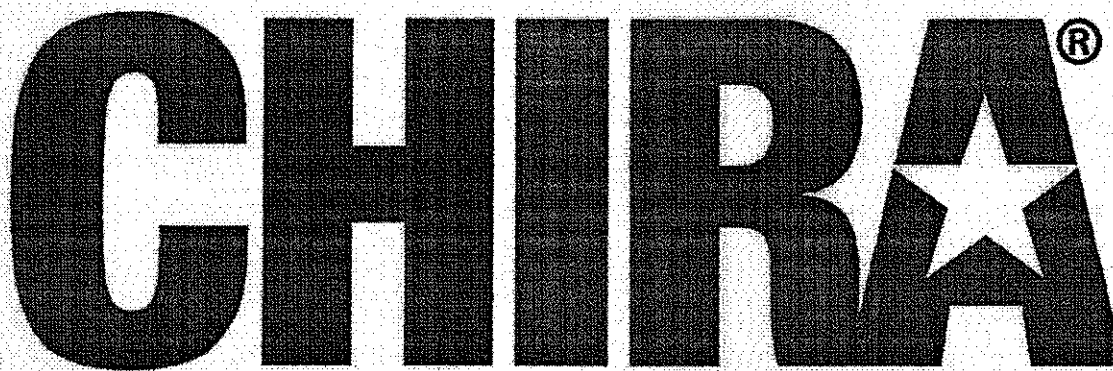




January 4, 2010

Mr. Chase Adams, Esq.  
P.O. Box 030488  
Fort Lauderdale, FL 33303

Dear Chase:

This letter will confirm our recent conversation regarding access to insurance companies and product to use in implementing the CHIRA® Strategy. Item 9 from our Code of Ethical Principles and Standards provides:

“9. Agent shall present and supply products and / or services honestly and without misrepresentation and will clearly identify the details of those products, such as pre-qualification and other factors that may affect the suitability of the CHIRA® plan for donors, clients and / or nonprofit organizations.”

Suitability is dependent upon ultimate performance of the insurance contract by the insurer (i.e., payment of the death benefit). Before we acknowledge the use of any particular insurance company, we vet that company to verify that, among other items, they

- a) Understand and approve an appropriate policy for use in the CHIRA ® Plan;
- b) will not violate trademarks and other protected rights; and
- c) will comply with the implementation steps that we have in place to profit both the Donor and the Charity, including the use of an appropriate collateral assignment specifically tailored to the plan.

These procedural steps are there to protect both donor and charity. We discuss this in our recently released, and attached, statement of policy. If a donor wishes to use a specific company that is not now on our list of approved companies, we will be happy to have them fill out an insurance application with that company, and we can then vet that company to permit the donor to use that company. This review function is a two-way process between CUFS and the insurer.

We have many insurers in various levels of consideration. The underwriting pool is limited, certainly with guaranteed death benefit product. Some insurers desire to underwrite guaranteed product, some do not. It is our hope to have many insurers offering a wide range of product that can address the divergent needs of a particular donor or charity. However, it is a matter of quality control as well as charity and donor protection that we proceed in the manner we do.

I trust this letter adequately answers your questions.

With kind regards,

  
Douglas S. Delaney, J.D., LL.M.  
Managing Director  
CHIRA® USA, LLC  
104 Buckwalter Parkway, Suite 1F  
Bluffton, SC 29910  
(843) 815-9777  
[dsdelaney@chirausa.com](mailto:dsdelaney@chirausa.com)

# **CHIRA<sup>®</sup>USA<sup>★</sup>** **Financial Services<sup>LLC</sup>**

This Statement of Policy relates to the following section of the CHIRA<sup>®</sup> Code of Ethical Principles and Standards (Adopted 2008, Revised August 2009).

## **AGENT OBLIGATIONS**

9. Agent shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as pre-qualification and other factors that may affect the suitability of the CHIRA<sup>®</sup> plan for donors, clients and/or nonprofit organizations.

\*

CHIRA USA Financial Services, LLC (CUFS) actively solicits the introduction of a wide array of financial products and services suitable for the CHIRA<sup>®</sup> plan. We believe that free markets provide the best results for donor and charity.

Self-directed Individual Retirement Accounts involve third party custodians and administrators. CUFS has several strategic alliances that provide these services at a range of services and cost.

CUFS is in various stages of negotiation related to the approval of insurers and products for use with CHIRA<sup>®</sup>. CUFS has several strategic alliances that provide these services at a range of services and cost. It is of the utmost concern that insurers have full knowledge and understanding of the plan and its suitability so as to avoid rescission and return of premium. Cost effective strategies derive from broad underwriting and policy options.

November 2009