Assured Annuities™ offer a simple and affordable way for buyers to meet financial goals such as saving for retirement, funding a child’s education or simply improving overall returns of your balanced portfolio.
Genex Capital Corporation ("Genex") is pleased to offer for resale its interest in the Liggett Group Tobacco Settlement Payment Stream ("Liggett Payments").

In total, Genex is making available 13 annual payments of approximately $2.5 million each due and payable starting on or about May 15, 2016 and ending on or about May 15, 2028. These payments are fixed and payable in any event of annuitants’ lives (not life contingent) and will be serviced to you.

Genex is proud to make this opportunity available to you at a premium rate, significantly higher than that of other offerings, which are currently available. While this case is similar to most of our other secondary market offerings, it has some unique characteristics of which you should be aware:

- The payments are being made by Liggett Group LLC ("Liggett"). Liggett is the fourth largest U.S. tobacco company, founded in 1873, and is a wholly owned subsidiary of Vector Group LTD ("Vector") ("VGR" on NYSE). Neither Liggett nor Vector is an insurance company. The payments are not secured by collateral. The payments are not covered by State Guaranty Associations in the event of default.

- This case involves a large amount of sellers, and a large amount of buyers. It is not expected to be completed before March 30, 2016.

- Due to the longer than usual transfer processing period, which includes obtaining the necessary court transfer order(s), Genex is lowering its deposit requirements to 5% of purchase price upon reservation and a further 5% will be due at one month prior to the court hearing date.

- Due to the size of the case and the amount of parties involved, you will be given two weeks notice before being provided a closing book and initiating the collection of full funds.

- All funds need to be received and cleared by Genex no more than three business days after closing books are provided.

- Final purchase price will be calculated based on the purchase rates, and future payments valued at the date when funds are called upon by Genex (three business days after closing books are distributed).

- All v-values distributed before being provided the closing book are only for illustration purposes and do not reflect the final purchase price of the deal. If you have a firm cap on the amount you are able to invest, please let us know at the time of reservation, and we will calculate conservatively early on to avoid a situation where the case costs more than expected.

- If Liggett is involved in a business transaction where all or substantially all of Liggett’s assets or stock are sold to a non-affiliated entity, or where there is a merger, acquisition or other business transaction with a non-affiliate pursuant to which Liggett is more than 50% owned by such non-affiliate, then the remaining Annual Payments due at the time of the transaction will be accelerated and made to the buyers, and discounted by an interest rate equal to 3% plus the yield of a United States Treasury security with a maturity equal to the remaining number of years for which Annual Payments are to be made at the time of the transaction. Currently, a yield on a 10-year treasury is 2.18% (As of 08/07/15).

It is important that you familiarize yourself with the above differences, which will facilitate a smooth closing process. In addition, below you will find details about this settlement as well as the company Liggett and its parent company Vector, which should help inform you.
WHAT IS THE LIGGETT TOBACCO PAYMENT STREAM OFFERED BY ASSURED ANNUITY™?

About the Settlement

In May 1994, the class action suit, Engle v. Liggett Group, Inc., was filed in Miami-Dade County. The class consisted of all Florida residents who, by November 21, 1996, have suffered, presently suffer or have died from diseases and medical conditions caused by their addiction to cigarette smoking. The suit alleged that tobacco companies knew their products were addictive and concealed/omitted material information concerning the health effects.

In 2000, a court granted class representatives compensatory damages, which were offset by their comparative negligence, and also awarded a $145bn verdict for punitive damages to be divided among the class.

The $145bn verdict was vacated in 2006 and the class was decertified due to individualized cases of "causation, comparative fault, and damages."

Plaintiffs of the class were permitted to file individual lawsuits within one year of the ruling -the cases are now known as Engle Progeny.

In October 2013, Vector announced a settlement whereby vast majority of the individual Engle plaintiffs agreed to dismiss their claims against Vector and Liggett. Under the settlement, Liggett agreed to pay a total of $110 Million Dollars with roughly $60 Million paid in a lump sum, and the balance to be paid over 15 years.

The settlement being offered by Genex Capital is a subset of this total, and accounts for almost all of the remaining obligations under this settlement.

Who makes the payments to me?

Due to the size of the settlement, the Liggett Tobacco Payment Stream may be split between multiple buyers (each getting a proportionate share of each annuity payment) and paid to you by a U.S. based, third party servicing company arranged by Genex Capital. This allows you to have a direct relationship with the servicing company.

Interest Rate Calculations

The interest rate for the Liggett Payments are represented as an “effective rate”—compounded annually based on a 365 day year. This is standard practice in the annuity industry. Interest rates are recorded to an accuracy of 2 decimal places (e.g. 4.25%).

For the Liggett Tobacco Payment Stream, final purchase price will be calculated using TimeValue™ Software based on the purchase rate, and the future payments, as at the date when the funds are called upon by Genex (three business days after closing books are distributed).

Why work with Genex Capital?

Genex Capital has been in the business of buying structured settlement annuities on the secondary market since 2003 and we pioneered the offering of our Assured Annuity™ to the retail buyer market in 2006:

1. With our high volume of cases, we commit at least $30 million present value annually to the retail market regardless of our institutional buyer demand.

2. Since inception, none of our buyers have ever experienced a default in payment with respect to the annuities they purchased.

3. With our high volume of cases, we commit at least $30 million present value annually to the retail market.

4. Since our registration with the Better Business Bureau in 2008, we have always maintained the highest A+ rating with zero complaints, ever.

Who is Liggett Tobacco and Vector Group Ltd.?

Vector Group Ltd. (VGR) is the 4th largest tobacco company in the US. Vector Group has a market cap of $2.9 billion (as of 08/10/15). Liggett Group LLC is a wholly owned subsidiary of Vector Group Ltd. The company sells discount tobacco products under the Pyramid, Liggett, Eagle20’s, Grand Prix, and Eve brands. Vector Group’s Tobacco segment is its largest based on both revenue and EBITDA contributed to the company. In addition, Vector Group has significant real estate investments totalling around $150 million and owns about 70% of Douglas Elliman Realty, which is the largest residential real estate brokerage in New York.
Why do I need Genex Capital to facilitate the purchase of the Liggett Tobacco Payment Stream?

Genex Capital and its associates have over 12 years expertise in legally transferring payment rights, with zero defaults to date. Genex Capital arranges a court order in the buyer’s name at no additional cost to the buyer. All of the court costs, transfer fees, lien search fees and legal costs are paid by Genex Capital.

Genex Capital has a number of channels, including an extensive broker network, through which structured settlement annuities are acquired. Genex Capital’s experience and due diligence practices insure the investment quality of the annuities offered for sale.

Do I have to Appear in Court for Payments to be Transferred to me?

No, you do not have to appear in court. Genex Capital handles the transfer between the Existing Annuitants and itself, and will arrange the servicing arrangement to be inserted into the court order.

Exclusivity

Assured Annuities™ are not widely known to the general public nor are they generally accessible. As such, they provide a limited opportunity to sophisticated buyers to invest in safe, fixed return annuities at superior rates of interest.

What is the legal structure of the transaction?

Genex Capital buys the Liggett Tobacco Payment Stream from the existing annuitants and transfers the payment rights to Genex care of our third party servicing agency through a court transfer process. This process is available in 48 U.S. states through a state sanctioned transfer statute. The servicing arrangement will be stated in the transfer court order, generally obtained in the residence state of the existing annuitant. The court order will direct the Liggett Tobacco Group to pay Genex Capital care of the servicing company all of the annual payments as and when they are due. The method of payment usually consists of a check made payable to the servicing company who then pays in accordance with your agreement with Genex Capital. A buyer may change the address for payment or bank account designation at any time by informing the servicing company directly.

If the buyer is a natural person and in the event the buyer dies, then the assigned payments will be made to the buyer’s estate and administered in accordance with the buyer’s will or applicable intestate succession laws. If the buyer is a joint tenancy of natural persons and in the event that one or more of the joint tenants die then the assigned payments will be made to the survivor(s) pursuant to the right of survivorship law.
What is the minimum set of documents received by buyer at Closing?

- Receivable Purchase Agreement
- Disclosure Statement
- Sale and Assignment Agreement
- Engle Progeny Settlement Agreement
- Authorization Letter
- Certificate of Marital Status/Spousal Consent, Divorce Decree, or Property Settlement Agreement, as applicable
- Court Order permitting the assignment of the Annuity Payments and naming Buyer or care of a bonded servicing company on behalf of Buyer, as the case may be, as new payee
- Statement of independent Professional Advice or waiver, where applicable
- Satisfactory results of UCC (90 days of closing), judgments (90 days of closing), lien (90 days of closing), bankruptcy (90 days of closing), and evidence of lien resolution, as applicable
- Payee's identification
- Closing Book

What are the Risks?

Like all financial products, the Liggett Payments are not risk free and every buyer must determine whether this investment meets their risk tolerance and financial objectives. Some of the risks associated with the Liggett Tobacco Payment Stream are:

- The security of the payments are directly related to the financial health of the Liggett Group, LLC that issued the annuity and its ability to pay claims and to the terms of the court order that accompanies each transaction.
- The Liggett Payments are not deposits and are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other federal government agency or State government agency.
- The Liggett Payments are subject to interest rate risk. Market interest rates may rise while the rate of return on the Assured Annuity™ is locked in. Fixed income products with longer terms to maturity are usually more sensitive to changes in interest rates.
- One method of hedging interest rate risk during a volatile rate period is to build an annuity ladder by buying a series of annuities over an extended period of time thereby rate averaging the changing interest rates.
- The Liggett Payments are monetized in U.S. Dollars. Foreign buyers may be subject to currency exchange risk.
- In the event of a sale of Liggett’s business, they have call rights to the payments, as highlighted on page ii above.

ORGANIZATION AND MANAGEMENT

As seller, Genex Capital is responsible for the overall business and operation of the Liggett Payment transfer and sale process. This includes:

- Entering into a sale agreement with existing annuitant to buy each annuity in return for an agreed upon present value cash amount.
- Assigning a buyer to buy the annuity at an agreed upon sale price and corresponding rate of interest.
- Completing the annuity transfer process, including obtaining a transfer court order, strictly in accordance with U.S. state and federal laws.
- Overseening the transfer due diligence process as set out in the sale and assignment agreement with the existing annuitant and the receivable purchase agreement with the buyer.

- Safeguarding the buyer’s funds until transaction closing.
- Closing the annuity purchase with the buyer and providing a Closing Book containing all documents set out in the receivable purchase agreement.

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Opening an account with Genex Capital

The following is important information that you will need to know about opening a buyer account with Genex Capital.

To help fight the funding of terrorism and money laundering activities it is important for Genex Capital to obtain, verify and record information that identifies each person who opens a buyer account.

Information Required when Opening a Genex Capital Account—Customer Identification Program

Information for Foreign Buyers

Nothing in this document shall be considered a solicitation to buy or an offer to sell an Assured Annuity™, or any other product or service, to any person in any jurisdiction where such offer, solicitation, purchase or sale would be unlawful under the laws of such jurisdiction.

To be eligible to buy Genex Capital’s Assured Annuities™ a foreign buyer must have a U.S. address, U.S. Tax ID and U.S. Bank Account.

How do I becoming a buyer?

To become a buyer you will be required to:

1. Execute a Receivable Purchase Agreement ("RPA"). The RPA sets out all of the terms of the relationship between you and Genex Capital and the transaction process.
2. Provide the information outlined in the Customer Identification Program (outlined above).
3. Fund and close transactions in accordance with the terms of the RPA.

PURCHASES, FEES AND EXPENSES

Individual Buyers

- Name
- Date of birth
- Citizenship (if dual citizen all citizenships are required)
- Address
- Driver's license
- Identification Number:
  - U.S. Citizen: Taxpayer identification number (Social Security Number)
  - Non-U.S. Citizen: U.S. taxpayer identification number, passport number and country of issuance, alien identification card number of government-issued identification showing nationality, residence and a photograph of you.

Corporations, Partnerships, Trusts or Other Legal Entities

- Principal Place of Business (State of incorporation or organization)
- Employer Identification number (E.I.N.)
- Articles of Incorporation, Partnership or Trust Agreement

Prohibited Uses

You shall not use Genex Capital’s services for any unlawful purpose.
PURCHASES, FEES AND EXPENSES

How do I pay for my Assured Annuity™?

**Individuals**

You have to pay for your Liggett Payments in three tranches:

- 5 percent deposit at the time of reservation
- An additional 5 percent, one month prior to the court hearing date
- Balance of purchase price need to be received and cleared by Genex at most, three business days after closing books are provided.

All funds are held in a segregated account until closing. The Closing of the Liggett Payments will occur in accordance with the Receivable Purchase Agreement and only after all conditions precedent have been met, including but not limited to obtaining the court order that directs the Liggett Tobacco Group to pay you the annuity payments as and when they are due.

Can I resell my Liggett Payments before maturity?

Once purchased, you generally must hold your the Liggett Payments to the completion of its term. However, due to the involvement of the third party servicing company, these annuity payments may be further transferred by so instructing the servicing company.

Are there fees or other expenses charged to me?

There are no fees or expenses paid by you when purchasing the Liggett Payments.

Sales Commission

Your broker of record generally receives a sales commission when you buy each Assured Annuity™. The amount of the commission is negotiated as between your broker and us. The commission is paid by Genex Capital at the closing of each annuity transaction. The price you pay for each Assured Annuity™ and the agreed upon rate of interest constitute the net price and actual rate of interest earned by you. The sales commission is an extra expense paid by Genex Capital and does not affect the price or rate of interest.

What are the Income Tax considerations to buyers?

The income tax that a buyer would pay on an Assured Annuity™ depends on buyer’s jurisdiction of citizenship and/or residency, as well as US tax laws. Genex Capital expresses no opinion on buyer’s tax obligations and recommends you consult with your tax advisor accordingly.

What about Registered Plans?

We do not offer 401K, I.R.A., RRSP, profit sharing, defined benefits plans or other registered or qualified retirement savings plans per se. However, we do work with your existing retirement saving advisors and plans in an effort to facilitate purchases in those plans.
DEFINITIONS

This document contains selected important information to help you make an informed decision about buying Liggett Tabacco Payment Stream and to help you understand your rights as a buyer. In this guide:

- All amounts are expressed in U.S. Dollars.
- **Assured Annuity™** is our proprietary name for our fixed term annuity consisting of a payment or set of payments made over a fixed term.
- **Average Life** refers to the length of time that will pass before one-half of a debt obligation under an Assured Annuity™ has been retired.
- **Existing Annuitant** refers to a person(s) who sells an annuity to Genex Capital in return for a present value lump sum cash payment.
- **Liquidity** refers to the speed and ease with which an asset can be converted into cash.
- **Present Value** refers to the value as at a given date of a future payment or series of future payments, discounted to reflect the time value of money and other factors such as investment risk.
- **Structured Settlement** refers to a financial arrangement in which an individual accepts payments over a period of years to resolve a legal claim and often involves personal injury.
- **Term** refers to the length of time before all principal and interest is paid under the Assured Annuity™.
- **We, us, our** and **Genex Capital** refer to Genex Capital Corporation and each of its affiliates, partners, subcontractors, authorized brokers and agents.
- **You** and **your** refer to the buyer of an Assured Annuity™.

For more information you may contact us by calling 800–348-3098, by emailing us at info@genexcapital.com, or by writing us at:

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No securities regulatory authority has expressed an opinion about these annuities. It is an offense to claim otherwise.

Genex Capital Assured Annuities™ are only offered for sale in the United States and are exempt from registration with the U.S. Securities and Exchange Commission.

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