pledgee in and to the Pledged Securities, together with all additions thereto, substitutions therefor, proceeds thereof and all distributions, income and dividends with respect thereto as well as all rights in connection with the foregoing (collectively, the "**Collateral**").

2. Release of Collateral. Pledgee shall release all of its rights hereunder in and to the Collateral, upon the earlier of: (i) the full and faithful payment and performance of the Loans by the Pledgor and Company, (ii) the initial public offering or registration of the equity interests of the Company with the Securities and Exchange Commission, (iii) three years from the date hereof if the Debt Coverage Ratio (as defined in the NISA) is at least 80%, or (iv) upon the written consent of the Pledgee.

3. Security Interest. As security for the full and faithful payment and performance of the Loans, Pledgor hereby pledges, assigns, hypothecates, delivers and sets over to Pledgee all of the Collateral, and hereby grants to Pledgee a lien on and security interest in all of the Collateral and all proceeds thereof, until such time as all amounts currently owed or hereinafter owing to Pledgee under the Loans are paid in full or upon the written consent of the Pledgee. Pledgor hereby authorize the Pledgee to file such financing statements as Pledgee may determine is reasonably necessary advisable to perfect such security interest without the signature of the Pledgors.

4. Rights Absent Default. Throughout the term of this Agreement, so long as no "Event of Default" as described in Section 5 hereof shall have occurred and be continuing, Pledgee shall not have any rights of ownership with respect to the Pledged Securities, including without limitation, the right to receive any dividends or other distributions on the Pledged Securities or to vote, grant consents or take written actions with respect thereto.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "**Event of Default**"):

a. The Company shall fail to pay any or all of the Loans when due or shall fail to cure such default within the period of time provided for in the NISA;

b. The Company shall (i) be or become insolvent (however defined), (ii) voluntarily file, or have filed against them involuntarily, a petition under the United States Bankruptcy Code, or (iii) dissolve or liquidate.

6. Remedies Upon Default. Upon the occurrence of an Event of Default, the Pledgee may exercise, in addition to any of the rights and remedies a secured party can assert under the New York Uniform Commercial Code as now in effect, and to the extent not inconsistent with non-waivable provisions thereof, any one or more of the following rights and remedies, without having to give notice except as is hereinafter specifically provided:

a. Any or all of the Collateral held by Pledgee hereunder may, at the option of Pledgee and in addition to any other rights Pledgee may possess in such event, be registered in the name of Pledgee or its nominees, as pledgees, and Pledgee or its nominees may thereafter, without notice, exercise all voting and other rights, privileges and options pertaining to any of the Collateral as if it were the absolute owner thereof, including without limitation the right to receive distributions payable thereon, and the right to exchange, at its discretion, any and all of the Collateral all without liability except to account for property actually received by it, and any and all voting and other rights, but Pledgee shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

b. All distributions with respect to any of the Collateral shall be paid to Pledgee to be held by Pledgee as additional security hereunder until applied to any amounts owing by the Pledgor to Pledgee pursuant hereto or pursuant to the Loan.

c. Pledgee, without demand of performance or other demand, advertisement or notice of any kind to or upon Pledgor or any other person (all and each of which demands, advertisements and/or notices are, to the extent permitted by law, hereby expressly waived), may exercise any and all rights of a secured creditor under the Uniform Commercial Code as in effect in New York. Nothing contained herein shall be deemed to limit or restrict any other remedy available to Pledgee.

d. The parties hereto agree that any disposition or retention of all or any part of the Collateral in the manner as set forth in this paragraph 6 shall be deemed to be fair and commercially reasonable.

7. Application of Proceeds. The proceeds from the sale of all or any part of the Collateral and any other cash or property at any time held by the Pledgee under this Agreement shall be applied by Pledgee (i) first, to the payment of all costs and expenses, including reasonable attorney's fees and disbursements of counsel, incurred by Pledgee and counsel in connection with such sale and/or in collecting on the Loans; (ii) second, to the payment of the principal amount and interest, accrued to the date of the application of such proceeds, and other consideration included in the Loans equally and ratably, without preference or priority; and (iii) finally, to the payment to Pledgor or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds and cash.

8. Representations, Warranties and Covenants of Pledgors. Each Pledgor hereby represents and warrants to, and covenants and agrees with Pledgee as follows:

a. Each Pledgor, as of the date hereof, is the record and beneficial owner of the Pledged Securities constituting the Collateral;

b. Each Pledgor has full power and authority to execute this Agreement, to perform its obligations hereunder and to subject the Collateral to the security interests granted hereby;

c. Upon the filing of a UCC financing statement this Agreement creates and grants a valid lien on and perfected security interest in the Collateral; and

d. So long as any of the Loans remain unpaid or unperformed, Pledgor shall not sell, assign, transfer or otherwise dispose of or encumber all or any part of the Collateral without the prior written consent of the Pledgee.

9. Indemnification. Pledgors agree to indemnify, defend, and hold Pledgee, and its agents, representatives, affiliates, successors and assigns, harmless from and against the entirety of any charges, complaints, actions, investigations, suits, damages, claims, costs, amounts paid in settlement, taxes, liens, expenses or fees, including all attorneys' fees and court costs, which result from, arise out of, or relate to this Agreement.

10. Entire Agreement. This Agreement contains the entire agreement of the parties hereto and supersedes all prior or contemporaneous agreements and understandings, oral or written, between the parties hereto with respect to subject matter hereof.

11. Amendment. No amendment, modification or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all of the parties hereto.

12. Binding Effect and Assignment. This Agreement, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. Governing Law. This Agreement shall be deemed to be a contract made under and shall be construed, interpreted, governed by and enforced in accordance with the laws of the City of New York, without giving effect to the principles of conflict of laws thereof.

14. Notices. All notices to be given pursuant to this Agreement shall be deemed sufficiently given if hand-delivered or sent by registered or certified mail, postage prepaid, to the parties hereto if to Pledgors at the addresses set forth on Schedule 1 and to the Pledgee at the address set forth in the NISA, or to such other addresses as any party shall designate in a written notice to the other party. All such notices shall be effective upon delivery to the designated address.

15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

16. Severability. The provisions of this Agreement shall be deemed severable and if any portion hereof shall be held invalid, illegal or unenforceable for any reason, the remainder shall not thereby be invalidated but shall remain in full force and effect.

[Signature page to follow]

[Signature page to Pledge Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

PLEDGEE:

LORD SECURITIES CORPORATION, as Trustee for the GWG LifeNotes Trust

By: _____

Name: Philip A. Martone
Tile: Vice President

PLEDGOR:

Mokeson, LLC

By: _____
Its: _____

PLEDGOR:

SFS Trust 1982

By: _____
Its: _____

PLEDGOR:

SFS Trust 1992E

By: _____
Its: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

PLEDGEE:

LORD SECURITIES CORPORATION, as Trustee for the GWG LifeNotes Trust

By:_____

Name:_____
Tile: _____

PLEDGOR:

Mokeson, LLC

By:_____
Its: Manager

PLEDGOR:

SFS Trust 1982

By: Robert W. Sober
Its: Trustee

PLEDGOR:

SFS Trust 1992E

By: Robert W. Sober
Its: Trustee

PLEDGOR:

SFS Trust 1976

By: Robert W. Sabes
Its: Trustee

PLEDGOR:

Opportunity Finance, LLC

By:
Its: CEO

PLEDGOR:

Jon R. Sabes

By:
Name: Jon Sabes

PLEDGOR:

Steven F. Sabes

By:
Name: Steven F. Sabes

EXHIBIT A

Member	Class	Units
Mokeson, LLC (1)	Class A	867
SFS Trust 1982 (2)	Class A	260
SFS Trust 1992E (2)	Class A	175
SFS Trust 1976 (2)	Class A	100
Steven F. Sabes	Class A	399
Opportunity Finance, LLC	Class A	244
Jon R. Sabes	Class B	100
Current Outstanding Units		2,245

Exhibit 10.7

REAFFIRMATION OF GUARANTY

June 10, 2011

DZ Bank AG Deutsche Zentral-Genossenschaftsbank 609 Fifth Avenue New York, New York 10017-1021 Autobahn Funding Company LLC c/o DZ Bank AG Deutsche Zentral-Genossenschaftsbank 609 Fifth Avenue New York, New York 10017-1021

We refer to that certain (i) Credit and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), dated as of July 15, 2008, by and among by and among GWG DLP Funding II, LLC, as a Borrower ("*GWG DLP*"), United Lending SPV, LLC, a Delaware limited liability company, as a Borrower

("*United Lending SPV*" and, together with GWG DLP, the "*Borrowers*"), GWG Life Settlements, LLC, a Delaware limited liability company, as a Seller and the Life Settlement Master Servicer ("*GWG Life Settlements*"), United Lending, LLC, a Delaware limited liability company, as a Seller and the Premium Finance Master Servicer ("*United Lending*" and, together with GWG Life Settlements, the "*Master Servicers*"), Opportunity Bridge Funding, LLC, as a Seller ("*OBF*"), GWG Holdings, Inc. (successor-in-interest to GWG Holdings, LLC), a Delaware corporation, as the Performance Guarantor ("*GWG Holdings*"), Autobahn Funding Company LLC, as lender (the "*Lender*"), and DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as agent (the "*Agent*"), (ii) the Performance Guaranty dated as of July 15, 2008 (as amended or otherwise modified from time to time, the "*Performance Guaranty*") by the Performance Guarantor in favor of the Borrowers, the Lender and the Agent. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement.

On the date hereof, the Performance Guarantor converted from a Delaware limited liability company to a Delaware corporation pursuant to Title 8, Section 265 of the Delaware General Corporation Law on the date hereof (the "*Conversion*"). The Performance Guarantor, as so converted to a Delaware corporation, hereby (i) reaffirms all of its obligations under the Performance Guaranty and the other Related Documents to which it is a party and (ii) acknowledges and agrees that (A) the Performance Guaranty and such other Related Documents remain in full force and effect and are binding upon it after giving effect to the Conversion and (B) the Performance Guaranty and such other Related Documents are hereby ratified and confirmed.

[Signature page to follow]

GWG HOLDINGS, INC.

By: 
Name:
Title:

Signature Page to Reaffirmation of Performance Guaranty

Exhibit 10.8

GWG HOLDINGS, INC.
220 South Sixth Street
Suite 1200
Minneapolis, Minnesota 55402

August __, 2011

ARQUE CAPITAL, LTD.
7501 East McCormick Parkway
Suite 111 North Court
Scottsdale, Arizona 85258

RE: Managing Broker-Dealer Agreement

Ladies and Gentlemen:

This letter confirms and comprises the agreement (the "Agreement") between GWG Holdings, Inc., a Delaware corporation (the "Company"), and Arque Capital, Ltd., a California corporation (the "Managing Broker-Dealer"), regarding (i) the offering and sale (the "Offering") of up to $250,000,000 of secured debentures (the "Debentures") of the Company to be sold pursuant to that certain Registration Statement on Form S-1 of the Company, initially filed with the United States Securities and Exchange Commission (the "SEC") on June 14, 2011 (File No. 333-174887), as the same is later declared effective by the SEC and as it may be amended and supplemented from time to time after its initial effectiveness (the "Registration Statement"). The prospectus that forms a part of the Registration Statement is hereinafter referred to as the "Prospectus." References to the Registration Statement include all exhibits to the Registration Statements and any documents incorporated into the Registration Statement by reference.

Capitalized terms used herein and not otherwise defined herein shall have the same meaning as described in the Registration Statement.

1. Appointment of Managing Broker-Dealer.

1.1 On the basis of the representations and warranties and covenants herein contained, and subject to the terms and conditions set forth herein and in the Prospectus, the Company hereby appoints the Managing Broker-Dealer as its agent for purposes of offering and selling the Debentures upon the terms and conditions set forth herein, including without limitation compliance and conformity with Accepted Debenture Practices; and the Managing Broker-Dealer hereby accepts such appointment and agrees to use its best efforts as such agent to offer and sell the Debentures to Investors until the later of the termination of the Offering or the sale of all of the Debentures, or until the termination of this Agreement, if earlier. In connection with the offer and sale of Debentures under this Agreement, the Managing Broker-Dealer will carry out the duties provided for herein and as described in the Prospectus as being carried out by the Managing Broker-Dealer. The Managing Broker-Dealer is exclusively authorized to enlist other members of the Financial Industry Regulatory Authority, Inc. ("FINRA") and other authorized agents appointed by the Managing Broker-Dealer (collectively, the "Selling Group Members") to offer and sell Debentures, subject to Section 4.1.

1.2 It is understood that no sale of a Debenture shall be regarded as effective unless and until the Company shall have accepted a subscription for such Debenture in the manner prescribed under the Indenture. The Company reserves the right in its sole discretion to accept or reject any subscription for Debentures as described in the Indenture. Debentures will be offered during a period commencing on the effectiveness of the Registration Statement, and continuing thereafter until the earlier of (i) the date that $250,000,000 in Debentures shall have been sold or (ii) the date on which the Company, in its sole and absolute discretion, terminates the Offering (the "Offering Termination Date").

1.3 During the term of this Agreement, neither the Managing Broker-Dealer nor any of its affiliates, officers, directors or owners shall directly or indirectly act as a managing broker-dealer with respect to any securities whose primary business are secured by structured life insurance settlements anywhere in the United States without the prior and express written consent of the Company.

1.4 The following capitalized terms shall have the meanings set forth below:

(a) "Accepted Debenture Practices" means, as applicable to the context in which this term is used, those procedures and practices with respect to the offering, marketing and selling the Debentures that: (i) meet at least the same demonstrable standards that the Managing Broker-Dealer or any Selling Group Member would follow in exercising reasonable care in offering, marketing and selling similar programs for publicly offered securities; (ii) comply with all Governmental Rules; and (iii) comply with the provisions of this Agreement.

(b) "Governmental Rules" means any law, rule, regulation, ordinance, order, code, interpretation, judgment, decree, policy, decision or guideline of any governmental agency, court or authority.

(c) "Indenture" means that certain Indenture by and between the Company and the Bank of Utah, as trustee, with respect to the Debentures.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to the Managing Broker-Dealer that:

2.1 The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement. The Company is duly qualified to do business and is in good standing in each jurisdiction in which the ownership or lease of its properties or the conduct of its business requires such qualification and in which the failure to be qualified or in good standing would be expected to have a material adverse effect on the condition (financial or otherwise), earnings, operations or business of the Company and its subsidiaries taken as a whole (a "Material Adverse Effect"), and has all requisite authority to enter into this Agreement.

2.2 The Debentures will have been registered with the SEC upon the effectiveness of the Registration Statement. So far as is under the control of the Company, the Debentures will be offered and sold consistent with the description contained in the Prospectus.

2.3 The Company shall provide to the Managing Broker-Dealer and to Selling Group Members for delivery to offerees and purchasers and their representatives the information and documents that Company deems appropriate to comply with all laws, rules, regulations and judicial and administrative interpretations in all jurisdictions in which the Debentures are offered and sold.

2.4 Except as disclosed in the Prospectus no defaults exist in the due performance and observance of any material obligation, term, covenant or condition of any agreement or instrument to which the Company is a party or by which it is bound.

2.5 Subject to the performance of the Company's obligations hereunder, the holders of the Debentures (the "Holders") will have the rights set forth in the Debentures.

2.6 This Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement on the part of the Company, enforceable against the Company in accordance with its terms subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity. The performance of this Agreement and the consummation of the transactions herein contemplated will not result in a breach or violation of any of the terms and provisions of, or constitute a default under: (i) any material agreement to which the Company or any subsidiary is a party or by which the Company or any subsidiary or

their respective properties may be bound; (ii) the certificate of incorporation or bylaws of the Company; or (iii) any applicable law, order or Governmental Rule, except in any case for any breach, violation or default that would not have a Material Adverse Effect.

2.7 The Registration Statement, in the form in which it becomes effective and also in such form as it may be when any post-effective amendment thereto shall become effective, and the Prospectus, and any supplement or amendment thereto when filed with the SEC under Rule 424 under the Securities Act of 1933 (the "Securities Act"), complied or will comply with the provisions of the Securities Act and the Trust Indenture Act of 1939, and did not or will not at any such times contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except that this representation and warranty does not apply to any statements in, or omissions from the Managing Broker-Dealer Disclosure Statements (as defined in Section 5.6 below) in the Registration Statement or the Prospectus, or any amendment thereof or supplement thereto.

2.8 The Debentures have been duly authorized for issuance and sale pursuant to the Indenture and this Agreement and, when issued and delivered against payment therefor in accordance with the terms of the Indenture and this Agreement, will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

3. Covenants of the Company. The Company hereby agrees that:

3.1 The Company will notify the Managing Broker-Dealer promptly of the time when the Registration Statement or any post-effective amendment to the Registration Statement has become effective or any supplement to the Prospectus has been filed, and of any request by the SEC for any post-effective amendment or supplement to the Registration Statement or Prospectus. In addition, the Company will prepare and file with the SEC, promptly upon the Managing Broker-Dealer's reasonable request, any amendments or supplements to the Registration Statement or Prospectus that, in the Managing Broker-Dealer's opinion may be reasonably necessary or advisable in connection with the Offering of the Debentures.

3.2 The Company will advise the Managing Broker-Dealer, promptly after it shall receive notice or obtain knowledge thereof, of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement, of the suspension of the qualification of the Debentures for offering or sale in any jurisdiction, or of the initiation or receipt of any specific threat of any proceeding for any such purpose.

3.3 Within the time during which a Prospectus relating to the Debentures is required to be delivered under the Securities Act, the Company will use commercially reasonable efforts to comply with all requirements imposed upon it by the Securities Act, so far as necessary to permit the continuance of sales of or dealings in the Debentures as contemplated by the provisions hereof and the Prospectus. If, during the longer of such period or the term of this Agreement, any event or change occurs that is material to the Offering or that causes any of the representations and warranties of the Company contained herein to be untrue in any material respect, or as a result of which the Prospectus would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if, during such period, it is necessary to amend the Registration Statement or supplement the Prospectus to comply with the Securities Act, then the Company will promptly notify the Managing Broker-Dealer, and, if necessary, will amend the Registration Statement or supplement the Prospectus (at the expense of the Company) so as to correct such statement or omission or effect such compliance.

3.4 The Company will furnish to the Managing Broker-Dealer copies of the Registration Statement, the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Managing Broker-Dealer may from time to time reasonably request.

3.5 If at any time any event occurs as a result of which the Registration Statement would include an untrue statement of a material fact or, in view of the circumstances under which they were made, omit to state any material fact necessary to make the statements therein not misleading, the Company will promptly in writing notify Managing Broker-Dealer thereof, promptly prepare an amendment to the Registration Statement correcting such statement or omission, and promptly deliver to Managing Broker-Dealer as many copies of such amended Registration Statement as Managing Broker-Dealer may reasonably request.

3.6 The Company will deliver to the Managing Broker-Dealer one copy of each report furnished to the Holders at the time that such reports are furnished to the Holders, and such other information concerning Debentures as may reasonably be requested.

3.7 The Company shall use reasonable efforts in taking all necessary action and filing all necessary forms and documents deemed reasonable by it in order to qualify or register Debentures for offer and sale under the securities laws of the jurisdictions in which the Managing Broker-Dealer is intending to offer. Notwithstanding the foregoing, the Company may in its sole discretion elect not to qualify or register Debentures in any jurisdiction in which it deems the qualification or registration unwarranted for any reason. The Company or its counsel shall inform the Managing Broker-Dealer as to the jurisdictions in which the Debentures have been qualified for sale or are exempt under the respective laws of those jurisdictions.

4. Covenants of the Managing Broker-Dealer. The Managing Broker-Dealer hereby agrees that:

4.1 The Managing Broker-Dealer will use “best efforts” in the offering, sale and distribution of Debentures. The Managing Broker-Dealer may offer Debentures as an agent, but all sales shall be made by the Company acting through the Managing Broker-Dealer as an agent, and not by Managing Broker-Dealer as a principal. The Managing Broker-Dealer shall have no authority to appoint any person or other entity as an agent or sub-agent of the Managing Broker-Dealer or the Company, except to appoint Selling Group Members not objectionable to the Company in its sole and absolute discretion.

4.2 Within the shorter of the time during which a Prospectus relating to the Debentures is required to be delivered under the Securities Act or during the term of this Agreement, the Managing Broker-Dealer will comply with all requirements imposed upon it by the Securities Act, so far as necessary to permit the continuance of sales of or dealings in the Debentures as contemplated by the provisions hereof and the Prospectus. If, during the shorter of such period or the term of this Agreement, to the Managing Broker-Dealer’s knowledge, any event or change occurs that could reasonably be considered material to the Offering or that causes any of the representations and warranties of the Managing Broker-Dealer contained herein to be untrue in any material respect, or as a result of which the Prospectus would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances then existing, not misleading, or if, during such period, to the Managing Broker-Dealer’s knowledge, it is necessary to amend the Registration Statement or supplement the Prospectus to comply with the Securities Act, then the Managing Broker-Dealer will promptly notify the Company, and, if necessary, use reasonable efforts to assist the Company in amending the Registration Statement or supplementing the Prospectus (at the expense of the Company) so as to correct such statement or omission or effect such compliance.

4.3 The Managing Broker-Dealer shall make no representations to any prospective investor or purchaser other than those contained in the Registration Statement, and will not allow any other written materials to be used to describe the potential investment to prospective purchasers or investors other than the Registration Statement.

4.4 The Managing Broker-Dealer will limit the Offering to persons whom the Managing Broker-Dealer has reasonable grounds to believe meet the financial suitability and other investor or purchaser requirements set forth in the Prospectus.

4.5 The Managing Broker-Dealer, in coordination with the Company, will request and arrange for the Company to send to Selling Group Members all necessary due diligence materials as well as

Registration Statements and Prospectuses, supplements thereto, marketing materials, and support Selling Group Members regarding the Company and the Offering.

4.6 The Managing Broker-Dealer, directly or indirectly through participating Selling Group Members, will provide each prospective investor or purchaser with a copy of the Prospectus and supplements thereto during the course of the Offering, and before a related sale, advise each such prospective purchaser at the time of the initial offering to him or her that the Company and/or its agents and consultants will, during the course of the Offering and prior to any sale, afford said purchaser and his or her purchaser representative, if any, the opportunity to ask questions of and to receive answers from the Company and/or its agents and consultants concerning the terms and conditions of the Offering and to obtain any additional information, which information is possessed by the Company or may be obtained by it without unreasonable effort or expense and which is necessary to verify the accuracy of the information contained in the Prospectus.

4.7 The Managing Broker-Dealer and indirectly through participating Selling Group Members, shall maintain in its files, for a period of six years following the Offering Termination Date, documents disclosing the basis upon which the above determination of suitability was reached as to each purchaser.

4.8 The Managing Broker-Dealer and indirectly through participating Selling Group Members, will comply in all respects with the subscription procedures and plan of distribution set forth in the Prospectus.

4.9 In the event the Managing Broker-Dealer receives any customer funds for the purchase of Debentures, the Managing Broker-Dealer will transmit such customer funds, not later than noon of the next business day following receipt of such funds, to such account as determined by the Company pursuant to the Subscription Agreement of each potential purchaser of a Debenture.

4.10 The Managing Broker-Dealer will furnish to the Company upon request a complete list of all persons who have been offered Debentures, whether directly or through any other Selling Group Members, and such persons' places of residence upon the Company's request.

4.11 When any Selling Group Members are utilized in the Offering, the Managing Broker-Dealer agrees to cause such Selling Group Members to comply with all of the obligations of the Managing Broker-Dealer set forth in this Agreement (including the obligations set forth in this Article 4), as if such Selling Group Members were a party to this Agreement. In this regard, the Managing Broker-Dealer will provide each Selling Group Member with a true, correct and complete copy of this Agreement and will obtain the written acknowledgment and agreement of each participating Selling Group Member to abide by the obligations contained herein.

4.12 In the event the Company has paid the Managing Broker-Dealer any compensation or expense reimbursements under this Agreement, the Managing Broker-Dealer shall be obligated to pay all Selling Group Members from such funds on the next business day following the receipt of such funds from the Company.

4.13 The Managing Broker-Dealer agrees to allow Company wholesalers to maintain necessary licensing with the Managing Broker-Dealer and to receive sales compensation related to the Offering. Notwithstanding the foregoing, the Managing Broker-Dealer shall have the right to refuse any wholesaler in its sole discretion.

5. Representations and Warranties of the Managing Broker-Dealer. The Managing Broker-Dealer hereby represents and warrants to the Company as follows:

5.1 The Managing Broker-Dealer (i) has been duly organized, is validly existing and in good standing in the State of California, (ii) has qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary, and (iii) has full power, authority and legal right to own its property, to carry on its

business as presently conducted, and to enter into and perform its obligations under this Agreement. The Managing Broker-Dealer is a member in good standing of FINRA.

5.2 The Managing Broker-Dealer has full power and authority to enter into this Agreement and perform the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Managing Broker-Dealer and is a valid and binding agreement on the part of the Managing Broker-Dealer, enforceable against it in accordance with its terms subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity. The performance of this Agreement and the consummation of the transactions herein contemplated will not result in a breach or violation of any of the terms and provisions of, or constitute a default under (i) any material agreement to which the Managing Broker-Dealer is a party or by which it or its properties may be bound; (ii) the articles or certificate of incorporation or bylaws of the Managing Broker-Dealer; or (iii) any applicable law, order or Governmental Rules.

5.3 The Managing Broker-Dealer has obtained all governmental consents, licenses, approvals and authorizations, registrations and declarations which are necessary for the execution, delivery, performance, validity and enforceability of the Managing Broker-Dealer's obligations under this Agreement. The Managing Broker-Dealer is a registered broker-dealer in good standing under the appropriate laws and regulations of each of the states in which offers or solicitations of offers to subscribe for the Debentures will be made by the Managing Broker-Dealer (or is exempt from such registration).

5.4 There are no actions, suits or proceedings pending or, to the knowledge of the Managing Broker-Dealer, threatened against or affecting the Managing Broker-Dealer, before or by any court, administrative agency, arbitrator or governmental body with respect to any of the transactions contemplated by this Agreement, or which will, if determined adversely to the Managing Broker-Dealer, materially and adversely affect it or its business, assets, operations or condition, financial or otherwise, or adversely affect the Managing Broker-Dealer's ability to perform its obligations under this Agreement. The Managing Broker-Dealer is not in default with respect to any order of any court, administrative agency, arbitrator or governmental body so as to materially and adversely affect the transactions contemplated by this Agreement.

5.5 The Managing Broker-Dealer has obtained all necessary consents, approvals, waivers and notifications of creditors, lessors and other nongovernmental persons in connection with the execution and delivery of this Agreement, and the consummation of all the transactions herein contemplated.

5.6 The Managing Broker-Dealer Disclosure Statements in the Prospectus (as amended or supplemented, if the Company shall have filed with the SEC any amendment thereof or supplement thereto) will not or did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading. For purposes of this Agreement, the "Managing Broker-Dealer Disclosure Statements" means any statements or disclosures included within or the subject of the Registration Statement or the Prospectus, which, when the Prospectus supplement is or was filed with the SEC and at all times subsequent thereto, are either (i) included within the disclosure under the heading "Plan of Distribution" in the Prospectus, or (ii) based upon and conform to written information relating to the Managing Broker-Dealer furnished in writing to the Company by the Managing Broker-Dealer specifically for use in the preparation of the Prospectus, or any supplement to the Prospectus.

5.7 The Managing Broker-Dealer has operated and is operating in material compliance with all authorizations, licenses, certificates, consents, permits, approvals and orders of and from all state, federal and other governmental regulatory officials and bodies necessary to conduct its business as contemplated by and described in this Agreement, all of which are, to the Managing Broker-Dealer's knowledge, valid and in full force and effect. The Managing Broker-Dealer is conducting its business in substantial compliance with all applicable laws and Governmental Rules of the jurisdictions in which it is conducting business, and the Managing Broker-Dealer is not in material violation of any applicable laws or Governmental Rules.

5.8 The Managing Broker-Dealer has not distributed, and will not distribute prior to the completion of the Offering, any offering material in connection with the Offering, other than the Prospectus, the Registration Statement, the incorporated documents, and other materials, if any, permitted by and in compliance with the Securities Act.

6. Conditions.

6.1 The obligation of the Managing Broker-Dealer to sell the Debentures on a best-efforts basis as provided herein shall be subject to the accuracy of the representations and warranties of the Company, to the performance by the Company of its obligations hereunder, and to the satisfaction of the following additional conditions:

(a) The Registration Statement shall be effective, and no stop order suspending the effectiveness thereof shall have been issued and no proceedings for that purpose shall have been initiated or, to the knowledge of the Company or the Managing Broker-Dealer, threatened by the SEC or any state securities commission or similar regulatory body. Any request by the SEC for additional information (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the satisfaction of the Managing Broker-Dealer.

(b) The Indenture shall have been duly authorized, executed and delivered by the Company and the trustee, and duly qualified under the Trust Indenture Act of 1939.

(c) The Managing Broker-Dealer shall have received from the Company a certificate, dated as of the Initial Closing Date, of an executive officer of the Company, as to (i) the accuracy of the representations and warranties of the Company in this Agreement, compliance by the Company with all the agreements and satisfaction of all the conditions to be performed or satisfied by the Company under this Agreement; (ii) the absence of any stop order or similar order or related proceedings; and (iii) the absence of any material adverse change in the condition (financial or otherwise), earnings, operations or business of the Company and its subsidiaries taken as a whole or might materially and adversely affect its properties, assets or rights, except as contemplated in the Prospectus or related documents.

(d) The Managing Broker-Dealer shall have received a certificate of Secretary of the Company, dated as of the Initial Closing Date, certifying as to (i) the certificate of incorporation and bylaws of the Company, and (ii) resolutions of the Board of Directors of the Company relating to the preparation and signing of the Registration Statement and this Agreement, the issuance and sale of the Debentures and other related matters.

The Managing Broker-Dealer may waive in writing the performance of any one or more of the conditions specified in this Section or extend the time for their performance. If any of the conditions specified in this Section shall not have been fulfilled when and as required by this Agreement to be fulfilled, and if the fulfillment of said condition has not been waived by the Managing Broker-Dealer, then this Agreement and all obligations of the Managing Broker-Dealer hereunder may be canceled at, or at any time prior to, the Initial Closing Date by the Managing Broker-Dealer.

7. Compensation. Subject to Section 11, as compensation for services rendered by the Managing Broker-Dealer hereunder, the Managing Broker-Dealer will be entitled to receive from the Company the following:

7.1 A “Dealer Manager Fee” and “Selling Commission” based upon the principal amount of a sold Debenture, in accordance with the following table:

Term of Debenture	Dealer Manager Fee (%)	Selling Commission (%)
Six-Month Debenture	0.25%	0.50%
One-Year Debenture	0.50%	1.00%
Two-Year Debenture	1.00%	3.25%

Three-Year Debenture	1.00%	5.00%
Five-Year Debenture	1.00%	6.50%
Seven-Year Debenture	1.00%	7.00%

7.2 A “Wholesale Commission” that the Company may agree to pay certain specified wholesalers, in its sole and absolute discretion, in amounts not to exceed the following table based upon the principal amount of a sold Debenture:

Term of Debenture	Wholesale Commission (%)
Six-Month Debenture	0.25%
One-Year Debenture	0.50%
Two-Year Debenture	0.55%
Three-Year Debenture	0.70%
Five-Year Debenture	0.80%
Seven-Year Debenture	1.00%

7.3 Any and all Dealer-Manager Fees, Selling Commissions and Wholesale Commissions (collectively, the “Fees”), together with any expenses reimbursable pursuant to Sections 8 and 9 below, shall be payable regularly once every two weeks. The Company shall prepare comprehensive sales data and e-mail such data to the Managing Broker-Dealer every two weeks, five days before each payment date for any Fees. The Managing Broker-Dealer shall use such data to calculate and create an invoice for Fees and Non-Accountable Expenses, which shall be presented to the Company at least two days before each payment date for Fees. The Company and the Managing Broker-Dealer will, in good faith and in a timely manner, negotiate any dispute relating to any Fees. Disputes that cannot be resolved by discussion will be resolved through FINRA binding arbitration.

7.4 The Company shall pay all Fees as directed on any invoice provided by the Managing Broker-Dealer, and the Managing Broker-Dealer shall hold the Company harmless for any Fees or Expenses (as defined in Section 8 below) disputes arising among or between the Managing Broker-Dealer and any Selling Group Members or any wholesalers.

8. Non-Accountable Expense Allowance.

8.1 Subject to Section 11, and in addition to the Fees described in Section 7, the Company will reimburse the Managing Broker-Dealer and Selling Group Members for their expenses, on a non-accountable basis, based upon the principal amount of a sold Debenture, in amounts not to exceed the following table:

Term of Sold Debenture	Non-Accountable Expense Reimbursement (%)
Six-Month Debenture	0.50%
One-Year Debenture	1.00%
Two-Year Debenture	1.00%
Three-Year Debenture	1.00%
Five-Year Debenture	1.00%
Seven-Year Debenture	1.00%

8.2 The expenses reimbursable under this Section 8 are referred to as “Non-Accountable Expenses.” Non-Accountable Expenses shall be payable in the same manner and on the same terms as Fees are payable under Section 7.

9. Accountable Due Diligence Expense Allowance.

9.1 Subject to Section 11, and in addition to the Non-Accountable Expenses described in Section 8, the Company will reimburse the Managing Broker-Dealer and Selling Group Members for their actual due diligence expenses, on and accountable basis, in amounts not to exceed those set forth in the following table and based upon the principal amount of a sold Debenture:

Term of Sold Debenture	Accountable Due Diligence Expense Reimbursement (%)
Six-Month Debenture	1.50%
One-Year Debenture	1.50%
Two-Year Debenture	1.50%
Three-Year Debenture	1.50%
Five-Year Debenture	1.50%
Seven-Year Debenture	1.50%

9.2 The expenses reimbursable under this Section 9 are referred to as "Accountable Due Diligence Expenses." Accountable Due Diligence Expenses shall be payable in the same manner and on the same terms as Fees and Non-Accountable Expenses are payable under Section 7 upon the Company's receipt of proper accounting back-up for such Accountable Due Diligence Expenses.

10. Offering. The Offering of Debentures shall be at and upon the terms and conditions set forth in the Registration Statement and the exhibits and appendices thereto and any amendments or supplements thereto.

11. Conditions to Payment of Fees, Non-Accountable Expenses and Accountable Due Diligence Expense.

11.1 No selling commissions, allowances or other compensation (or expenses) will be payable with respect to any subscriptions for Debentures that are rejected by the Company, or if the Company terminates the Offering for any reason whatsoever or for no reason. No selling commissions, allowances or other compensation will be payable by the Company with respect to any sale of Debentures unless and until such time as the Company has received the total proceeds of any such sale.

11.2 With the exception of the Non-Accountable Expenses" and "Accountable Due Diligence Expenses" described in Section 8 and Section 9, all attorneys' fees and all other costs and expenses incurred by the Managing Broker-Dealer in the performance of any obligations hereunder, including but not limited to expenses otherwise related to the Offering, shall be the sole and exclusive responsibility of the Managing Broker-Dealer unless otherwise approved by the Company as an Accountable Due Diligence Expense, and the foregoing shall apply notwithstanding the fact that the Offering is not consummated for any reason.

11.3 No Fees or Non-Accountable Expenses will be payable with respect to any subscriptions for Debentures that are sold to non-U.S. investors unless otherwise agreed in writing by the Company.

11.4 Dealer Manager Fees (but no other Fees) will be payable during the term of this Agreement with respect to Debentures that are renewed as follows:

11.4.1 50% of original Dealer Manager Fee as stated in 7.1 until outstanding Debentures total $40,000,000;

11.4.2 60% of original Dealer Manager Fee as stated in 7.1 until outstanding Debentures exceed $40,000,000 and through $90,000,000

11.4.3 70% of original Dealer Manager Fee as stated in 7.1 until outstanding Debentures exceed $90,000,000 and through $140,000,000.

11.4.4 80% of original Dealer Manager Fee as stated in 7.1 until outstanding Debentures exceed $140,000,000 and through $190,000,000.

11.4.5 90% of original Dealer Manager Fee as stated in 7.1 until outstanding Debentures exceed $190,000,000 and through $240,000,000; and

11.4.6 100% of original Dealer Manager Fee as stated in 7.1 after the total outstanding Debentures exceed $240,000,000.

12. Indemnification of the Managing Broker-Dealer.

12.1 Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless (i) the Managing Broker-Dealer and Selling Group Member, and (ii) each person, if any, who controls the Managing Broker-Dealer and Selling Group Member and its officers, directors, owners, employees, agents, and each of their respective attorneys and accountants (all of the foregoing persons described in clauses (i) and (ii) being collectively referred to as the "Selling Parties"), against any and all loss, liability, claim, damage and expense whatsoever ("loss") arising out of or based upon:

(a) Any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or in any application or other document filed in any jurisdiction in order to qualify or register the Debentures in connection with the Offering;

(b) The omission or alleged omission from the Registration Statement of a material fact required to be stated therein or necessary to make the statements therein not misleading;

(c) Any unauthorized verbal or written representations in connection with the Offering made by the Company or its agents (other than by the Managing Broker-Dealer, the Selling Group Members, or any of their respective employees or affiliates), employees or affiliates in violation of the Securities Act, or any other applicable federal or state securities laws and regulations; or

(d) The material breach by the Company of any term, condition, representation, warranty or covenant of this Agreement.

12.2 If any action (including any third party action) is brought against the Managing Broker-Dealer or Selling Group Member in respect of which indemnity may be sought hereunder, the Managing Broker-Dealer shall promptly notify the Company in writing of the institution of such action.

12.3 Upon proper notice from an indemnified Selling Party, the Company will be entitled to participate therein and, to the extent that it may wish, to assume the defense thereof, with counsel who shall be reasonably satisfactory to the indemnified party. After notice from the Company of its election to assume the defense thereof, the Company will not be liable to the Selling Party under Section 11.1 for any legal or other expenses subsequently incurred by such Selling Party in connection with the defense thereof; provided, however, that if the defendants in any such action include both a Selling Party and the Company, and the Selling Party shall have reasonably concluded that there may be legal defenses available to it or other indemnified parties which are different from or additional to those available to the Company, then the Selling Party or Parties shall have the right to select one separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on their behalf, in which event the fees and expenses of such separate counsel shall be borne by the Company. In no event shall the Company be liable for fees and expenses of more than one counsel for each Selling Party separate from the Company's own legal counsel. The Company shall not be liable to any Selling Party on account of any settlement of any claim or action effected without the consent of such Selling Party.

12.4 The Company agrees to promptly notify the Managing Broker-Dealer of the commencement of any litigation or proceedings against the Company, or any of its officers, directors, employees or agents in connection with the issuance and sale of Debentures, or in connection with the Registration Statement.

12.5 The indemnity provided to the Selling Parties pursuant to this Section 11 shall not apply to any such person or entity to the extent that any loss arises out of or is based upon any untrue statement or alleged untrue statement of material fact made by the Selling Parities or any of their respective agents.

13. Indemnification of the Company.

13.1 Subject to the conditions set forth below, the Managing Broker-Dealer agrees to indemnify and hold harmless (i) the Company, (ii) its directors, officers, employees and agents, and its attorneys and accountants, and (iii) each person, if any, who controls the Company and its own directors, officers, owners, employees, agents, and each of their respective attorneys and accountants (all of the foregoing persons

described in clauses (i) through (iii) being collectively referred to as the "Company Parties"), against any and all loss, liability, claim, damage and expense whatsoever ("loss") arising out of or based upon:

(a) Any unauthorized verbal or written representations in connection with the Offering made by the Managing Broker-Dealer (other than by the Company or its employees or agents), or its employees or agents (including any Selling Group Members) in violation of the Securities Act, or any other applicable federal or state securities laws and regulations;

(b) The breach by the Managing Broker-Dealer of any term, condition, representation, warranty, or covenant of this Agreement; or

(d) Any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement and comprising a Managing Broker-Dealer Disclosure Statement.

13.2 If any action (including any third-party action) is brought against a Company Party in respect of which indemnity may be sought hereunder, the Company shall promptly notify the Managing Broker-Dealer in writing of the institution of such action.

13.3 Upon proper notice from an indemnified Company Party, the Managing Broker-Dealer will be entitled to participate therein and, to the extent that it may wish, to assume the defense thereof, with counsel who shall be reasonably satisfactory to the indemnified party. After notice from the Managing Broker-Dealer of its election to assume the defense thereof, the Managing Broker-Dealer will not be liable to the Company Party under Section 12.1 for any legal or other expenses subsequently incurred by such Company Party in connection with the defense thereof; provided, however, that if the defendants in any such action include both a Company Party and the Managing Broker-Dealer, and the Company Party shall have reasonably concluded that there may be legal defenses available to it or other indemnified parties which are different from or additional to those available to the Managing Broker-Dealer, then the Company Party or Parties shall have the right to select one separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on their behalf, in which event the fees and expenses of such separate counsel shall be borne by the Managing Broker-Dealer. In no event shall the Managing Broker-Dealer be liable for fees and expenses of more than one counsel for each Company Party separate from the Managing Broker-Dealer's own legal counsel. The Managing Broker-Dealer shall not be liable to any Company Party on account of any settlement of any claim or action effected without the consent of such Company Party.

13.4 The Managing Broker-Dealer agrees to promptly notify the Company of the commencement of any litigation or proceedings against the Managing Broker-Dealer or any of the Managing Broker-Dealer's officers, directors, partners, affiliates, or agents in connection with the issuance and sale of Debentures or in connection with the Registration Statement.

13.5 The indemnity provided to the Company Parties shall not apply to any such person or entity to the extent that any loss arises out of or is based upon any untrue statement or alleged untrue statement of material fact made by the Company or any of its agents (or a Company Party).

13.6 The Managing Broker-Dealer agrees to require that each Selling Group Member enter into an agreement providing indemnity to the Company Parties consistent with the indemnity provided by the Managing Broker-Dealer pursuant to the provisions of this Section 13.

14. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided pursuant to Sections 12 and 13 is for any reason held to be unavailable from the Company, the Managing Broker-Dealer or a Selling Group Member, as the case may be, the Company, the Managing Broker-Dealer and the Selling Group Member, shall contribute to the aggregate losses, liabilities, claims, damages and expenses (including any amount paid in settlement of any action, suit, or proceeding or any claims asserted) in such amounts as a court of competent jurisdiction may determine (or in the case of settlement, in such amounts as may be agreed upon by the parties) in such proportion to reflect the relative fault of the Company, the Managing Broker-Dealer or such Selling Group Member,,

in connection with the events described in Sections 12 and 13, as the case may be, which resulted in such losses, liabilities, claims damages or expenses, as well as any other equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Managing Broker-Dealer or a Selling Group Member, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such omission or statement. Any persons entitled to indemnification hereunder shall be entitled to receive, from a party obligated to indemnify under Section 12 or 13, contribution hereunder.

15. Compliance. The Managing Broker-Dealer covenants to the Company that the actions, direct or indirect, by the Managing Broker-Dealer shall conform to the requirements applicable to broker-dealers under federal and applicable state securities laws, rules and regulations, and (ii) that the Selling Group Members shall be in good standing under applicable requirements and rules of FINRA to offer the Debentures.

16. Representations and Agreements to Survive Sale and Payment. Except as the context otherwise requires, all representations, warranties and agreements contained in this Agreement shall be deemed to be representations, warranties and agreements at and as of the Offering Termination Date, and such representations, warranties and agreements by the Managing Broker-Dealer or the Company, including the indemnification and contribution covenants contained herein, shall remain operative and in full force and effect regardless of any investigation made by the Managing Broker-Dealer or the Company and/or any controlling person, and shall survive the sale of and payment for Debentures.

17. Costs of Offering. Except for the compensation payable to the Managing Broker-Dealer described in Section 7 and the expense reimbursements described in Section 8, which are the sole obligations of the Company, the Managing Broker-Dealer will pay all of its own costs and expenses, including but not limited to all expenses necessary for the Managing Broker-Dealer to remain in compliance with any applicable federal, state or FINRA laws, rules or regulations in order to participate in the Offering as a broker-dealer, and the fees and costs of the Managing Broker-Dealer's legal counsel. The Company agrees to pay all other expenses incident to the performance of its respective obligations hereunder, including all expenses incident to filings with federal and state regulatory authorities and to the exemption of Debentures under federal and applicable state securities laws, including fees and disbursements of the Company's counsel, all costs of reproduction and distribution of the Prospectus and any amendment or supplement thereto, and all costs of attorneys' fees and other expenses.

18. Termination. This Agreement is terminable by any party for any reason whatsoever or for no reason at any time upon written notice to the other party after December 31, 2012. The Company may terminate the Managing Broker-Dealer only "for cause" before December 31, 2012. Cause shall be defined as:

(a) The failure of the Managing Broker-Dealer to provide the services set forth in this Agreement, or any breach by the Managing Broker-Dealer of any of its representations or warranties set forth in this Agreement;

(b) The failure to meet the following sales minimums, regardless of the underlying reasons for any such failure:

Period	Principal Amount Sold through Arque Capital	Aggregate Principal Amount Sold through Selling Group
Q4 2011	$ 2,500,000	$ 10,000,000
Q1-Q2 2012	$ 7,000,000	$ 50,000,000
Q3-Q4 2012	$ 7,000,000	$ 100,000,000

(c) The receipt by the Managing Broker-Dealer or the Company of a regulatory notice from FINRA or the SEC that makes either party incapable of fulfilling their respective duties hereunder

without harming the reputation of the other party. For Q4 2012, an additional three weeks shall be added to Q4 to reflect the down time which during the third week in November and the last two weeks in December.

(d) The sale by the Company of all or substantially all of its assets, or the sale of capital stock of the Company comprising at least 51% of the outstanding capital stock in the Company, or the consummation of a merger involving the Company and after which Jon R. Sabes and Steve Sabes or their affiliates no longer own at least 51% of the outstanding capital stock in the Company.

Any termination under this Section shall not affect the indemnification agreements set forth in Sections 11 and 12, or the contribution obligations under Section 13. In the event that the Company terminates the Managing Broker-Dealer pursuant to paragraph (d) above, the Company shall pay the Managing Broker-Dealer additional compensation of $200,000 for any and all work performed previous to the termination.

19. Confidentiality. The Managing Broker-Dealer agrees that all non-public information pertaining to the Company, including but not limited to the Selling Group Members, compensation, wholesalers, business plans, employee lists, financial statements of the Company and its subsidiaries and affiliates (collectively, the "Confidential Information") will be held by the Managing Broker-Dealer in confidence and solely for use of the Managing Broker-Dealer's personnel, clients and advisors of clients, in the course of performing the obligations of the Manager Broker-Dealer hereunder, and will not be provided to any other persons or entities without the prior written approval of the Company. Any parties receiving Confidential Information from the Managing Broker-Dealer, including any Selling Group Members, must expressly agree to be bound by the restrictions set forth in this Section; provided, however, that Confidential Information shall not include information that (i) is or becomes publicly available other than as a result of acts by the Managing Broker-Dealer in breach of this Agreement, (ii) is in the Managing Broker-Dealer's possession prior to disclosure by the Company or is independently derived by the Managing Broker-Dealer without the aid, application or use of the Confidential Information, (iii) is disclosed to the Managing Broker-Dealer by a third party on a non-confidential basis (provided that the third party did not receive such information in violation of or is bound by a confidentiality agreement), or (iv) the Managing Broker-Dealer determines or may be required to be disclosed by Governmental Rules.

20. Governing Law. This Agreement shall be governed by, subject to and construed in accordance with, the laws of the State of Delaware without regard to conflicts-of-law provisions.

21. Severability. If any portion of this Agreement shall be held invalid or inoperative, then so far as is reasonable and possible (a) the remainder of this Agreement shall be considered valid and operative and (b) effect shall be given to the intent manifested by the portion held invalid or inoperative.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same instrument.

23. Modifications or Amendment. This Agreement may not be modified or amended except by written agreement executed by the parties hereto.

24. Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and, if sent to the Managing Broker-Dealer, shall be mailed or delivered to Arque Capital, Ltd., 7501 East McCormick Parkway, Suite 111 North Court, Scottsdale, AZ 85258; and if sent to the Company shall be mailed or delivered to 220 South Sixth Street, Suite 1200, Minneapolis, MN 55402. The notice shall be deemed to be received on the date of its actual receipt by the party entitled thereto or, if mailed, on the third day after mailing by both first-class U.S. mail and certified U.S. mail with return receipt requested.

25. Parties. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto, and their respective successors, legal representatives, heirs and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under, in respect of, or by virtue of, this

Agreement or any provision herein contained; provided, however, that the provisions of Section 11, 12 and 13 are also intended for the benefit of the Selling Parties and Company Parties, as applicable, although the provisions of any such Section may be amended without the consent of any such Persons. Neither party may assign any of its hereunder, or delegate any of its duties hereunder, without the prior and express written consent of the other party.

26. Delay. Neither the failure nor any delay on the part of any party to this Agreement to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall a waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any subsequent occurrence.

27. Attorneys Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, each party shall be responsible for paying its own attorneys fees.

28. Entire Agreement. This Agreement contains the entire understanding between the parties hereto and supersedes any prior understandings or written or oral agreements between them respecting the subject matter hereof.

(Signature Page Follows)

If the foregoing correctly sets forth the understanding between the Company and the Managing Broker-Dealer, please so indicate in the space provided below for that purpose, and return one of the signed copies of this letter agreement to the Company in the envelope provided for this purposes, whereupon this letter agreement shall constitute a binding agreement between us.

Very truly yours,

GWG HOLDINGS, INC.
a Delaware corporation

By: _____
Jon R. Sabes, CEO

AGREED AND ACCEPTED:

ARQUE CAPITAL, LTD.
a California Corporation

By: _____
Michael C. Ning, President & CEO

AMENDED AND RESTATED INVESTMENT AGREEMENT

THIS AMENDED AND RESTATED INVESTMENT AGREEMENT dated as of September 3, 2009 (this "Agreement"), between INSURANCE STRATEGIES FUND, LLC, a Delaware limited liability company ("ISF") and GWG HOLDINGS, LLC, a Delaware limited liability company ("GWG Holdings") and its wholly owned subsidiaries GWG LIFE SETTLEMENTS, LLC, a Delaware limited liability company ("GWLIFE"), OPPORTUNITY BRIDGE FUNDING, LLC, a Delaware limited liability company ("OBF"), and UNITED LENDING, LLC a Minnesota limited liability company ("UNITED") (all entities collectively referred to herein as "GWG"). This Agreement shall be effective on the date first set forth above (as hereinafter defined) ("Effective Date").

RECITALS

WHEREAS, ISF is a limited liability company that wishes to make investments in GWLIFE that GWLIFE will in turn invest in GWG DLP Funding I, LLC and GWG DLP Funding II, LLC (the "Funds").

WHEREAS, GWG agrees that all distributions, cash flows and proceeds realized by GWG from or in respect to its membership interests (of whatever class) in the Funds be paid and distributed to ISF, except to the extent that they are required to be used to pay amounts outstanding under certain senior lenders to which the membership interests are properly subordinated under Sections 6 and 7 hereof.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The Recitals set forth above are agreed to be true and correct and incorporated herein by this reference as part of the body of this Agreement.

2. Investment Requests. GWLIFE may request an investment from ISF under this Agreement from time to time by delivering a written investment request to ISF, in substantially the form attached hereto as Exhibit A (the "Request"). Requests shall be delivered to ISF at least ten (10) business days in advance of the requested funding date and shall specify and allocate the amount to be directed towards the specific investments set forth on attached Schedule A, all of which are operated as wholly-owned subsidiaries of GWG Holdings or GWLIFE. ISF, in its sole and absolute discretion, shall determine whether to make such investment and shall notify GWG of such acceptance, modification or refusal prior to the requested funding date set forth in the Request; *provided, however*, any failure by ISF to provide a response to GWG of whether to accept an investment shall not be a breach of this Agreement, but shall rather constitute notice to GWG that ISF declines to fund that specific investment request. Both parties agree to keep true and accurate books and records reflecting the investments made by ISF and the repayments made by GWG.

3. No Commitment. This Agreement is not a commitment and does not entitle GWG to receive any loans, equity investments or other funding hereunder unless and until ISF approves such investment in its sole discretion. ISF shall not have any liability whatsoever to GWG, any officer, director, employee, agent, customer, vendor, subsidiary, creditor or member of GWG, or any other person by reason of this Agreement, any failure to make any investment requested by GWG hereunder, any demand for (or failure to demand or delay in demanding) repayment of any investment.

4. Fees Paid to GWG. This Agreement shall set forth the fee amounts GWG may charge in conjunction with the acquisition of assets which ISF shall provide investments pursuant to Schedule A.

a. With respect to the purchase of life insurance policies owned by and through GWLIFE, GWLIFE shall receive an amount equal to no more than 2.5% of the death benefit amount of each policy purchased (which amount shall then be capitalized into the price of the policy) and become part of the investment in the life settlement.

b. With respect to the origination and acquisition of premium finance loans secured by life insurance policies, UNITED shall receive an amount equal to 10% of the available gross commission collected by UNITED, all additional commissions shall at the direction of ISF, either: (i) be paid to reduce ISF's net investment, or (ii) be paid directly to ISF.

c. With respect to the origination and acquisition of secured, but unperfected, bridge loans for transacting life insurance policies, OBF shall receive an amount equal to 1.5% of the loan amount in the form of an origination fee with each bridge loan (which amount shall then be capitalized into the loan amount) and become part of the investment in the bridge loan.

5. Representations and Warranties of GWG.

a. GWG is a limited liability company duly organized and validly existing under the laws of the state Delaware. GWG are qualified to do business, in good standing and properly licensed in each jurisdiction in which the character and location of the assets or the nature of the business transacted by GWG makes such qualification necessary, except for when the failure to qualify would not have a material adverse effect on the business, operations or financial condition of GWG. GWG has all the requisite corporate power and authority to own or lease and operate their properties and carry on their business as presently being conducted.

b. The execution, delivery and performance of this Agreement by GWG and consummation of the transactions contemplated hereby have been duly and effectively authorized by the Board of Governors of GWG and no other corporate proceedings are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly and validly authorized, executed and delivered by GWG and constitutes the valid and binding obligation of GWG in accordance with its terms. There are no consents, notices, registrations or filings of any kind that must be made or obtained in order to complete the transactions contemplated by this Agreement.

c. The execution, delivery and performance of this Agreement by GWG and consummation by GWG of the transactions contemplated hereby will not, with or without the giving of notice and the lapse of time, or both, (a) violate any provision of law, statute, rule or regulation to which GWG is subject, (b) violate any judgment, order, writ or decree of any court applicable to GWG, or (c) result in the breach of or conflict with any material term, covenant, condition or provision of, result in the modification or termination of, or constitute a default under the Certificate of Organization, Operating Agreement or other organizational document of GWG, or any other commitment, contract or other agreement or instrument, to which the GWG is a party.

d. There is no claim, action, suit, proceeding, arbitration, investigation or hearing or notice of hearing pending or, to the knowledge of GWG, threatened, relating to or affecting GWG, or the transactions contemplated by this Agreement; nor are any facts known to GWG which may give rise to any such claim, action, suit, proceeding, arbitration, investigation or hearing which may have any material adverse effect upon the operations or business of GWG or the transactions contemplated by this Agreement.

e. No consent, approval, license, authorization or order of or declaration or registration or filing with any governmental authority is required to be made or obtained by GWG in

connection with the execution, delivery or performance of this Agreement, or the consummation of the transactions contemplated hereby or thereby, except such as have been duly made, effected or obtained.

f. GWG are solvent and will not become insolvent after giving effect to the transactions contemplated by the Agreement. GWG is paying its debts as they become due and after giving effect to the transactions contemplated by the Agreement will have adequate capital to conduct its business.

g. GWG has prepared and filed, with the appropriate federal, state and local tax authorities, all income, employment, excise and other tax returns required to be filed as of the date hereof and have paid all taxes shown on such returns to be due or which have become due pursuant to any assessments, deficiency notice, 30 day letter or similar notice received by them, other than those taxes which are being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained in accordance with GAAP. To GWG's knowledge, (i) there are no claims pending or threatened for taxes against GWG, (ii) no waivers of statutes of limitations have been granted, and (iii) all federal, state and local income, profits, franchise, employment, sales, use, occupation, property, excise or other taxes attributable to GWG have been fully paid or adequate reserves have been provided therefore.

h. GWG is, and at all times has been, in full compliance with all laws, ordinances, regulations, orders and other requirements that are or were applicable to the conduct or operation of its business including, without limitation, the Internal Revenue Code of 1986, the Occupational Safety and Health Act and the National Environmental Policy Act. No event has occurred or circumstance exists that (with or without notice or lapse of time) (i) may constitute or result in a material violation by GWG of, or a failure on the part of GWG to comply with, any such laws, ordinances, regulations, orders or other requirements, or (ii) may give rise to any obligation on the part of GW to undertake, or to bear all or any portion of the cost of, any remedial action of any nature, and (c) GWG has not received any written notice or other communication (whether oral or written) from any governmental authority or any other person regarding (i) any actual, alleged, possible or potential violation of, or failure to comply with, any such laws, ordinances, regulations, orders or other requirements, or (ii) any actual, alleged, possible or potential obligation on the part of GWG to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

i. All written information heretofore originated and furnished by GWG to ISF for purposes of or in connection with this Agreement, or any transaction contemplated hereby or thereby is, and all such written information hereafter originated and furnished by GWG to ISF, when taken as a whole, will be, to the knowledge of GWG, true and accurate in all material respects, on the date as of which such information is stated or certified and does not and will not contain any material misstatement of fact or omit to state a material fact necessary to make the statements contained therein, taken as a whole and in context, not misleading.

6. Subordination to Senior Banks. ISF acknowledges that pursuant to secured credit facilities with DZ Bank AG Deutsche Zentral-Genossenschaftsbank ("DZ Bank") and WestLB AG ("WestLB"), DZ Bank and WestLB have security interests in certain of the assets of GWG and ISF's investments under this Agreement will be made through and accordingly the payment of any amounts to ISF on such investments is subject to the prior rights of DZ Bank and WestLB pursuant to the respective credit facilities. The right of any party to payment of any amounts owing hereunder is hereby expressly subordinated to the prior rights of DZ Bank and WestLB pursuant to the respective credit facilities.

7. Subordination to Noteholder and Other Senior Interests. ISF acknowledges that GWG is presently seeking to raise additional funds to purchase life insurance assets through an offering of notes ("LifeNotes") as described in the Offering Memorandum dated [August 12] 2009, as amended or

supplemented from time to time (the "Offering Memorandum"). To the extent GWG issues Life Notes pursuant to the current offering contemplated by the Offering Memorandum and the funds are used to purchase life insurance assets in the Funds, ISF's investments under this Agreement may be subject and subordinate to rights of the LifeNote holders which shall be senior in interest. ISF's investment shall not be subordinated to any other indebtedness and GWG covenants and agrees not to incur any additional indebtedness that may impact ISF's investments beyond the present WestLB, DZ Bank and LifeNotes facilities or offerings without the prior written consent of ISF.

8. ISF Senior to GWG. GWG acknowledges that pursuant to this Agreement, ISF's investments under this Agreement will be senior to the rights of GWG to receive any payments from its assets herein owned, or subsequently acquired. GWG's right of any party to payment of any amounts owing hereunder is hereby expressly subordinated to the prior rights of ISF pursuant to this Agreement.

9. Non-Exclusive. Nothing in this Agreement is intended to, or shall, preclude (i) GWG from seeking or obtaining debt or equity funding from any person, subject to the limitations of this Agreement including Sections 6 and 7, or (ii) ISF from providing or offering to provide debt or equity funding to GWG or any other person, in each case on such terms and conditions as the parties to any such funding transaction shall from time to time determine, and whether on to any or all such terms an conditions, individually or in the aggregate are more or less favorable to ISF than the terms and conditions applicable to the investment terms set forth on Schedule A.

10. No Joint Venture. No party hereunder is an agent, partner or joint-venturer of any party, and no agency, partnership, joint venture, trust or similar relationship shall be established or deemed to be established by this Agreement, any investment requested, made, or repaid hereunder, or any other action or transaction contemplated hereby.

11. Further Assurances. From time to time, as requested by ISF, GWG shall execute and deliver, or cause to be executed and delivered all such documents and instruments and will take, or cause to be taken, all such reasonable actions, as ISF may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement.

12. Notices. Any notice or other communication required or permitted pursuant to this Agreement shall be deemed given (i) when personally delivered to any officer of the party to whom it is addressed, (ii) on the earlier of actual receipt thereof or five (5) days following posting thereof by certified mail, postage prepaid, return receipt requested, or (iii) upon actual receipt thereof when sent by a recognized overnight delivery service, or (iv) upon actual receipt thereof when sent by facsimile to the number set forth below with electronic confirmation of receipt and subsequently confirmed by registered or certified mail, return receipt requested, or by recognized overnight delivery service to the address set forth below, in each case addressed to the applicable party at its address set forth below or at such other address as has been furnished in writing by such party to the other by like notice:

if to GWG:

220 South Sixth Street, Suite 1200
Minneapolis, Minnesota 55402
Attn: Jon Sabes, Its President
Facsimile No.: 612-746-0445
Telephone No.: 612-746-1914

if to ISF:

220 South Sixth Street, Suite 1200

Minneapolis, Minnesota 55402
Attn: ISF Management, LLC, Its Manager
Facsimile No.: 612-746-0445
Telephone No.: 612-746-1944

or at such other address, facsimile or telephone number or to the attention of such other individual or department as the party to which such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address."

13. Confidentiality. Each party agrees that it will not, without the prior consent of the other party, disclose to any person not a party hereto any of the terms of this Agreement and will use all reasonable efforts to have all such information kept confidential, except that each party may use, retain, and disclose any such information (a) to its counsel, accountants, auditors, lenders, members and their respective legal counsel or other agents who agree to hold such information confidential, (b) that has been publicly disclosed (other than by such party in breach of this Section) or has rightfully come into the possession of such party on a nonconfidential basis, or (c) as required by law, rule, regulation, or any governmental agency or authority.

14. Complete Agreement; Waivers and Modification.

(a) This Agreement together with the exhibits hereto and thereto dated the date hereof between the parties hereto, constitute the complete and entire agreement between the parties regarding the subject matter hereof. All agreements, contracts, promises, representations and statements, if any, between the parties hereto or their representatives with respect to the subject matter hereof are merged into this Agreement.

(b) No waiver or modification of the terms hereof shall be valid unless in a writing signed by all of the parties hereto.

(c) No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other rights, power or remedy hereunder.

15. Construction, Headings. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the persons, entity or entities may require. Unless the context otherwise requires, references to agreements shall be deemed to mean and include such agreements as the same may be amended, supplemented or otherwise modified from time to time. Article and Section headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

16. Severability. The provisions of this Agreement are intended to be severable. If for any reason any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

17. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Minnesota without giving effect to its conflicts of law principles.

18. Jurisdiction. Each party hereby irrevocably submits to the non-exclusive jurisdiction of any Minnesota State or United States Federal Court sitting in Hennepin County over any action or proceeding arising out of or relating to this Agreement, and each party hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Minnesota State or Federal Court. Each party irrevocably consents to the service of any and all process in any such action or proceeding by the serving of copies of such process to such party at its address. Each party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party further waives any objection to venue in such state and any objection to an action or proceeding in such state on the basis of forum non conveniens. Each party further agrees that any action or proceeding brought against any other party shall be brought only in Minnesota State or United States Federal Court sitting in Hennepin County. **EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

19. Third Party Beneficiary. The members of ISF are expressly made third party beneficiaries under this Agreement and shall be entitled to enforce ISF's rights hereunder to the extent ISF refuses or is unable to effectively enforce or protect them.

20. Binding Effect; No Assignment. This Agreement shall become effective when it shall have been executed by the parties. No party shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the other parties.

[Signatures on the following page]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement, or has caused this Agreement to be duly executed on its behalf, on the date first above written.

INSURANCE STRATEGIES FUND LLC
By: ISF Management, LLC, its Manager

By: _____
Name:
Title: CEO

GWG HOLDINGS, LLC

By: _____
Name:
Title: CEO

GWG LIFE SETTLEMENTS, LLC

By: _____
Name:
Title: CEO

UNITED LENDING, LLC

By: _____
Name:
Title: CEO

OPPORTUNITY BRIDGE FUNDING, LLC

By: _____
Name:
Title: CEO

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SCHEDULE A

GWG Holdings, LLC - Working Capital Loans

ISF will provide working capital loans to GWG Holdings, LLC ("GWG Holdings") for general working capital needs and expenses including, but not limited to, fees and expenses related to the establishment of and operation of the DZ Bank and WestLB facilities. It is the express intent of the parties that the investments made pursuant to working capital loans be classified as debt for accounting purposes. ISF's loans shall be evidenced by a Note in the form attached in Exhibit X-1.

GWG LIFE SETTLEMENT, LLC – Life Settlement Investment

GWG Life Settlement, LLC ("GWLife") hereby issues to ISF, redeemable preferred, Series I Membership Interests in GWLife in an initial amount equal to $100, plus the principal amount of any additional investment made by ISF. Subject to the terms of this Agreement, GWLife's Series I Membership Interests shall entitle ISF to receive all the economic benefits, including cash flow, proceeds and distributions of or from the current assets owned or hereafter acquired, directly or indirectly by GWLife, including in or through the Funds. It is the express intent of the parties that the investments made pursuant to the Series I Membership Interests be classified as equity for accounting purposes. Distributions of net cash flow realized directly or indirectly by GWLife, including from the Funds or otherwise in respect to life settlement investments, shall be made on or in respect to the Series I Membership Interests' as follows:

First to any senior lender permitted hereunder according to the terms of such the senior facility;

Second, to any LifeNote holder permitted under this Agreement; and

Third, to ISF all remaining cash flow.

Such distributions shall be made on a monthly or more frequent basis as appropriate. The Series I Membership Interests shall be redeemable only with the express authorization of ISF and IPF Investments, LLC..

Opportunity Bridge Funding, LLC – Bridge Loans

Opportunity Bridge Funding, LLC ("OBF") hereby issues to ISF, redeemable preferred, Class A Membership Interests in OBF in an amount equal to the principal amount of the investment made by ISF. Subject to the terms of this Agreement and OBF's operating agreement, the Class A Membership Interests shall entitle ISF to all the economic benefit of the assets herein owned or acquired by OBF. It is the express intent of the parties that the investments made pursuant to Class A Membership Interests be classified as equity for accounting purposes. The priority of payments under the Class A Membership Interests' with respect to bridge loan investments shall be as follows:

First to any senior lender according to the terms of such the senior facility;

Second, to ISF all remaining cash flow from bridge loan investments.

The Class A Membership Interests shall be redeemable only with the express authorization of ISF.

United Lending, LLC - Premium Finance Investments

United Lending, LLC ("UNITED") hereby issues to ISF, redeemable preferred, Class A Membership Interests in UNITED in an amount equal to the principal amount of the investment made by ISF. Subject to the terms of this Agreement and UNITED's operating agreement, UNITED's Class A Membership Interests shall entitle ISF to all the economic benefit of the assets herein owned or acquired by UNITED. It is the express intent of the parties that the investments made pursuant to Class A Membership Interests be classified as equity for accounting purposes. The priority of payments under the Class A Membership Interests' with respect to premium finance loan investments shall be as follows:

First to any senior lender according to the terms of such the senior facility;

Second, to any note holder or party who has been granted a security interest in the assets;

Third, to UNITED to the extent of any subordinate investment amounts to be released upon 100% realization of the premium finance loan; and

Fourth, to ISF all remaining cash flow from premium finance loans.

The Class A Membership Interests shall be redeemable only with the express authorization of ISF.

Exhibit A

Investment Request Form

_____ __, 2008

GWG HOLDINGS, LLC

WORKING CAPITAL LOAN

The undersigned, a duly authorized officer of GWG HOLDINGS, LLC, a Delaware limited liability company ("GWG Holdings") requests INSURANCE STRATEGIES FUND, LLC , make the following investments pursuant to the terms of that certain Investment Agreement, dated _____ __, 2008:

The working loan investment request is:

$_____

As of the date of this working loan investment request, the aggregate amount of the outstanding principal balance of working capital loans owed by GWG Holdings (prior to, and not inclusive of this request) is:

$_____

As of the date of this working loan investment request, the aggregate amount of accrued and unpaid interest on working capital loans owed by GWG Holdings is:

$_____

IN WITNESS WHEREOF, the undersigned has been duly authorized to execute this investment request.

GWG HOLDINGS, LLC

By:_____
Its: _____

ACCEPTED AND AGREED UPON

INSURANCE STRATEGIES FUND, LLC

By:_____
Its: _____
Date: _____

JACK 1658234.1
631880v1

Investment Request Form

_____ __, 2008

GWG LIFE SETTLEMENTS, LLC

SERIES I MEMBERSHIP PURCHASE

The undersigned, a duly authorized officer of GWG Life Settlements, LLC, a Delaware limited liability company ("GWLife") requests INSURANCE STRATEGIES FUND, LLC , make the following investments pursuant to the terms of that certain Investment Agreement, dated _____ __, 2008:

The amount of Series I membership interest purchase:

$_____

As of the date of this investment request, the aggregate amount Series I membership interests in GWLife, LLC purchased by INSURANCE STRATEGIES FUND, LLC (prior to, and not inclusive of this request) is:

$_____

IN WITNESS WHEREOF, the undersigned has been duly authorized to execute this investment request.

GWG LIFE SETTLEMENTS, LLC

By:_____
Its: _____

ACCEPTED AND AGREED UPON

INSURANCE STRATEGIES FUND, LLC

By:_____
Its: _____
Date: _____

Investment Request Form

_____ __, 2008

UNITED LENDING, LLC

CLASS A MEMBERSHIP PURCHASE

The undersigned, a duly authorized officer of UNITED LENDING, LLC, a Minnesota limited liability company ("UNITED") requests INSURANCE STRATEGIES FUND, LLC , make the following investments pursuant to the terms of that certain Investment Agreement, dated _____ __, 2008:

The amount of Class A membership interest purchase:

$_____

As of the date of this investment request, the aggregate amount Class A membership interests in UNITED LENDING, LLC purchased by INSURANCE STRATEGIES FUND, LLC (prior to, and not inclusive of this request) is:

$_____

IN WITNESS WHEREOF, the undersigned has been duly authorized to execute this investment request.

UNITED LENDING, LLC

By:_____
Its: _____

ACCEPTED AND AGREED UPON

INSURANCE STRATEGIES FUND, LLC

By:_____
Its: _____
Date: _____

JACK_1658234.1
6318892v1

Investment Request Form

_____ __, 2008

OPPORTUNITY BRIDGE FUNDING, LLC

CLASS A MEMBERSHIP PURCHASE

The undersigned, a duly authorized officer of OPPORTUNITY BRIDGE FUNDING, LLC, a Delaware limited liability company ("OBF") requests INSURANCE STRATEGIES FUND, LLC, make the following investments pursuant to the terms of that certain Investment Agreement, dated _____ __, 2008:

The amount of Class A membership interest purchase:

$_____

As of the date of this investment request, the aggregate amount Class A membership interests in OPPORTUNITY BRIDGE FUNDING, LLC purchased by INSURANCE STRATEGIES FUND, LLC (prior to, and not inclusive of this request) is:

$_____

IN WITNESS WHEREOF, the undersigned has been duly authorized to execute this investment request.

OPPORTUNITY BRIDGE FUNDING, LLC

By:_____
Its: _____

ACCEPTED AND AGREED UPON

INSURANCE STRATEGIES FUND, LLC

By:_____
Its: _____
Date: _____

EXHIBIT X-1

FORM NOTE

Hennepin County, Minnesota

$_____ Effective Date _____, ____

Interest Rate: _____ Due on _____, ____

GWG HOLDINGS, LLC

GWG HOLDINGS, LLC (the "Issuer"), for value received, hereby promises to pay to the order of INSURANCE STRATEGIES FUND, LLC (the "Holder"), at such location as may be designated by Holder from time to time, the principal amount of _____ Dollars ($_____), and to pay interest on the unpaid balance thereof from the date hereof, in lawful money of the United States, as follows:

From the effective date shown above, Holder shall be paid simple annual interest at the rate set forth above per annum. All interest paid hereunder shall be based on a three hundred sixty (360) day year, consisting of twelve (12) months, each consisting of thirty (30) days. Interest shall be payable at maturity

The principal amount hereof, and any interest not theretofore paid, shall be due and payable on the due date set forth above. The Issuer may prepay this Note at any time without penalty.

This Notes is issued pursuant to that certain Investment Agreement (the "Investment Agreement") between the Issuer and the Holder. The terms of the Notes include those stated in the Investment Agreement and the Notes are subject to all such terms.

Under the Investment Agreement, the Issuer assigns and pledges to the Holder; to secure the payment of the principal and interest on the Notes, and the performance of all covenants made by the Issuer under the Investment Agreement and grants to the Holder a security interest in all assets of the Issuer.

Payments made to Holder shall be credited first on interest then due, and the remainder, if any, on principal and interest shall thereupon cease upon the principal so credited. Should default be made on payment of any installment when due, or of any obligation or covenant or warranty of the Issuer in the Investment Agreement, the whole sum of principal and interest shall become immediately due and payable, at the option of the Holder of this Note. All principal and interest shall be payable in lawful money of the United States.

Any notice required or permitted under this Note shall be given in writing and shall be deemed effectively given upon personal delivery or sent by first class mail, postage prepaid; to the party to be notified at the address indicated herein, or at such other address as such party may designate by ten (10) days' advance written notice to the other parties.

Any term of this Note may be amended and the observance of any term of this Note may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Holder. Any amendment or waiver effected in accordance with this section shall be binding upon the Holder and each future Holder of this Note.

This Note shall be binding upon the heirs, assigns, successors in interest, agents and employees of the parties hereto. The Issuer agrees to pay any and all attorneys' fees and costs incurred by Holder and/or the Holder associated with the enforcement of the terms of this Note.

If one or more provisions of this Note are held to be unenforceable under applicable law; such provision shall be excluded from this Note and the balance of the Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

This Note shall be governed and construed and enforced in accordance with the laws of the State of Minnesota.

GWG HOLDINGS, LLC, a Delaware limited liability corporation

By: _____

Name: _____

Title: _____

Exhibit 10.14

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into effective as of the 11th day of July, 2011 by and among **GWG HOLDINGS, INC.,** a Delaware corporation with a principal address at 220 South 6th Street. Suite 1200, Minneapolis, Minnesota ("**GWG**"), **ATHENA SECURITIES GROUP LTD**, an Irish company with its registered office at 44 Upper Mount Street, Dublin 2, Ireland ("**Athena Securities**") and **ATHENA STRUCTURED FUNDS PLC**, an Irish company incorporated by Athena Securities and currently owned 100% by Athena Securities with its registered office at 18 Merrion Road, Ballsbridge, Dublin 4, Ireland ("**Athena Funds**").

RECITALS:

WHEREAS, Athena Securities has experience and expertise providing financial services internationally related to structured investments and fund creations, and asset management, with specific expertise involving the issuance and selling of bonds backed by life insurance policies and managing related life insurance policy assets;

WHEREAS, GWG is a specialty finance company engaged in the purchasing and financing of life insurance policies acquired in the secondary;

WHEREAS, GWG is seeking to expand its purchasing and financing of life insurance policies acquired in the secondary market by accessing global capital markets;

WHEREAS, prior to the date of this Agreement, Athena Securities incorporated Athena Funds for the purpose of raising capital from global capital markets outside the USA for the exclusive purpose of purchasing and financing life insurance policies acquired in the secondary market in the United States and managing the assets;

WHEREAS, Athena Securities required domestic agents and expertise purchasing and life insurance policies acquired in the United States secondary market and GWG retains such expertise and capabilities;

WHEREAS, Athena Securities and GWG desire to work together to collectively access global capital markets and as a result Athena Securities desires to sell and transfer to GWG, and GWG desires to purchase and acquire from Athena Securities, a nine and nine-tenths percent (9.9%) ownership interest in Athena Funds comprising 5,940 shares of $1.00 each in Athena Funds, of which $0.25 per share has been called up (the **"Athena Funds Equity"**);

WHEREAS, Athena Securities and GWG desire to work together to collectively access global capital markets and as a result GWG desires to sell and transfer to Athena, and Athena desires to purchase and acquire from GWG, a nine and nine-tenths percent (9.9%) ownership interest in GWG comprising 494,500 shares of $0.001 each in GWG (the **"GWG Equity"**);

WHEREAS, the parties desire to set forth certain terms concerning the purchase and sale of the Athena Funds Equity and the governance and business of Athena Funds, all as set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, GWG and Athena Securities agree as follows:

1. Transfer of Equity.

1.1 **Transfer of Athena Funds Equity**. Subject to the terms and conditions of this Agreement. GWG shall pay to Athena Securities on the Closing Date (as herein defined) $0.25 for each share comprising the Athena Funds Equity and at the same time Athena Securities shall sell, assign, transfer and convey to GWG the Athena Funds Equity. At the Closing, Athena Securities and Athena Funds will execute, deliver, file, or record such agreements, instruments, certificates and other documents and will perform such other and further acts and things as may be necessary or proper to evidence the transfer of the Athena Funds Equity, to consummate the transactions contemplated hereby and to carry out the provisions of this Agreement.

1.2 **Transfer of GWG Equity**. Subject to the terms and conditions of this Agreement, Athena shall pay to GWG on the Closing Date (as herein defined) $0.001 for each share comprising the GWG and at the same time GWG shall sell, assign, transfer and convey to Athena the GWG Equity. At the Closing, GWG will execute, deliver, file, or record such agreements, instruments, certificates and other documents and will perform such other and further acts and things as may be necessary or proper to evidence the transfer of the GWG Equity, to consummate the transactions contemplated hereby and to carry out the provisions of this Agreement.

2. Representations and Warranties of Athena Securities and Athena Funds. Athena Securities and Athena Funds, jointly and severally, represent and warrant to GWG as follows:

2.1. Organization and Good Standing; Organizational Documents. Each of Athena Securities and Athena Funds is duly formed, validly existing and in good standing under the laws of Ireland, and is duly authorized to conduct business in each jurisdiction, state, country and territory where the character of its property or the nature of its activities makes such qualification necessary, except where failure to do so could not reasonably be expected to cause a material adverse effect. True, correct and complete copies of the formation, organization or incorporation, and copies of all governing documents related to Athena Funds, as amended to date and currently in effect, have been delivered to GWG.

2.2. Share Capital and Ownership of Athena Funds. The issued shares of Athena Funds comprise 60,000 ordinary shares of $1.00 each nominal value, of which $0.25 per share only has been called up. Athena Funds has no other class of equity capital. All the shares of Athena Funds are held by Athena Securities and by certain other persons who are nominees of Athena Securities. Athena Securities is the sole beneficial owner of Athena Funds as of the Closing Date and there have never been any other owners. Athena Securities and Athena Funds are not and have

not been party to any option, warrant, purchase right or other contract or commitment (other than this Agreement) which would require either to sell, issue, transfer or otherwise dispose of any ownership interests in Athena Funds. As of the Closing Date, Athena Securities owns beneficially and has good and valid title to all the issued shares of Athena Funds, free and clear of any liens, security interests, charges or other encumbrances, except as may be created by this Agreement and for any restrictions on sales of securities under applicable securities laws.

2.3. Authorization, Execution and Enforceability. Athena Funds and Athena Securities (a) have duly authorized, executed and delivered this Agreement, and (b) have the requisite power and authority to consummate the instant transaction. The execution and delivery of this Agreement by Athena Funds and Athena Securities has been duly authorized by all necessary action required on the part of the Athena Funds and Athena Securities and its owners, and this Agreement constitutes its valid and binding obligation enforceable against them in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, moratorium, insolvency and similar laws affecting the rights of creditors generally, and by general principles of equity, regardless of whether considered in a proceeding at law or in equity.

2.4. No Conflict. The execution, delivery and performance by Athena Funds and Athena Securities of this Agreement will not (a) contravene any law or any order, writ, decree or injunction of any governmental authority, (b) conflict with, or result in a material breach of any term, covenant, condition or provision of, or constitute a default under, any agreement or instrument to which either is a party or by which any of their respective properties are bound, (c) violate any provision of the organizational documents of Athena Funds or of Athena Securities.

2.5. Investment Intent.

(a) In connection with the execution of this Agreement, Athena Securities has had access to information about the business and financial condition of GWG and has had the opportunity to ask questions of, and receive answers from, the management of GWG as to the business and financial condition of GWG.

(b) Athena Securities has been advised by GWG that as to the GWG Equity, Athena Securities must bear the economic risk of the investment for an indefinite period of time because the GWG Equity have not been registered under the Securities Act of 1933 and cannot be sold unless subsequently registered or unless an exemption from such registration is available with respect to any such sale, and that the transfer of the GWG Equity are restricted pursuant to the bylaws of GWG.

(c) Athena Securities is acquiring the GWG Shares without a view to the distribution thereof, solely for Athena Securities' own account and not for the account of any other person or persons and Athena Securities will not sell or otherwise dispose of such GWG Equity in a manner inconsistent with such representations.

(d) Athena Securities has been advised and acknowledges that it has limited influence on the management, control and direction of GWG and that its ownership percentage in GWG is subject to dilution in the event GWG issues additional Shares.

2.6. No Violation of Law. The business of Athena Funds is not being conducted, and will not be conducted, in violation of any applicable federal, state, local or foreign law, ordinance, regulation, judgment, decree, injunction or order or requirement of any court or other governmental entity.

3. Representations and Warranties of GWG. GWG represents and warrants to Athena Securities and Athena Funds as follows:

3.1. Organization and Good Standing; Organizational Documents. GWG is duly formed, validly existing and in good standing under the laws of Delaware, and is duly authorized to conduct business in each jurisdiction where the character of its property or the nature of its activities makes such qualification necessary, except where failure to do so could not reasonably be expected to cause a material adverse effect.

3.2. Authorization, Execution and Enforceability. GWG (a) has duly authorized, executed and delivered this Agreement, and (b) has the requisite company power and authority to consummate the instant transaction. The execution and delivery of this Agreement by GWG has been duly authorized by all necessary company action required on the part of GWG and its members and managers, and this Agreement constitutes its valid and binding obligation enforceable against GWG in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, moratorium, insolvency and similar laws affecting the rights of creditors generally, and by general principles of equity, regardless of whether considered in a proceeding at law or in equity.

3.3. No Conflict. The execution, delivery and performance by GWG of this Agreement will not (a) contravene any law or any order, writ, decree or injunction of any governmental authority, (b) conflict with, or result in a material breach of any term, covenant, condition or provision of, or constitute a default under, any agreement or instrument to which either is a party or by which any of their respective properties are bound, (c) violate any provision of the organizational documents of GWG.

3.4. Partly Paid Shares. GWG acknowledges that the 5,940 shares comprising the Athena Funds Equity are partly paid shares whereby Athena Securities has already paid $1,485 to Athena Funds in consideration for such shares and that consequently upon Athena Funds calling upon its shareholders for payment of the remaining nominal value of such shares GWG will be liable to discharge its proportionate part of such call, which amounts to an additional $4,455 that will be payable by GWG to Athena Funds.

3.5. Share Capital and Ownership of GWG. Prior to the date hereof, there were 4,500,000 shares of common stock. $.001 par value per share, GWG issued and outstanding. Upon the Closing date, there will be 4,994,500 **shares** of common stock, $001 par value per share, issued and outstanding. All outstanding shares of GWG have been duly authorized, validly issued and fully paid and are non-assessable and have been issued pursuant to valid exemptions from the registration requirements of the Securities Act and appropriate state blue sky laws.

3.6 Investment Intent.

(a) In connection with the execution of this Agreement, GWG has had access to information about the business and financial condition of Athena Funds and has had the opportunity to ask questions of, and receive answers from, the management of Athena Securities as to the business and financial condition of Athena Funds.

(b) GWG has been advised by Athena Securities that as to the Athena Funds Equity, GWG must bear the economic risk of the investment for an indefinite period of time because the Athena Funds Equity have not been registered under the Securities Act of 1933 and cannot be sold unless subsequently registered or unless an exemption from such registration is available with respect to any such sale, and that the transfer of the Athena Funds Equity are restricted pursuant to the bylaws of Athena Funds.

(c) GWG is acquiring the Athena Funds Equity without a view to the distribution thereof, solely for GWG's own account and not for the account of any other person or persons and GWG will not sell or otherwise dispose of such Athena Funds Equity in a manner inconsistent with such representations.

(d) GWG has been advised and acknowledges that it has limited influence on the management, control and direction of Athena Funds.

4. The Closing.

4.1 Closing and Closing Date. The closing of the transactions contemplated hereby (the "Closing") shall take place contemporaneously with the execution of this Agreement (the "Closing Date").

4.2 Closing Transactions. At the Closing:

(a) GWG shall pay Athena Securities an amount equal to $1,485 in consideration for the Athena Funds Equity;

(b) Athena Securities shall pay GWG an amount equal to $4,945 in consideration for the Athena Funds Equity;

(c) Athena Securities and Athena Funds will execute, deliver, file, or record such agreements, instruments, certificates and other documents and will perform such other and further acts and things as may be necessary or proper to evidence the transfer of the Athena Funds Equity to GWG, to consummate the transactions contemplated hereby and to carry out the provisions of this Agreement, including execution of the Shareholder Agreement referenced in Section 5.2;

(d) The parties shall execute and deliver such other certificates, instruments or documents as any party may reasonably request in order to effect and document the transactions contemplated by this Agreement.

5. Post-Closing Covenants and Obligations of Athena Securities, Athena Funds and GWG.

5.1. Global Capital Markets. Athena Securities agrees to work exclusively with GWG and use commercially reasonable efforts to develop an investment security which can be offered and sold to global capital markets outside the United States for the purpose of purchasing and financing life insurance policy related assets within the United States. In furtherance thereof, the parties agree: (i) to use commercially reasonable efforts to agree upon, develop and execute proper definitive documentation relating to the offer and sale of any such investment security; and (ii) that any marketing of any such investment security by Athena Securities shall be conducted exclusively outside the United States of America. In connection therewith and with the operations of Athena Funds and Athena Securities, and their respective employees, agents and representatives, will comply with all applicable rules, regulations and other requirements of all applicable securities or other laws. Neither Athena Securities nor Athena Funds, nor their respective employees, agents and representatives, shall take any action in conflict with, or omit to take any action the omission of which would cause any such party to be in conflict with, the conditions and requirements of any applicable rule, licensing or regulatory requirement or applicable law.

5.2. Shareholder Agreement of Athena Funds. Athena Securities and GWG shall, at Closing, enter into a shareholder agreement in respect of their respective shareholdings in Athena Funds to the effect that:

(i) Athena Funds shall not have the authority to take any of the actions set forth in this Section 5.2(i) without the prior written consent of GWG, as follows:

(a) selling, leasing, licensing, exchanging or otherwise disposing of all or substantially all of the assets of Athena Funds, or any merger or consolidation involving Athena Funds;

(b) determining the terms and conditions of the sale and marketing of an investment security, including the selling expenses and commissions related to such investment security;

(c) entering into any material agreement of Athena Funds including, without limitation, any exclusive or non-exclusive broker or selling agent agreement related to the sale of an investment security or the sale by Athena Funds of any products or services unrelated to the investment security;

(d) executing any borrowing, lending or financing agreement in excess of Twenty-Five Thousand Dollars ($25,000) (other than the issuance of an investment security already approved hereunder and trade payables in the ordinary course of business) with respect to which Athena Funds is a party or is or may become obligated at some future time;

(e) filing any petition or commencing any proceeding for relief under bankruptcy or insolvency laws, or any laws relating to relief of debtors, readjustment of indebtedness, reorganization, composition or extension of indebtedness or making an assignment for the benefit of the creditors;

(f) Issuing any additional ownership interests of Athena Funds;

(g) approving, determining or establishing distributions, dividends or other payments, consideration, salaries and wages to be paid to the owners, employees or directors of Athena Funds where such consideration is in excess of Twenty-Five Thousand Dollars ($25,000) in the aggregate, as well as the establishment of reserves of Athena Funds; and

(h) Any dissolution or liquidation of Athena Funds.

Provided any such requirement to obtain the consent of GWG shall be without prejudice to the obligations of the directors and/or secretary of Athena Funds or any of them to take or omit to take any course of action pursuant to the laws of Ireland.

(ii) The Board of Directors of Athena Funds shall consist of four (4) people and GWG shall in addition have the right to designate one (1) Director, and shall have the right to remove the Director designated by it, and to designate a replacement Director for any vacancy caused by the death, resignation, removal or incapacity of the Director designated by GWG. Athena Funds agrees to take such other actions as necessary to document the election of the Director designated by GWG to the Board of Directors of Athena Funds and carry out the terms of this provision, including without limitation, the execution of written records of action and other instruments.

5.3 Adherence of Nominee Shareholders of Athena Funds. Athena Securities shall procure the adherence of every other person holding shares in Athena Funds, other than GWG, to the shareholder agreement referred to in Section 5.2.

5.4 Election to Board of Directors of GWG. The Board of Directors of GWG agrees to elects Brian Tyrrell to serve as a Director of GWG until his successor Director is duly elected and has qualified, or until his earlier death, resignation, removal or disqualification as governed by the bylaws of the GWG. GWG agrees to take such other actions as necessary to document the election of Brian Tyrrell to the Board of Directors of GWG and carry out the terms of this provision, including without limitation, the execution of written records of action and other instruments.

5.5 Election to Board of Directors of Athena Funds. The Board of Directors of Athena Funds GWG agrees to and hereby elects Paul Siegert to serve as a Director of Athena Funds until his successor Director is duly elected and has qualified, or until his earlier death, resignation, removal or disqualification as governed by the terms of the bylaws of Athena Funds.

Athena Funds agrees to take such other actions as necessary to document the election of Paul Siegert to the Board of Directors of Athena Funds and carry out the terms of this provision, including without limitation, the execution of written records of action and other instruments.

6. **Indemnification**

(a) Survival. All of the representations, warranties, indemnities and covenants of GWG, Athena Funds and Athena Securities shall survive the Closing.

(b) Indemnification Provisions for GWG and Athena Securities. Athena Funds agrees to indemnify, defend, reimburse and hold GWG and Athena Securities and their subsidiaries, affiliates, members, agents, representatives, successors and assigns, harmless from and against the entirety of any charges, complaints, actions, suits, damages (excluding consequential damages and loss of investment), claims, costs, amounts paid in settlement, taxes, liens, expenses or fees, including all attorneys' fees and court costs, which result from, arising out of, relate to or are caused by: (i) any breach of any of the representations, warranties and covenants of Athena Funds contained in this Agreement or the parities, and (ii) the operation of Athena Funds and the sale of an investment security, including the failure to properly comply with laws, regulatory and licensing requirements in all material respects, except where such charges, complaints, actions, suits, damages, claims, costs, amounts paid in settlement, taxes, liens, expenses or fees arise out of the fraud or gross negligence of GWG or Athena Securities or breach by GWG or Athena Securities of any of the terms or their obligations under this Agreement or in any future agreements. We can express the indemnities in the future Agreements

(c) Indemnification Provisions for GWG and Athena Funds. Athena Securities agrees to indemnify, defend, reimburse and hold GWG and Athena Funds and their subsidiaries, affiliates, members, agents, representatives, successors and assigns, harmless from and against the entirety of any charges, complaints, actions, suits, damages (excluding consequential damages and loss of investment), claims, costs, amounts paid in settlement, taxes, liens, expenses or fees, including all attorneys' fees and court costs, which result from, arising out of, relate to or are caused by any breach of any of the representations, warranties and covenants of Athena Securities contained in this Agreement or .

(c) Indemnification Provisions for Athena Funds and Athena Securities. GWG agrees to indemnify, defend, reimburse and hold Athena Funds and Athena Securities and their respective subsidiaries, affiliates, members, agents, representatives, successors and assigns, harmless from and against the entirety of any charges, complaints, actions, suits, damages (excluding consequential damages and loss of investment), claims, costs, amounts paid in settlement, taxes, liens, expenses or fees, including all attorneys' fees and court costs, which result from, arising out of, relate to or are caused by any breach of GWG's representations, warranties and covenants contained in this Agreement.

(d) Procedures. If any party has an indemnification claim or any third party shall notify any Party (the "Indemnified Party") with respect to any matter which may give rise to a claim for indemnification against the other Party (the "Indemnifying Party"), then the

Indemnified Party shall notify the Indemnifying Party thereof promptly; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any liability or obligation hereunder unless (and then solely to the extent) the Indemnifying Party is damaged. The Indemnifying Party will have the right, at its expense, to assume the defense of any such third party claim, demand, action or proceeding (“‘Third Party Claim”) using counsel reasonably acceptable to the Indemnified Party. The Indemnified Party shall have the right to participate in, at its own expense, but not control, the defense of any Third Party Claim. In connection with any Third Party Claim, Athena Securities and GWG shall cooperate with each other. No Third Party Claim shall be settled without the prior written consent of the Indemnified Party; provided, however, that if a firm, written offer is made to settle any Third Party Claim and the Indemnifying Party proposes to accept such settlement and the Indemnified Party refuses to consent to such settlement, then the Indemnifying Party shall be excused from, and the Indemnified Party shall be solely responsible for, all further defense of such Third Party Claim, and the maximum liability of the Indemnifying Party relating to such Third Party Claim shall be the amount of the proposed settlement if the amount thereafter recovered from the Indemnified Party on such Third Party Claim is greater than the amount of the proposed settlement.

(e) Offset. Each party shall have the right to set off against any payments due and owing from the Indemnified Party to the Indemnifying Party, to the extent the Indemnified Party has made a claim for indemnity under this Article.

7. Amendment and Modification. This Agreement may not be amended, modified, supplemented or changed in any respect except by a writing duly executed by the parties hereto.

8. Miscellaneous.

8.1 Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not constitute a part hereof.

8.2 Law Governing; Venue. This Agreement has been entered into in the State of Minnesota without regard to choice of law provisions, and all questions relating to its validity, construction, performance and enforcement shall be determined in accordance with the laws of said state. Any judicial proceeding brought against any of the parties to this Agreement or any dispute arising out of this Agreement or matter related hereto will be brought solely in the courts of the State of Minnesota or in the United States District Court having jurisdiction over the City of Minneapolis, Minnesota, and each party accepts and consents to the exclusive jurisdiction of such courts.

8.3 Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their successors or assigns; provided, however, Athena Securities and Athena Funds may not assign this Agreement, or any of its obligations, duties or responsibilities, without the prior written consent of GWG, and GWG correspondingly may not assign this Agreement or any of the obligations duties or responsibilities of GWG without the consent of Athena Securities (unless to an affiliate of GWG or pursuant to a merger,

reorganization, spin-off or transaction involving the sale of substantially all of the assets or interests of GWG).

8.4 Notices. All notices, requests, demands and other communications hereunder shall be deemed to have been duly given if in writing and either delivered personally, sent by facsimile or electronic transmission (receipt confirmed) or by courier service, or mailed by postage prepaid, registered or certified mail, return receipt requested, and shall be effective upon personal delivery or facsimile transmission thereof or upon delivery by registered or certified mail or three business days following deposit with an air courier service.

8.5 Severability. Whenever possible, each provision of this Agreement shall be construed so as to be interpreted in such manner as to be effective and valid under applicable law. If any provisions of this Agreement or the application thereof to any party or circumstance shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition without invalidating the remainder of such provision or any other provision of this Agreement or the application of such provision to other parties or circumstances.

8.6 Waiver. No delay on the part of any party in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise of any right or remedy by any party shall preclude any other or further exercise thereof, or exercise of any other right or remedy. Waiver of any right hereunder shall not be effective unless in writing and signed by the party against whom enforcement is sought.

8.7 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be an original, but each of which, when taken together, shall constitute one and the same instrument. The parties agree that this Agreement will be considered signed by a party when such party's signature is delivered by facsimile or electronic mail transmission to the counterparty. Such facsimile or electronic mail signature shall be treated in all respects as having the same effect as an original signature.

[Signatures on the following page]

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

GWG Holdings, Inc.

By /s/ Jon Sabes
Name: Jon Sabes
Title: Chief Executive Officer

Athena Securities Group Ltd:

By /s/ Marie Ainsworth
Name: Marie Ainsworth
Title: Director

Athena Structured Funds PLC

By: /s/ Illegible
Name:
Title: Director

The undersigned, Athena Securities Ltd. (an Affiliate of Athena Securities Group Ltd.), hereby guarantees the payment and performance of indemnification obligations of Athena Funds and Athena Securities contained in Section 6 herein.

Athena Securities Ltd.

By: /s/ Illegible
Name:
Title: Director

Exhibit 10.15

DATED 11 JULY 2011

GWG HOLDINGS, INC.

and

ATHENA SECURITIES GROUP LIMITED

and

ATHENA STRUCTURED FUNDS PUBLIC LIMITED COMPANY

SHAREHOLDERS' AGREEMENT
(In relation to Athena Structured Funds Public Limited Company)

LK SHIELDS
SOLICITORS LK Shields Solicitors 39/40 Upper Mount Street Dublin 2
Tel +353 1 661 0866 Fax +353 1 661 0883 Email email@lkshields.ie Web www.lkshields.ie
Ref SM/7213.1

TABLE OF CONTENTS

THIS AGREEMENT is made 11 July 2011

BETWEEN:

(1) **GWG HOLDINGS, INC**. a Delaware limited liability company with a principal address at 220 South 6th Street, Suite 1200, Minneapolis, Minnesota ("**GWG**");

(2) **ATHENA SECURITIES GROUP LIMITED** an Irish incorporated company having its registered office at 44 Upper Mount Street, Dublin 2, Ireland ("**Athena Securities**"); and

(3) **ATHENA STRUCTURED FUNDS PUBLIC LIMITED COMPANY** having its registered office at 18 Merrion Road, Ballsbridge Dublin 4, Ireland (the "**Company**").

WHEREAS:

A. The Company is a public company limited by shares incorporated in the Republic of Ireland under company number 494433 under the Companies Acts, 1963 to 2009 on 1 February 2011 with authorised share capital of US$10,000,000 divided into 10,000,000 Ordinary Shares of US$1.00 each of which 60,000 shares are issued and held as set out in Part 2 of the First Schedule hereto.

B. The Shareholders have agreed to enter into this Agreement for their joint participation in the Company and to regulate the operation and management of the Company and the relationship between the Shareholders as shareholders in the Company.

NOW IT IS HEREBY AGREED that in consideration of the mutual covenants conditions agreements hereinafter set forth or provided for and further good and valuable consideration receipt and sufficiency of which is hereby acknowledged the parties hereto respectively covenant with each other as follows:

1 INTERPRETATION

1.1 Definitions

In this Agreement (including the Recitals and Schedules hereto) unless the context otherwise requires the following expressions shall have the following meanings:

the Articles	the articles of association of the Company as set out in the Second Schedule and as same may be amended from time to time;
Athena Directors	the directors of the Company appointed by Athena Securities and "Athena Director" shall be construed accordingly;
Athena Nominees	the persons whose names and addresses are set out in Part 1 of the First Schedule;
the Board	the board of directors of the Company for the time being and from time to time;
Business	the business of issuing investment securities to gain exposure to the market for US life insurance asset class;
Business Day	a week day on which the main clearing banks in Dublin are open for business (excluding Saturdays) and

	"**Business Days**" shall be construed accordingly;
Deed of Adherence	a deed in the form or substantially in the form set out in the Third Schedule or such other form as the Shareholders may agree from time to time;
Director	an Athena Director or a GWG Director, as the case may require, and "**Directors**" shall be construed accordingly;
GWG Director	a director of the Company appointed by GWG;
Operating Costs	all costs incurred by the Company relating to the operation of the Business including all costs in relation to custodian services, trustee services, registrar/transfer agent fees, paying agent fees, administration fees, legal fees and any other costs as may from time to time be agreed in advance in writing between the Shareholders;
'€' or Euro	the lawful currency for the time being of Ireland;
the Parties	the parties to this Agreement and **"Party"** means any of them;
the Shareholders	GWG and Athena Securities and **"Shareholder"** shall mean any of them; and
Shares	the ordinary shares in the capital of the Company;

1.2 **Construction**

1.2.1 Any reference to a "**subsidiary**" or "**holding company**" shall be construed in accordance with Section 155 of the Companies Act 1963.

1.2.2 Any reference to a document being in the **"agreed form"** is a reference to a document in a form agreed between the parties and for the purposes of identification initialled by or on behalf of the parties.

1.2.3 Any reference to a Recital, Clause or Schedule is to the relevant Recital, Clause or Schedule of or to this Agreement and any reference to a sub-clause or paragraph is to the relevant sub-clause or paragraph of the Clause or Schedule in which it appears.

1.2.4 Use of the singular includes the plural and vice versa.

1.2.5 Use of any gender includes the other genders.

1.2.6 Any reference to **"persons"** includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality).

1.2.7 Words such as **"hereunder", "hereto", "hereof** and **"herein"** and other words commencing with **"here"** shall unless the context otherwise requires, refer to the whole of this Agreement and not any particular Clause or paragraph thereof.

1.2.8 Any phrase introduced by the terms **"including", "include", "in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.2.9 Any reference to any statute, statutory provision or to any order or regulation shall be construed as a reference to that statute, provision, order or regulation as extended, modified, replaced or re-enacted from time to time (whether before or after the date of this Agreement) and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom (whether before or after the date of this Agreement).

1.2.10 Any reference to a person includes his successors, personal representatives and permitted assigns.

1.2.11 If any action or duty to betaken or performed under any of the provisions of this Agreement would fall to be taken or performed on a day which is not a Business Day such action or duty shall be taken or performed on the Business Day next following such day.

1.2.12 For the avoidance of doubt, any reference to Ireland does not include Northern Ireland.

2 COVENANTS CONCERNING THE COMPANY

2.1 Mutual Covenant

Each of the Shareholders hereby covenants with the other that they shall take all necessary actions and exercise or procure the exercise of all such voting rights as it may from time to time have or control in the Company so as to procure (so far as lies within its power of procurement individually or collectively with others) that the Company shall comply in full with the provisions of this Agreement.

2.2 Business

The Company shall carry on the Business in an efficient and businesslike manner and to its best commercial advantage.

2.3 Management of the Company

The business of the Company shall be controlled by the Board (and/or any committee thereof appointed and operated in accordance with the provisions of this Agreement) and the Company shall not enter into any contract, arrangement or transaction whereby any of its business will be controlled otherwise than by or under the authority of the Board (and/or any committee thereof appointed and operated in accordance with the provisions of this Agreement).

2.4 Board of Directors

2.4.1 The Board shall be constituted in accordance with the provisions of this Clause 2.4 and (to the extent that they are not inconsistent herewith) the Articles.

2.4.2 The Board shall comprise no more than five (5) directors.

2.4.3 For so long as GWG continues to hold at least 9.9% of the issued voting share capital of the Company, GWG shall have the right exercisable by

notice in writing to the other Shareholder and the Company to appoint one (1) director of the Company from time to time and by like notice to require the removal of any such director and the appointment of another person to act in place of such director. The first GWG Director shall be:

(a) Paul Siegert;

2.4.4 For so long as Athena Securities and the Athena Nominees together or separately continue to hold 90.1% of the issued voting share capital of the Company, Athena Securities shall have the right exercisable by notice in writing to require the appointment of four (4) directors of the Company from time to time and by like notice to require the removal of any such director(s) and the appointment of any other person(s) to act in place of such director(s). The first Athena Directors shall be:

(a) Marie Ainsworth;

(b) Kenneth O'Reilly – Hyland;

(c) Peter Gorman; and

(d) Brian Tyrrell.

2.4.5 If GWG removes a Director appointed by it from office in accordance with the provisions of this Clause 2,4, GWG shall be responsible for and shall indemnify the Company against any loss, liability or cost that it may suffer or incur as a result of any claim by such Director arising out of such removal.

2.4.6 If Athena Securities removes a Director appointed by it from office in accordance with the provisions of this clause 2.4, Athena Securities shall be responsible for and shall indemnify the Company against any loss, liability or cost that it may suffer or incur as a result of any claim by such Director arising out of such removal.

2.4.7 The members of the Board shall not be entitled to any remuneration in their capacity as Directors of the Company.

2.4.8 The quorum for the transaction of business at any Board Meeting at which any of the reserved matters as set out in Clauses 2.8.1 (a) to 2.8.1 (i) are to be discussed and or considered shall be any three (3) Directors, of whom at least one shall be a GWG Director and at least one shall be an Athena Director present in person or by telephone at the commencement and throughout such meeting.

2.4.9 If within half an hour of the time appointed for a Board Meeting a quorum as referred to in Clause 2.4.8 is not present, the meeting shall be adjourned to the same day of the next week at the same time and place. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved. For the avoidance of doubt the provisions of this Clause 2.4.9 shall apply only in respect of Board Meetings in respect of which the quorum requirements set out in Clause 2.4.8 apply.

2.5 **Information**

The Company shall keep the Shareholders fully informed of the progress of its business and furnish to the Shareholders to such extent and in such form and detail as the Shareholders may from time to time require particulars of any matter concerned with or arising out of the activities of the Company and in particular but without limiting the generality of the foregoing shall furnish to the Shareholders:

2.5.1 audited financial statements including a balance sheet and profit and loss account in respect of each financial year of the Company forthwith on the same becoming available and in any event not later than the expiration of one hundred and eighty (180) days after the end of the financial year to which the profit and loss account in question relates together with the directors' and auditors' reports thereon;

2.6 **Access**

The Shareholders shall be entitled at all reasonable times during normal business hours to free and full access to inspect, examine and copy any books, files, records and other documents belonging to or maintained by or on behalf of the Company and to full and free access to the properties, buildings and other assets of the Company or the Shareholders where any such records are kept for the time being.

2.7 **Reserved Matters**

2.7.1 The Company shall not and the Shareholders shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that at all times during the term of this Agreement the Company shall not (for as long as GWG continues to hold at least 9.9% of the total issued voting share capital of the Company) take any of the following actions without the consent of GWG:

(a) sell, lease, license, exchange or otherwise dispose of all or substantially all of the business, undertaking, property or assets of the Company, or agree to do so, or agree to any merger or consolidation involving the Company and/or its business, undertaking, property or assets;

(b) determine the terms and conditions of the sale and marketing of an investment security, including the selling expenses and commissions relating to such investment security;

(c) enter into any agreement material to the Business including, without limitation, any exclusive or non exclusive broker or selling agent agreement relating to the sale of an investment security or the sale by the Company of or any products or services unrelated to the investment security;

(d) enter into any borrowing, lending or financing agreement in relation to any amount exceeding Twenty Five Thousand Dollars ($25,000) (other than in relation to the issuance of an investment security and trade payables in the ordinary course of business);

(e) enter into any scheme of arrangement or composition with its creditors or any class thereof or propose or pass any resolution for

the winding-up or present a petition for the appointment of an examiner to the Company or otherwise do or permit or suffer to be done any act or thing whereby the Company may be wound up (whether voluntarily or compulsorily) save as otherwise provided for in this Agreement;

(f) create or issue or agree to create or issue any share or loan capital or give or agree to give any option in respect of any share or loan capital;

(g) pay or agree to pay to the Shareholders, employees or Directors of the Company any salary, fee, emolument or other benefit in excess of Twenty Five Thousand Dollars ($25,000) in aggregate;

(h) establish capital reserves of the Company; and

(i) pay or make any dividend or other distribution in excess of $25,000 in aggregate (except as envisaged by this Agreement).

3 FUNDING OBLIGATIONS

The Shareholders shall agree from time to time on the most practical means of financing the Operating Costs of the Company. Unless otherwise agreed to in writing no Shareholder shall be responsible for such costs nor be obliged to guarantee the obligations of the Company in relation to such costs.

4 TRANSFER OF SHARES

4.1 Restriction on Transfer of Shares

Each of the Shareholders undertakes with the other that, during the continuance of this Agreement, they shall not:

4.1.1 mortgage (whether by way of fixed or floating charge) pledge or otherwise encumber any legal or beneficial interest they may have in any of their Shares;

4.1.2 sell, transfer or otherwise dispose of all or any of their Shares or any legal or beneficial interest therein or assign or otherwise purport to deal therewith or with any interest therein;

4.1.3 enter into any agreement in respect of the voting rights attached to all or any of their Shares; or

4.1.4 agree, whether conditionally or otherwise, to any of the foregoing,

other than, in any case, with the consent in writing of the other Shareholder or in accordance with this Agreement.

4.2 Deed of Adherence

Each of the Shareholders shall procure that prior to, and as a condition precedent of, any transfer of its Shares, any transferee shall execute a Deed of Adherence covenanting to the remaining parties to this Agreement to observe and be bound by the terms of this Agreement.

5 RIGHT TO INFORMATION AND CONFIDENTIALITY

5.1 Disclosure of Confidential Information

Notwithstanding the duties owed by each of the Directors of the Company, any Director or any person designated for the purpose in writing by a Shareholder shall be entitled to disclose any information and provide relevant documents and materials about the Company and discuss its affairs, finances and accounts with appropriate officers and senior employees of the Shareholder in question. Each of the Shareholders shall be entitled to disclose details of the Company's affairs, finances and accounts to that Shareholder's professional and financial advisers who require to know the same to carry out their duties. Any information, documents and materials supplied to or by a Shareholder in accordance with this Clause shall, subject to Clause 5.3 be kept strictly confidential.

5.2 Confidential

Subject to Clause 5.3 and save as required by law or by any relevant national or supranational regulatory authority, each of the parties shall safeguard, treat as confidential, and not use for the purpose of its own business all information, documents and materials which it acquires in connection with this Agreement and which relate to the business of the Company or to any of the other parties.

5.3 Continuation

The obligations of confidentiality in this Section 5 shall survive the termination of this Agreement and shall continue unless and until any of the relevant confidential information enters the public domain through no fault of the relevant party or of any other person (under the control of such Shareholder) owing a duty of confidentiality to the Company.

5.4 Delivery Up

A Shareholder which ceases to be a Shareholder shall thereupon forthwith hand over to the Company all confidential information, documents and correspondence belonging to or relating to the business of the Company and shall, if so required by the Company, certify that it has not kept records or copies thereof.

6 GENERAL

6.1 Survival of Obligations

This Agreement shall be binding upon and shall enure for the benefit of each party's successors and assigns.

6.2 No Partnership

Nothing herein shall be taken to constitute a partnership between the parties hereto nor the appointment of one of the parties as the agent for the other.

6.3 Capacity

Each Shareholder warrants and represents to the other Shareholders that it is duly empowered under its Memorandum of Association and has taken all appropriate corporate action to enter into this Agreement and carry out its obligations thereunder.

6.4 **Invalidity of Provisions**

If at any time any one or more provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, in whole or in part, such provision or part thereof shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall not be affected or impaired thereby.

6.5 **Waiver**

A Party's failure to insist on strict performance of any provision of this Agreement shall not be deemed a waiver thereof or of any right or remedy for breach of a like or different nature. Subject, as aforesaid, no waiver shall be effective unless specifically made in writing and signed by a duly authorised officer of the Party granting such waiver.

6.6 **Announcements and Circulars**

Subject as required by law or by any recognised Stock Exchange or relevant national or supranational regulatory authorities, all announcements and circulars by or on behalf of the Parties relating to the subject matter of this Agreement shall be in terms to be agreed between the Parties in advance of issue.

6.7 **Counterparts**

This Agreement may be entered into in any number of counterparts and by the parties hereto on separate counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

6.8 **Continuation of Obligations**

This Agreement shall cease to have effect in relation to a Shareholder which ceases to hold any Shares save in respect of:

6.8.1 any provision of this Agreement which is expressed to continue after such cessation; or

6.8.2 any liability which at the time of cessation has accrued to the other party or which may accrue in respect of any act or omission occurring prior to such cessation.

6.9 **Notices**

6.9.1 Any notice or other document to be given under this Agreement shall be in writing and deemed duly given:

(a) if to be given to GWG, if left at or sent by prepaid post, registered post, facsimile transmission or other means of telecommunications in permanent written form to the following address or number:

Name:	GWG Holdings Inc.
Address:	220 South Sixth Street Suite 1200

Minneapolis, MN 55402
(877) 494-2388

Attention: Chief Financial Officer

Facsimile No: (612) 746-0455

or to such other address and/or number as such party may by notice to all the other parties hereto expressly substitute therefore.

(b) if to be given to Athena Securities and/or the Athena Nominees if left at or sent by prepaid post, registered post, facsimile transmission or other means of telecommunications in permanent written form to the following address or number:

Name: Athena Securities Group Limited

Address: 18 Merrion Road
Ballsbridge
Dublin 4
Ireland

Attention: Chief Financial Officer

Facsimile No: 00 312 05241269

or to such other address and/or number as such party may by notice to all the other parties hereto expressly substitute therefore.

(c) if to be given to the Company, if left at or sent by prepaid post, registered post, facsimile transmission or other means of telecommunications in permanent written form to the following address or number:

Name: Athena Structured Funds Public Limited Company

Address: 18 Merrion Road
Ballsbridge
Dublin 4
Ireland

Attention: Chief Financial Officer

Facsimile No: 00 312 05241269

or to such other address and/or number as such party may by notice to all the other parties hereto expressly substitute therefor.

6.9.2 In proving the giving of a notice it shall be sufficient to prove that the notice was left or that the envelope containing such notice was properly

addressed and posted or that the applicable means of telecommunications was properly addressed and despatched (as the case may be).

6.9.3 The Company undertakes with each of the Shareholders that it will forthwith supply to each of the Shareholders a copy of any notice that may be given to or served on it under this Agreement.

6.9.4 Subject as otherwise provided herein, this Agreement shall continue in full force and effect without limit in point of time unless and until the earliest of the date on which:

(a) the Shareholders agree in writing to terminate this Agreement;

(b) an effective resolution is passed or a binding order is made for the winding up of the Company; or

(c) GWG or Athena Securities cease to hold any Shares in the Company;

the provisions in Clause 5 of this Agreement shall remain in effect notwithstanding such termination.

6.10 **Governing Law/Jurisdiction**

6.10.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of Ireland.

6.10.2 The parties hereto submit to the non-exclusive jurisdiction of the Courts of Ireland.

6.10.3 GWG hereby irrevocably authorises LK Shields Solicitors (or such other person, being a firm of solicitors resident in the Republic of Ireland as GWG may by notice to all the other parties expressly substitute therefore) to accept service of all legal process arising out of or connected with this Agreement and service on LK Shields Solicitors (or such substitute) shall be deemed to be service on the party concerned.

6.11 **Conflict with Articles**

In the event of any conflict between the terms of this Agreement and the provisions of the Articles, then, as between the Shareholders, the terms of this Agreement shall prevail.

6.12 **Amendments**

Any amendment or modifications to the provisions of this Agreement shall be in writing signed by all the parties hereto.

6.13 **Assignment**

None of the parties shall assign any of their respective rights or obligations under this Agreement nor any of the documents referred to in this Agreement in whole or in part.

6.14 **Costs**

Each of the parties hereto shall be responsible for its respective legal and other costs incurred in relation to the preparation of this Agreement.

IN WITNESS whereof these presents have been entered into the day and year first above written.

FIRST SCHEDULE

Part 1

ATHENA NOMINEES

Name of Registered Shareholder	Shareholder Address
Marie Ainsworth	8 Sandymount Road, Dublin 4
Kenneth O'Reilly – Hyland	11 Pembroke Park, Ballsbridge, Dublin 4
Peter Gorman	25 North Avenue, Mount Merrion, County Dublin
Brian Tyrrell	16 Nashville Park, Howth, County Dublin
Marie Gorman	25 North Avenue, Mount Merrion, County Dublin
Eimer O'Reilly – Hyland	11 Pembroke Park, Ballsbridge, Dublin 4

Part 2

SHAREHOLDINGS

Name of Registered Shareholder	Shareholder Address	Number and Class of Shares Held
Marie Ainsworth	8 Sandymount Road, Dublin 4	1
Kenneth O'Reilly – Hyland	11 Pembroke Park, Ballsbridge, Dublin 4	1
Peter Gorman	25 North Avenue, Mount Merrion, County Dublin	1
Brian Tyrrell	16 Nashville Park, Howth, County Dublin	1
Marie Gorman	25 North Avenue, Mount Merrion, County Dublin	1
Emer O'Reilly – Hyland	11 Pembroke Park, Ballsbridge, Dublin 4	1
Athena Securities Group Limited	44 Upper Mount Street, Dublin 2, Ireland.	54,054
GWG Holdings Inc.	220 South 6th Street, Suite 1200, Minneapolis, Minnesota, USA.	5,940

THIRD SCHEDULE

DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made [ ] 20[ ] by [*NAME, ADDRESS, DETAILS*] (hereinafter called the **"Covenantor")**

WHEREAS:

This Deed is supplemental to a Shareholders Agreement dated 2011 and made between GWG Holdings Inc., Athena Securities Group Limited, and Athena Structured Funds Public Limited Company (the **"Company"**) (the **"Shareholders' Agreement**).

NOW IT IS HEREBY AGREED as follows:

1 Unless otherwise defined, words and expressions defined in the Shareholders Agreement shall, where the context admits, have the same respective meanings in this Deed.

2 The Covenantor hereby undertakes severally with each of the other parties to the Shareholders' Agreement from time to time to observe, perform and be bound by the terms of the Shareholders' Agreement which are capable of applying to the Covenantor and which have not been performed at the date of this Deed, to the intent and effect that the Covenantor shall be deemed with effect from the date on which it is registered as a member of the Company to be a party to the Shareholders Agreement and to be a Shareholder.

3 This Deed shall be governed by and construed in accordance with the laws of the Republic of Ireland.

[insert relevant signature block for Deed of Adherence]

SIGNED BY [illegible]
FOR AND ON BEHALF OF ATHENA SECURITIES GROUP LIMITED
in the presence of:

/s/ illegible
Witness

Name: [illegible]

Address: 45 Castlemayne, Balgriffin, Dublin 13

Occupation: Pension Trustee

SIGNED BY [illegible]
FOR AND ON BEHALF OF ATHENA STRUCTURED FUNDS PUBLIC LIMITED COMPANY
in the presence of:

/s/ illegible
Witness

Name: [illegible]

Address: 45 Castlemayne, Balgriffin, Dublin 13

Occupation: Pension Trustee

SIGNED BY [illegible]
FOR AND ON BEHALF OF ATHENA STRUCTURED FUNDS PUBLIC LIMITED COMPANY
in the presence of:

/s/ Lisa Dahlager
Witness

Name: Lisa Dahlager

Address: 220 South sixth street, Ste 1200 Mpls, MN 55402

Occupation: Admin

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of:
GWG Holdings, LLC and Subsidiaries

We consent to the use in this Amendment No. 2 to Registration Statement on Form S-1/A of our report dated June 14, 2011, relating to the consolidated financial statements of GWG Holdings, LLC and Subsidiaries as of and for the years ended December 31, 2010 and 2009 which appears in such Amendment No. 2 to Registration Statement, and to the reference to our firm under the heading “Experts” in the prospectus.

/s/ Mayer Hoffman McCann P.C.

Minneapolis, Minnesota
August 22, 2011