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UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

SAN FERNANDO VALLEY DIVISION

In re:

RELIANT LIFE SHARES, LLC, a California
corporation,

Debtor and
Debtor-in-Possession.

Case No. 1:24-bk-11695-MB

Chapter 11

**MOTION TO USE GRANTOR
INTEREST TO PERMIT LIFE
INSURANCE POLICY TO LAPSE;
MEMORANDUM OF POINTS AND
AUTHORITIES; AND DECLARATIONS
OF NICHOLAS D. RUBIN AND
CHRISTOPHER CONWAY IN
SUPPORT THEREOF**

**[No hearing required by Local
Bankruptcy Rule 9013-1(o)]**

**TO THE HONORABLE MARTIN R. BARASH, UNITED STATES BANKRUPTCY
JUDGE:**

Reliant Life Shares, LLC, the debtor and debtor-in-possession in the above-captioned case (the “**Debtor**”), hereby submits this *Motion to Use Grantor Interest to Permit Life Insurance Policy to Lapse* (the “**Motion**”). In support of the Motion, the Debtor submits the following memorandum of points and authorities and the declarations of Nicholas D. Rubin and Christopher Conway.

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MEMORANDUM OF POINTS AND AUTHORITIES

I. BACKGROUND

A. The Debtor and its Operations

The Debtor was formed in 2011 to buy life insurance policies from the holders of policies who could no longer afford or who no longer wanted to pay the premiums. The Debtor formed the Reliant Life Shares Series Statutory Trust (the “**Original Trust**”), which had a series of sub-trusts, each of which held one life insurance policy and had a third-party trustee. The investors purchased a beneficial interest in a sub-trust that owned a life insurance policy, with the expectation that when the insured covered by the policy died, the investor would receive a percentage of the death benefit.

B. Events Leading to this Case

The filing of this case was precipitated by the need for one forum to resolve the competing interests of (1) a judgment creditor who was a former owner of the Debtor and who asserts a lien against certain assets of the Debtor and (2) the investors holding fractional beneficial interests in a series of sub-trusts, some of whom had litigation pending against the Debtor. The Debtor is the current grantor of the Original Trust.

In 2023 and after several years of judgment enforcement efforts, the judgment creditors, Daniel Cooper and Richard Cooper, Trustee (together, the “**Cooper Parties**”), sought the appointment of a receiver from the Los Angeles Superior Court (the “**State Court**”). The State Court appointed Christopher Conway of Longevity Asset Advisors, an expert in the life settlement field, as the receiver (the “**Receiver**”). Although the Receiver’s role was initially limited, it expanded over the course of two months and in August 2023, the State Court vested the Receiver with sole authority to act on behalf of the Debtor and suspended the authority of all members, officers, directors, and employees.

The Receiver made strides in stabilizing the portfolio but believed because of the way the Debtor’s former management had mismanaged the Debtor’s business and improperly siphoned investor funds, the best way to stabilize the portfolio for everyone’s benefit would be

1 to pool the insurance policies into one trust (with no sub-trusts) with the investors to retain the
2 same dollar amount of death benefits but under a pooled structure. The Receiver worked
3 tirelessly to stabilize the portfolio but, after a year in the receivership, his plan to pool the
4 assets of the sub-trusts into one trust was opposed by the Cooper Parties.

5 In the meantime, various investors in the sub-trusts controlled by the Debtor as grantor
6 who are or were beneficiaries of the sub-trusts of the Original Trust sued the Debtor and other
7 parties in state and federal court for various fraud, breach of fiduciary duty, and elder abuse
8 claims, and expressed concern to the Receiver that the Cooper Parties' efforts sought to
9 eviscerate any value associated with their beneficial interests in the sub-trusts. Although their
10 interests were being impacted by the Cooper Parties' judgment enforcement efforts, the
11 investors were not parties in that litigation and were not given the opportunity to assert their
12 interests. There are also a couple of other significantly smaller judgment liens against the
13 Debtor.

14 Because of the competing positions and so that all claims and assets could be dealt with
15 in one forum instead of multiple forums, the Receiver determined that placing the Debtor into
16 a chapter 11 case would be in the best interests of all parties. The Receiver retained an
17 independent manager, Nathan Cook of Teneo, who agreed with that assessment, and the
18 Debtor filed its chapter 11 petition.

19 **C. Stabilization of the Portfolio**

20 When the Receiver was appointed, the policies were held by the Original Trust. UMB
21 Bank had been the trustee until it resigned and was replaced with Bank of Utah. In part
22 because Bank of Utah was named as a defendant in an action brought by some Reliant
23 investors, Bank of Utah submitted a resignation notice to the Receiver. Accordingly, in the
24 Receivership Order, the State Court authorized the Receiver to identify a replacement trustee
25 and designated the Receiver as the grantor of the Original Trust with the power to amend,
26 modify, or renegotiate the terms of the Original Trust in order to protect assets and accomplish
27 the objectives of the receivership. In June 2024, the Receiver identified Odyssey Transfer and
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1 Trust as a successor trustee and formed The Reliant Life Shares Receivership Statutory Trust
2 dated June 27, 2024 (the “**Receivership Trust**”).

3 Under the Receivership Trust, the Receiver has broad authority to manage trust assets,
4 oversee Odyssey Transfer, and make decisions regarding the life insurance policies. This
5 includes directing Odyssey Transfer to establish funds, reserves, and accounts necessary to
6 fulfill the purposes of the Receivership Trust. The Receiver is also empowered to instruct
7 Odyssey Transfer in matters such as collecting death benefit claims and handling the sale,
8 surrender, or lapse of life insurance policies. Odyssey Transfer is obligated to follow all
9 directions from the Receiver, unless otherwise expressly stated in the Receivership Trust
10 agreement. Because the bankruptcy filing resulted in the displacement of the Receiver in favor
11 of the Debtor under 11 U.S.C. § 543, the Debtor has replaced the Receiver as the grantor under
12 the Receivership Trust.

13 The grantor’s powers under the Original Trust are similarly broad. The trustee acts
14 primarily at the direction of the grantor, who has authority to give written instructions to the
15 trustee to take a wide variety of actions regarding the Original Trust and its assets. Indeed, the
16 Original Trust provides that “[e]xcept as otherwise specifically provided in this Agreement,
17 the Trustee shall not have any discretionary powers or authority with respect to the Trust or the
18 administration of this Agreement, and shall in all respects act at the direction of the Successor
19 Grantor as provided herein.” Section 4.1(s) of the Reliant Life Shares Series Statutory Trust
20 Second Amended and Restated Agreement and Declaration of Trust Dated as of March 16,
21 2023, excerpts from which are attached as Exhibit “1.” The Debtor is the grantor of the
22 Original Trust.

23 Following the bankruptcy filing, the Debtor has taken proactive steps to safeguard the
24 interests of investors and creditors by continuing with the invoicing process, determining how
25 many Reliant clients choose to retain their investments, and updating the medical histories of
26 the insureds in order to assist with identifying policies that should be maintained, which can be
27 sold, and if any should be permitted to lapse.

1 **D. Policy LN-SJ2361**

2 In its analysis of which policies should be retained, sold, surrendered, or permitted to
3 lapse, the Debtor has determined through its business judgment that one life insurance policy,
4 LN-SJ2361, issued by Symetra Life Insurance Company (“**Symetra**”), policy number
5 US00012361 (the “**Policy**”), should be permitted to lapse. The Policy is still titled and held in
6 the name of a sub-trust of the Original Trust with UMB Bank, Bank of Utah’s predecessor
7 trustee, as trustee, because Symetra has refused to transfer the Policy to the Receivership
8 Trust. This was the subject of a prior motion, but the transfer has not yet been effectuated.
9 Under the Original Trust, the Debtor

10 Prior to the Petition Date, the Debtor sold positions in the sub-trust that owns this
11 Policy and in which it is a primary beneficiary. There are two other revocable beneficiaries:
12 (1) Cryptor Equities, Inc., which holds a 1.48% interest in the Policy that was allegedly
13 granted to it as compensation for acting as the broker in connection with the Debtor’s purchase
14 of the Policy, but for which Cryptor has never paid pro rata premiums; and (2) the Grady
15 Family Trust, which holds a 2.22% interest and has similarly never paid pro rata premiums.
16 There are also two irrevocable beneficiaries: Gates Hatzlocha, LLC, which holds a 2.22%
17 interest, and the personal trust of the insured, which holds a 1.48% interest and which sold the
18 Policy when it became a life settlement. Collectively, these beneficiaries are referred to as the
19 “**Policy Beneficiaries**,” and they hold, in the aggregate, a 7.4% interest in the Policy,
20 equivalent to \$499,500 of the total death benefit.

21 The Policy has no value to the estate because the discounted present value of its death
22 benefit across a range of market discount rates is less than the discounted present value of the
23 premiums at that same discount rate, which if the Policy is retained, the Debtor must collect
24 from investors and pay. It therefore has a negative value. A policy’s value is determined
25 based on the discounted present value of the death benefit at an assumed discount rate (or a
26 range of discount rates), minus the ongoing premiums at that same rate over the life
27 expectancy of the underlying insured. Other financial factors, such as an expensive cost
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1 structure (this occurs when the cost of insurance rates applicable to the policy are high), an
2 insured with a longer life expectancy, and market discount rates that exceed those of similar
3 financial instruments, can also negatively impact the Policy's market value.

4 When applying the industry standard life settlement pricing methodology to the Policy,
5 the calculation reveals that the future premiums owed, when discounted at a range of market
6 discount rates (from 13% to 19%), exceed the discounted present value of the expected death
7 benefit, making the Policy a poor investment. This financial imbalance, coupled with high
8 premiums, a lengthy life expectancy for the insured, and the unpaid creditor positions, make
9 the Policy financially unsustainable.

10 The total death benefit amount of \$6,750,000 was also oversold, with \$6,325,025
11 (93.69%) of the benefit held by the series trust in which positions as trust beneficiaries were
12 sold to creditors, leaving only 6.3% of the Policy's value, or \$424,975, available to pay the
13 Policy Beneficiaries. In other words, the Policy was oversold by \$74,525 so that its total
14 obligations exceed its actual net death benefit. Additionally, \$2,843,550 of the benefit amount
15 allocable to positions purchased by creditors remains unpaid, creating a significant funding
16 gap.

17 The Debtor intends to adopt the Receiver's plan to pool the assets of the Receivership
18 Trust so that all clients who continue to pay premiums maintain their same death benefit, but it
19 will be spread over all of the policies held by the Receivership Trust. The Debtor is using the
20 invoicing process to identify clients who want to maintain their death benefits and those who
21 intend to forfeit. This will then enable the Debtor to identify the amount of death benefits it
22 must maintain. The remainder will either be permitted to lapse or, if they have value, be sold
23 to generate proceeds for the estate. The Debtor's plan will propose that all clients who
24 acquired beneficial interests in the sub-trust of the Original Trust receive the same amount of
25 death benefit in the pooled structure. Alternatively, the Debtor will seek to reallocate clients to
26 other sub-trusts, although that is not the preferred remedy. Assuming that either pooling or
27 reallocation is approved, the clients with beneficial interests in the sub-trust that owns the
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1 Policy will not lose their investment as long as they continue to pay their share of premiums.
2 However, the other beneficiaries will lose their interest in the Policy once it lapses, which is
3 why the Debtor is seeking a Court order authorizing the use of the grantor interest to permit
4 the Policy to lapse.

5 Out of an abundance of caution and in order to give affected parties notice, the Debtor
6 is bringing forth this Motion under 11 U.S.C. § 363 because the Debtor is using its grantor
7 interest in the Original Trust to make the business decision to permit the Policy to lapse.

8
9 **II. ARGUMENT**

10 Section 363(b) empowers a debtor-in-possession to “use, sell or lease . . . other than in
11 the ordinary course of business, property of the estate.” *See* 11 U.S.C. §§ 363(b) & 1107(a).
12 In considering a proposed transaction to use, sell, or lease, courts look at whether the
13 transaction is in the best interests of the estate based on the facts and history of the case. *See*
14 *In re America West Airlines*, 166 B.R. 908, 912 (Bankr. D. Ariz. 1994) (citing *In re Lionel*
15 *Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983)). This requires examination of the “business
16 justification” for the proposed use. *See In re 240 North Brand Partners, Ltd.*, 200 B.R. 653
17 (B.A.P. 9th Cir. 1996); *see also In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830 (Bankr.
18 C.D. Cal. 1991); *In re Ernst Home Center, Inc.*, 209 B.R. 974 (Bankr. W.D. Wash. 1997). If a
19 sound business purpose exists for the proposed transaction, a sale or use of the debtor’s assets
20 should be authorized pursuant to section 363 of the Bankruptcy Code. *See, e.g., In re Martin*,
21 91 F.3d 389, 395 (3d. Cir. 1996); *In re Baroni*, 654 B.R. 334, 342 (Bankr. C.D. Cal. 2023)
22 (same).

23 The Debtor has a sound business justification for letting the Policy lapse because the
24 Policy holds no meaningful value to the estate and imposes ongoing financial burdens. The
25 future premiums required under the Policy exceed the Policy’s potential payout. When
26 evaluated using standard industry models, such as taking into account the insured’s extended
27 life expectancy and the high-cost structure of the Policy, the future premiums outweigh any
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1 potential benefit, making the Policy financially unsustainable with no upside to the Debtor or
2 its clients. In addition, as of the Petition Date, there were forfeitures equal to \$2,843,550 of
3 the death benefits, which has only increased after the most recent invoicing, which creates a
4 significant shortfall in collections to pay the premiums. The only parties who stand to benefit
5 from the continued payment of premiums are the beneficiaries who are not Reliant clients,
6 none of whom make premium payments and each of whom is being served with this Motion in
7 the event that they wish to assume the obligation to do so in order to preserve their interest.

8 Based on the foregoing, the Debtor requests that the Motion be granted.
9

10 **III. CONCLUSION**

11 Accordingly, the Debtor respectfully requests that the Court enter an order providing
12 the following relief:

- 13 1. Granting the Motion;
14 2. Authorizing the Debtor to permit the Policy to lapse pursuant to 11 U.S.C. §
15 363; and
16 3. For such other and further relief as this Court deems just and proper.
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18 Respectfully submitted,

19 Dated: May 2, 2025

RAINES FELDMAN LITRELL LLP

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22 By: /s/ Kyra E. Andrassy
23 HAMID R. RAFATJOO
24 KYRA E. ANDRASSY
25 Attorneys for Debtor and Debtor-in-Possession
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DECLARATION OF NICHOLAS D. RUBIN

I, Nicholas D. Rubin, declare as follows:

1. I am the Chief Restructuring Officer (“**CRO**”) of Reliant Life Shares, LLC, a California limited liability company, the debtor and debtor-in-possession in the above-captioned case (the “**Debtor**”). I know each of the following facts to be true of my own personal knowledge, except as otherwise stated and, if called as a witness, I could and would competently testify with respect thereto. I make this declaration in support of the *Motion to Use Grantor Interest to Permit Life Insurance Policy to Lapse* (the “**Motion**”). Unless otherwise defined in this declaration, all terms defined in the Motion are incorporated herein by this reference.

2. I was appointed as CRO on October 5, 2024, to manage the Debtor’s restructuring affairs. On October 7, 2024, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor’s filing was precipitated by judgment enforcement efforts and the need to balance investor interests.

3. Following the filing of the petition, I have taken proactive steps to safeguard the interests of investors and creditors, including reviewing the life insurance policies held within the sub-trusts. The Debtor’s authority to review and manage certain life insurance policies derives from the grantor interest in the Receivership Trust. Although the Receiver is identified as the grantor, the Bankruptcy Code displaced the Receiver by operation of law in favor of the Debtor, so the Debtor now holds the grantor interest. The grantor under the Receivership Trust has broad authority to manage trust assets, oversee Odyssey Transfer, and make decisions regarding the life insurance policies. This includes directing Odyssey Transfer to establish funds, reserves, and accounts necessary to fulfill the purposes of the Receivership Trust. The grantor is also empowered to instruct Odyssey Transfer in matters such as collecting death benefit claims and handling the sale, surrender, or lapse of life settlement policies. Odyssey Transfer is obligated to follow all directions from the grantor, unless otherwise expressly stated in the Receivership Trust agreement. These powers are

1 similar to the Original Trust, where the Debtor was the grantor and which holds the sub-trust
2 that still is the legal owner of the Policy. A true and correct copy of relevant excerpts of the
3 Original Trust are attached as Exhibit "1."

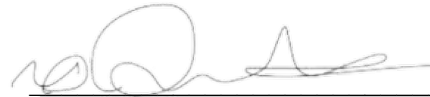
4 4. Prior to the Petition Date, the Debtor sold positions in the sub-trust that owns
5 this Policy and in which it is a primary beneficiary. According to the Debtor's books and
6 records, there are two other revocable beneficiaries: (1) Cryptor Equities, Inc., which holds a
7 1.48% interest in the Policy that I am informed was allegedly granted to it as compensation
8 for acting as the broker in connection with the Debtor's purchase of the Policy, but for which
9 Cryptor has never paid pro rata premiums; and (2) the Grady Family Trust, which holds a
10 2.22% interest and which I am informed has similarly never paid pro rata premiums. It
11 appears that there are also two irrevocable beneficiaries: Gates Hatzlocha, LLC, which holds
12 a 2.22% interest, and the personal trust of the insured, which holds a 1.48% interest.
13 Collectively, the Policy Beneficiaries hold a 7.4% interest in the Policy equal to \$499,500 of
14 the Policy's death benefit. For the reasons set forth in the Motion, I believe that it is a proper
15 exercise of the Debtor's business judgment to permit the Policy to lapse.

16 5. The Debtor intends to adopt the Receiver's plan to pool the assets of the
17 Receivership Trust so that all clients who continue to pay premiums maintain their same death
18 benefit, but it will be spread over all of the policies held by the Receivership Trust. We are
19 using the invoicing process to identify clients who want to maintain their death benefits and
20 those who intend to forfeit. This will then enable the Debtor to identify the amount of death
21 benefits it must maintain. With respect to the rest of the policies, the Debtor will seek to
22 cause the sale of the policies that have value and will permit those with negative value to
23 lapse. The Debtor's plan will propose that clients who acquired beneficial interests in the sub-
24 trust that holds the Policy receive the same amount of death benefit in the pooled structure.
25 Alternatively, the Debtor will reallocate these clients to other sub-trusts and preserve the
26 amount of their death benefits in that manner, although that is not the preferred route. Either
27 way, they will not lose their investment as long as they continue to pay their share of
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1 premiums. However, the other beneficiaries who are not Reliant clients will lose their interest
2 in the Policy once it lapses, which is why we are seeking a Court order authorizing the use of
3 the grantor interest to permit the Policy to lapse.

4 I declare under penalty of perjury that the foregoing is true and correct.

5 Executed this 2nd day of May 2025, at Irvine, California.

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NICHOLAS D. RUBIN

EXHIBIT 1

RELIANT LIFE SHARES SERIES STATUTORY TRUST
SECOND AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST
Dated as of March 16, 2023

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**SECOND AMENDED AND RESTATED AGREEMENT
AND DECLARATION OF TRUST**

SECOND AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST of Reliant Life Shares Series Statutory Trust, a Connecticut statutory trust (the “Trust”), dated as of March 16, 2023 (the “Effective Date”), by and among Bank of Utah, a Utah state chartered bank, as trustee (in such capacity, the “Trustee”), RLS, Grantor, LLC, a California limited liability company (with respect to the Trust, and, as relates to any Series, with respect to such Series, the “Successor Grantor”), as successor to grantor Reliant Life Shares, LLC, a California limited liability company, (the “Original Grantor”), and the Beneficiaries from time to time party hereto.

RECITALS

WHEREAS, UMB Bank, N.A., a national banking association, as trustee (the “Original Trustee”), and the Grantor, as grantor, entered into the Agreement and Declaration of Trust dated as of June 15, 2015 for the creation of the Trust (the “Original Trust Agreement”);

WHEREAS, the Trustee and the Original Grantor entered the Reliant Life Shares Series Statutory Trust Amended and Restated Agreement Declaration of Trust dated June 29, 2022 the “First Amended Trust Agreement”);

WHEREAS, the Original Grantor desires to cease being the Grantor of the Trust, and the Successor Grantor desires to become the grantor of the Trust as successor to Original Grantor as of the Effective Date;

WHEREAS, Trustee, the Original Grantor and the Successor Grantor desire to amend and restate the Agreement and Declaration of Trust for the Trust effective as of the Effective Date as provided herein and the Successor Grantor and the Trustee agree that none of the amendments to the Original Trust Agreement effected by this Second Amended and Restated Agreement and Declaration of Trust materially adversely changes any of the rights or obligations of any Beneficiary disproportionately vis-a-vis any other Beneficiaries; and

WHEREAS, Trustee and the Successor Grantor desire to continue the Trust as a Connecticut statutory trust and set forth in this Governing Instrument, Agreement and Declaration of Trust (as it may be modified, supplemented, amended or restated from time to time in accordance with the terms hereof, this “Agreement”), the provisions which, together with applicable provisions of the Connecticut Act, shall provide for and apply to the governance of the affairs of the Trust and the conduct of its business.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS AND INTERPRETIVE PROVISIONS**

Section 1.1 Definitions and Interpretive Provisions.

ARTICLE IV THE TRUSTEE

Section 4.1 Powers and Authority of Trustee. The Trustee acting on behalf of the Trust (for, with respect to and/or on behalf of the Trust and/or one or more Series, as applicable) shall have the following powers and authority in the administration of this Agreement:

(a) As instructed in writing by the Successor Grantor from time to time, to cause the Trust to designate and create one or more Series of beneficial interests in the Trust, establish and maintain separate and distinct records for such Series, and hold and account for the Trust Assets associated with such Series separately from all the Trust Assets associated with any other Series and separately from other assets, if any, of the Trust. The Series of the Trust as in existence from time to time shall be set forth in Exhibit D hereto, which shall be amended as necessary from time to time by the Trustee at the direction of Successor Grantor. The Successor Grantor shall determine with respect to each Series whether any prospective or current Beneficiary of such Series would cause such Series to be ineligible under Section 3(c)(1) or 3(c)(7), as the case may be, of the Investment Company Act of 1940 Act, as amended.

(b) To hold separately on behalf of each Series of the Trust, beneficial or other ownership interests in all the Trust Assets of such Series.

(c) At the written direction of the Successor Grantor, to exercise all rights, powers and privileges of ownership or interest in all assets included in the Trust Assets held on behalf of such Series, including the right to vote, consent or approve and to execute and deliver proxies or powers of attorney to such Persons as the Successor Grantor shall deem proper and otherwise act with respect thereto and to do all acts for the preservation, protection, improvement, and enhancement in value of all such assets and to delegate, assign, waive or otherwise dispose of any of such rights, powers or privileges.

(d) At the written direction of the Successor Grantor, to sell or transfer any Policies that are part of the Trust Assets of such Series, as the case may be, either as individual Policies or as a group of Policies, at such prices and under such terms as the Successor Grantor determines to be adequate. The Trustee, on behalf of the Trust, is further empowered and authorized to execute and deliver any documents or other writings that the Successor Grantor determines to be necessary to effect any such sale or transfer.

(e) As instructed in writing by the Successor Grantor from time to time, to cause the Trust or any Series to (i) borrow funds and incur indebtedness for the purpose of paying insurance premiums required to be paid to maintain inforce any Policies owned by the Trust, such Series and any other Series and any fees, costs or other amounts required to be paid in connection with any such borrowed funds or indebtedness for the benefit of such Series or any other Series, (ii) pledge, grant a security interest in or grant a collateral assignment of any Policies owned by the Trust, such Series and any other Series as collateral for such borrowed funds or indebtedness of such Series or any other Series and (iii) execute and deliver on behalf of the Trust, such Series and any other Series all agreements and other documents necessary or desirable to effectuate such borrowed funds or indebtedness the benefit of such Series or any other Series.

(f) As instructed in writing by the Successor Grantor from time to time, to cause the Trust or any Series to sell any Policies owned by the Trust or any Series and to execute any and all agreements and instruments required for of such a sale; provided, that (i) the Trustee may use all or any portion of the gross proceeds paid to a Series for its sale of a Policy owned by such Series at the closing of such sale to pay any Premiums due for any other the Policies owned by such Series or any Policies owned by any other Series and (ii) the Net Sale Proceeds from the sale if any Policy by a Series shall be distributed by the Trustee to the Beneficiaries of such Series in accordance with their respective beneficial interest in such Series upon the maturity of such Policy.

(g) To establish and maintain a Collection Account and a Premium Reserve Account for each Series of the Trust; to deposit into such Trust Accounts payments received in respect of the Trust Assets of such Series, and to make deposits into and cause disbursements to be made from such Trust Accounts in accordance with the terms and provisions of this Agreement; for the avoidance of doubt, except in accordance with Section 5.3 hereof the Trustee shall not be responsible for handling any funds relating to insurance Premium payments and/or any other payments to be made in respect of the Policies held directly or indirectly by any Series, it being understood that the Successor Grantor shall have sole and exclusive responsibility for providing direction to the Trustee in relation to such payments and all matters related thereto and the Trustee shall not be required to act in relation thereto except as so directed by the Successor Grantor except in accordance with such Section 5.3.

(h) To invest amounts held by the Trustee in the Trust Accounts of any Series in Permitted Investments as directed in writing by the Successor Grantor until distributed or otherwise applied in accordance with this Agreement; *provided, however*, that, in the event no such direction is received, the Trustee shall invest all such amounts in the investments specified in paragraph (a) of the definition of Permitted Investments. Except as otherwise provided herein, all earnings from the investment of monies in the Trust Accounts shall be deposited upon receipt into such Trust Accounts and any loss on such investment shall be charged to such Trust Accounts.

(i) To make distributions to the Beneficiary of any Series, payable in cash, property or any combination of cash and property as determined by the Successor Grantor, out of the Trust Assets held on behalf of any such Series, in each case as directed in writing by the Successor Grantor.

(j) To the extent permitted by law and determined by the Successor Grantor, to indemnify solely from the Trust Assets held on behalf of any Series any Person with whom the Trust has dealings on behalf of any such Series, including, without limitation, such Person's employees and officers, Successor Grantor, custodians, sub-custodians, accountants, attorneys, underwriters, brokers and other independent contractors or agents.

(k) To appoint, elect, and engage, either as agents, consultants or independent contractors of the Trust or as delegates of the Trustee, or as officers, employees, managers of the Trust, from time to time and to delegate and assign to such agents, consultants, independent contractors, officers, employees and managers, including, without limitation, accountants, attorneys, brokers, ancillary trustees, such titles, power and authority to manage all or part of the business and affairs of the Trust and the doing of such things and the execution of such instruments, either in the name of the Trust or the name of the Trustee or otherwise, and such Persons may

exercise some or all of the power as is delegated to them, provided that no such Person shall have the power to change the principal office of the Trust or to appoint, change or remove the Trustee.

(l) At the written direction of the Successor Grantor, to incur and pay out of the Trust Assets held on behalf of each such Series, either on a current basis or subject to amortization over such period as the Successor Grantor may reasonably determine to be appropriate, any charges, taxes and expenses which in the opinion of the Successor Grantor are necessary or incidental to, or in support of, the carrying out of any of the purposes of this Agreement (including, without limitation, the compensation and fees for the Trust's officers, employees, trustees, custodians, sub-custodians, depositories, accountants, attorneys, brokers and other independent contractors or agents).

(m) To sue (including, without limitation, by initiating or joining a class action or a derivative or individual suit) or be sued in the name of the Trust; *provided, however*, that the Trustee shall have the sole discretion to bring, join in or oppose any such suit where it may be adversely affected by the outcome, individually or as Trustee, or where it is advised by counsel that such action is required on its part by applicable Law.

(n) At the written direction of the Successor Grantor, to file any and all tax and similar returns and reports required in connection with the Trust and/or such Series and claims for exemption, and to pay any taxes and additional charges in connection therewith properly payable hereunder out of the Trust Assets held on behalf of such Series; for the avoidance of doubt, the Trustee shall have no responsibility for the preparation or review of any tax returns and/or other similar filings or reports, or to determine whether any taxes and/or similar charges are due or the amounts thereof, as to all of which the Successor Grantor shall have sole and exclusive responsibility.

(o) To make, execute and deliver, as Trustee hereunder, all agreements, instruments and other writings furnished by the Successor Grantor to the Trustee in completed execution form that the Successor Grantor determines are necessary or incidental to the accomplishment of any of the powers referred to in this Section 4.1.

(p) To execute, deliver, acknowledge and file all necessary documents as required by the Connecticut Act or other applicable Law, in each case as determined exclusively by the Successor Grantor and furnished by the Successor Grantor to the Trustee in completed execution form with specific written directions from the Successor Grantor regarding such execution, delivery, acknowledgement and filing.

(q) At the written direction of Successor Grantor execute a certificate of merger pursuant to which the Trust will be merged with Reliant Life Shares Series Trust, a Delaware statutory trust (the "Delaware Trust"). At the written direction of Successor Grantor, in relation to such merger take possession in the name of the Trust of all assets of the Delaware Trust and allocate them as General Assets of the Trust or to such Series as the Successor Grantor may direct. At the written direction of Successor Grantor, (i) except as provided in Section 4.1(p) below issue a Certificate to each beneficiary of the Delaware Trust in exchange for the equivalent beneficial interest certificate of the Delaware Trust, or (ii) if the Successor Grantor is unable to arrange for such an exchange, honor those beneficial certificates of the Delaware Trust when and if presented

to it by the holders thereof. At the written direction of the Successor Grantor adjust the Security Register in accordance with Section 3.2(b) accordingly whether or not the relevant Beneficiary has exchanged their beneficial interest certificate in the Delaware Trust for a Certificate issued hereunder. At the written direction of Successor Grantor, execute on behalf of the Trust such agreements, amendments, or other documents or instruments necessary to effect the merger of the Trust with the Delaware Trust. For the avoidance of doubt the parties acknowledge that pursuant to the terms of the Agreement and Declaration of Trust of the Delaware Trust the approval of the holders beneficial interest certificates of the Delaware Trust is not required in relation to the above-referenced merger.

(r) The parties acknowledge that contemporaneously with the merger described in Section 4.1(o) above, the Successor Grantor shall direct the Trustee to transfer certain of the assets (the "Transferred Assets") received from the Delaware Trust to First Western Bank & Trust, as trustee ("First Western") of the Reliant Life Shares Series Statutory Trust 2 (the "Reliant Trust 2"). Pursuant to the terms of the agreement and declaration of trust of the Reliant Trust 2 and at the written of the Successor Grantor, First Western shall allocate the Transferred Assets as either general assets or series assets of the Reliant Trust 2 and shall issue beneficial interest certificates in the Reliant Trust 2 to the related holders of beneficial interest certificates in the Delaware Trust associated with the Transferred Assets. In this regard Successor Grantor acknowledges and agrees to the fullest extent possible that the Trustee shall have no responsibility for, the Transferred Assets, or liability to, the related holders of beneficial interest certificates in the Delaware Trust and that the Trustee need not be required to issue Certificates to such holders of beneficial interest certificates in the Delaware Trust.

(s) In general to carry on any other business incidental to, or in support of, the investment activities of the Trust, to do everything necessary, suitable or proper for the accomplishment of any purpose or the furtherance of any power herein set forth, either alone or in association with others, which is incidental to, or in support of, the Trust's investment activities and to take any action incidental to, or in support of, the business, purposes or powers of the Trust.

Except as otherwise specifically provided in this Agreement, the Trustee shall not have any discretionary powers or authority with respect to the Trust or the administration of this Agreement, and shall in all respects act at the direction of the Successor Grantor as provided herein. Neither the power to give directions to the Trustee or any other Person, nor the exercise of such power by any Person (including the Beneficiaries) shall cause such Person to have any duties (including fiduciary duties) or any liabilities related thereto to the Trust or to any Beneficiary thereof.

Section 4.2 Limitation of Trustee Authority. The Trustee undertakes to perform and shall perform such duties and engage in such activities, and only such duties and activities, as are specified in this Agreement, or as the Trustee may be directed from time to time in writing, pursuant to this Agreement, or required under the Connecticut Act (subject to the terms of this Agreement), which duties and activities shall be performed in good faith by the Trustee from time to time. The Trustee shall have such powers, authority and authorization as are necessary and appropriate to carry out its duties as set forth in this Agreement.

Section 4.3 Trustee's Reliance.

DECLARATION OF CHRISTOPHER CONWAY

I, Christopher Conway, declare and state as follows:

1. I make this declaration in support of the *Motion to Use Grantor Interest to Permit Life Insurance Policy to Lapse* (the “**Motion**”). I have personal knowledge of the facts set forth herein, and if called upon to testify thereto, I could and would competently do so under oath. Capitalized terms not defined in this declaration shall have the same meaning as in the Motion.

2. I have approximately thirty-five years of experience in the viatical and life settlement industry. I have served as a member of the board of directors of the Life Insurance Settlement Association since May 2018 and served as its chairman from October 2018 to December 2020; I am currently the Treasurer of that organization. I have also served as a member of the Executive Committee of the European Life Settlement Association since September 2023 and am also a member of its Membership Committee, its Life Risk news Editorial Committee, and its Treasurer. Since 2018, I have served as a co-founder and chief development officer of ISC Services, a registered and licensed life expectancy underwriting company that provides life underwriting and life expectancy estimation services to the longevity risk markets. Its services include life expectancy underwriting, comparative analysis of life expectancy reports, life settlement underwriting verification and validation, and related life underwriting activities, as well as policy valuation, tertiary market transaction management, policy and life management services and other activities involving life settlement assets and related transactions. Since 2011, I have also served as a managing director and principal of Longevity Asset Advisors, which is a life settlement consultancy firm that provides advice, assistance and services focused exclusively on the longevity risk markets. Its services include origination management, valuation, and all other operational and advisory activities and issues relating to life settlements, and it also provides expert consulting and expert witness and litigation support services in the life settlement industry.

1 3. I have reviewed and analyzed the value of the Policy and have determined that
2 there are sound business reasons for permitting the Policy to lapse. A policy's value is
3 determined based on the discounted present value of the death benefit at an assumed discount
4 rate (or a range of discount rates), minus the ongoing premiums at that same rate over the life
5 expectancy of the underlying insured. The discounted present value of the Policy's death
6 benefit across a range of market discount rates is less than the discounted present value of the
7 premiums at that same discount rate that the Debtor must continue to pay, meaning its
8 obligations exceed its actual net death benefit.

9 4. When applying standard life settlement pricing methodology to the Policy, the
10 calculation reveals that the future premiums owed, when discounted at a reasonable market
11 rate (from 13% to 19%), exceed the discounted present value of the expected death benefit.
12 This financial imbalance, coupled with high premiums, a lengthy life expectancy for the
13 insured, and the unpaid creditor positions, make the Policy financially unsustainable.

14 5. As of the Petition Date, premiums related to \$2,843,550 of the death benefit
15 allocated to positions purchased by Reliant clients remained unpaid, creating a significant
16 funding gap. This number has increased after the recent invoicing.

17 6. Based on my experience in the industry, I believe it would be extremely rare for
18 a contract to purchase a policy to contain a provision that obligates the purchaser to continue to
19 make the premium payments so that any irrevocable beneficiaries maintain their interest.
20 Although we have not located the contract that Reliant or the original purchaser entered into to
21 acquire the Policy, I have reviewed some agreements for others of Reliant's policies and none
22 of them contained such a provision and, in my experience, I believe it would be extremely rare
23 for such a provision to exist.

24 I declare under penalty of perjury under the laws of the State of California that the

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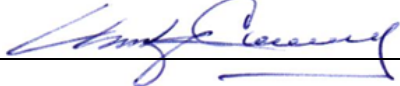
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1 foregoing is true and correct.

2 Executed on May 2, 2025, at Lawrence Township, New Jersey.

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4 CHRISTOPHER CONWAY

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
1900 Avenue of the Stars, 19th Floor, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*):

**MOTION TO USE GRANTOR INTEREST TO PERMIT LIFE INSURANCE POLICY TO LAPSE;
MEMORANDUM OF POINTS AND AUTHORITIES; AND DECLARATIONS OF NICHOLAS D.
RUBIN AND CHRISTOPHER CONWAY IN SUPPORT THEREOF**

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) May 2, 2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Kyra E Andrassy** kandrassy@raineslaw.com, bclark@raineslaw.com;jfisher@raineslaw.com
- **Eric Bensamochan** eric@eblawfirm.us, G63723@notify.cincompass.com
- **David A Berkley** david.berkley@wbd-us.com, mary.koo@wbd-us.com;Sul.Lee@wbd-us.com
- **Russell Clementson** russell.clementson@usdoj.gov
- **Thomas G Foley** tfoley@foleybezek.com, cwalker@foleybezek.com
- **Jon F Gauthier** jgauthier@ftblaw.com, jrobinson@ftblaw.com
- **Michael Goch** gochmichael@aol.com
- **Jeffrey I Golden** jgolden@go2.law,
kadele@ecf.courtdrive.com;cbmeeker@gmail.com;lbracken@wgllp.com;dfitzgerald@go2.law;golden.jeffreyi.b117
954@notify.bestcase.com
- **Bernard M Hansen** bernardmhansen@sbcglobal.net
- **John Owen Murrin** jmurrin@murrinlawfirm.com
- **Steven M Olson** smo@smolsonlaw.com, jacob.faircloth@smolsonlaw.com
- **Hamid R Rafatjoo** hrafatjoo@raineslaw.com, bclark@raineslaw.com;jfisher@raineslaw.com
- **Jonathan Seligmann Shenson** jshenson@greenbergglusker.com,
calendar@greenbergglusker.com;cmillerwatkins@greenbergglusker.com
- **Ira Steinberg** isteinberg@greenbergglusker.com
- **Christopher Stevens** cms@cmoorestevens.com
- **Alla Tenina** alla@teninalaw.com, jenny@teninalaw.com;aguilar.jenniferb119499@notify.bestcase.com
- **United States Trustee (SV)** ustpregion16.wh.ecf@usdoj.gov
- **Robert M Yaspan** court@yaspanlaw.com, tmenachian@yaspanlaw.com

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*), I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

5/2/2025

Date

Bambi Clark

Printed Name

/s/ Bambi Clark

Signature