

**NOTICE TO FRACTIONAL INTEREST POSITION HOLDERS**  
**REGARDING INVOICING**

Thursday, February 20, 2025

Dear Reliant Clients:

This notice addresses some of the most frequently asked questions received by Reliant Life Shares, LLC ("Reliant") and provides information that my team and I hope will be helpful to you. We have and will continue to respond to your inquiries as promptly as possible

**General Background Regarding Reliant's Receivership and Bankruptcy Case**

On June 23, 2023, the Los Angeles Superior Court appointed Christopher Conway as the receiver (the "Receiver") over Reliant. Following a thorough investigation, the Receiver determined that it would be in the best interests of all creditors and investors for Reliant to file for bankruptcy. Accordingly, on October 7, 2024, Reliant filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. This date is known as the "Petition Date." Everything that happened before the Petition Date is referred to as being "pre-petition," and everything that happens after the Petition Date is referred to as being "post-petition." The receivership created by the Los Angeles Superior Court effectively ended when Reliant filed its bankruptcy case. The Receiver is no longer in control of Reliant, although he has been available to Reliant as a resource.

**Control Over Reliant**

Reliant is now subject to the supervision of the United States Bankruptcy Court for the Central District of California (the "Bankruptcy Court"). The Bankruptcy Court authorized me to manage Reliant as Reliant's Chief Restructuring Officer (the "CRO"). I have approximately 20 years of experience providing financial advisory, restructuring and turnaround services and have advised companies across a diverse range of industries. I have access to both the former Receiver and information related to Reliant that existed prior to the Receivership and information that was produced to the Receiver during the Receivership. I have engaged the assistance of certain service providers to assist with the administrative tasks necessary to operate Reliant and preserve the Positions and Benefit Amounts that were purchased from Reliant. These service providers are subject to my direction.

Mr. Scott Grady, who is the sole owner of Reliant, has not been involved in or had control of Reliant since August 2, 2023. Since that date, Mr. Grady has neither benefited nor had any control over the assets, operations, or activities of Reliant whatsoever.

**Reliant Is Operating During the Bankruptcy Case for the Benefit of Creditors and Investors**

Reliant is operating for the benefit of creditors and investors. The bankruptcy case is intended to preserve Reliant's assets and address its liabilities in one court, i.e., the Bankruptcy Court. Many of you previously invested in and hold one or more fractional interest positions as a beneficiary (i.e., each a "Position" or "Benefit Amount) of one or more Reliant-related series trusts. Because the Position(s)/Benefit Amount(s) that were purchased by beneficiaries are tied to life insurance policies, the premiums for those policies must be paid in full and on time. Doing this takes money, and since you as a Position Holder will benefit from the eventual collection of the death benefits (i.e., their Benefit Amount), pro rata premiums, fees

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and expenses must be collected in order to keep the life insurance policies in force. Keeping policies in force is the only way to ensure that the death benefits can be collected when the insured dies. Accordingly, invoices are being issued to beneficiaries for the amount of premiums, fees, and expenses they owe related to any Positions they hold/Benefit Amounts they invested in.

### **Primary Activities of Reliant at this Stage of its Bankruptcy Case**

At this stage in the bankruptcy case, the primary activities being conducted on behalf of Reliant are as follows:

1. Issuing invoices for premiums paid on your behalf during both the Receivership and post-petition;
2. Providing the platform and support necessary to enable you to file Proofs of Claim with the Bankruptcy Court;
3. Collecting information about Reliant's assets, including information about the insureds covered by life insurance policies that were invested in;
4. Tracking the insureds and the policies to ensure that, if a life insurance policy matures, it can be handled properly and promptly; and
5. Analyzing whether Reliant should obtain Bankruptcy Court approval to pool the policies in order to stabilize the entire portfolio

### **Why Have You Received an Invoice?**

If you have received an Invoice, it is because you are currently considered to be an active Position Holder, meaning you have an account with Reliant that holds at least one Benefit Amount. Each Position is related to a Benefit Amount, which is a fixed sum of money, payable in the future, and subject to specific conditions as to when it becomes cash. The most important condition that must be met for this to happen is for the insured (i.e., the individual(s) upon whose life a policy is based) to die. Until that occurs, each Benefit Amount remains in the form of a Position only. Additionally, in order to preserve the Benefit Amount you purchased, you must pay your pro rata share of premiums, fees and expenses related to keeping a policy in force and tracking the insured. As is the case with all forms of insurance, including life insurance, there is no way to keep a policy in force if premiums are not paid in full and on time.

### **Preserving Your Benefit Amount**

Your Benefit Amount has been and will be preserved so long as your account remains in good standing. For those Position Holders who choose to forfeit their Positions by not paying the Invoices, their Benefit Amounts will not be preserved. If your account does not remain in good standing due to the non-payment of Invoices, it does not matter whether a particular policy is in force or whether a particular insured has died—you will forfeit your Position.

I am informed that all of the insureds covered by a policy related to Reliant are currently alive, and they are being monitored by a service company in compliance with applicable regulations. No Invoice has been or will be issued in relation to a deceased insured because once the insured dies, the insurance company cannot accept any further premium payments.

The pro rata premiums necessary to keep your Benefit Amount in place vary from Position to Position. At this time, Invoices are being issued based on the premiums related to each individual Position, and for all

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Positions held by active Position Holders. This includes invoices for Positions for which reserves should still be place. This is because these reserves were gone before the Receivership was established. Despite this fact, the Receiver paid premiums on behalf of these Positions in order to protect the related Position Holders. Invoices for these amounts must also be paid, although you may be able to include the reserve amount you paid to your proof of claim.

**Invoices that are Issued Relate to Policies for Which the Insured Is Still Alive**

The CRO has engaged an administrative services company, ISC Holdings, LLC dba ISC Services ("ISC"), to manage the invoicing process and report directly to him. If you receive an invoice from ISC on behalf of the CRO and/or Reliant, the invoice relates to a policy for which the insured is still alive and ISC is sending it at my direction.

Many of you have commented that the insureds, or some of them, "have to be dead," or something to this effect. We understand the confusion around the concept of life expectancy. We understand that all of the insureds that were alive at the inception of the Receivership are still alive. We understand that some of you may have been told that the insured was "at death's door," or something similar. Such statements made by former Reliant personnel or sales agents should not be relied on. That said, all insureds, like all other people, do die, and this will be true of the insureds in this case as well. In short, the insureds are still alive and that is why you are being issued an invoice.

**Summary**

1. Mr. Rubin, as the CRO, is in control of Reliant under the supervision of the United States Bankruptcy Court;
2. Mr. Grady has neither been in control of nor benefitted in any way from Reliant since August 2, 2023;
3. You can preserve your Benefit Amount(s) by paying you your pro rata premiums and your annual account fee;
4. Amounts due vary from Benefit Amount to Benefit Amount;
5. All insureds are being monitored and are currently alive; and
6. If you receive an invoice for premiums, paying it will preserve your related Benefit Amount. If you do not pay the invoice, you will forfeit your Position.

Questions about the bankruptcy case can be directed to Stretto at the following web address:

<https://cases.stretto.com/reliantlife/contact-us/>

Questions about Invoices should be directed to:

[support@reliantlifeshares.com](mailto:support@reliantlifeshares.com) or [billing@reliantlifeshares.com](mailto:billing@reliantlifeshares.com)

You can also leave a voicemail message at 470-703-4600.

**CONTINUED BELOW**

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We are working diligently to respond to your calls and emails. We understand the complexities and confusion surrounding Reliant's product and the many moving parts associated with it. We will continue to provide as much information as possible to keep you informed. Our primary goals at this stage are to protect the assets, preserve Benefit Amounts to the greatest degree possible, and be a source of information for Position Holders. We appreciate your patience and understanding as we strive to achieve these objectives.

Sincerely,

Nicholas Rubin, CRO of Reliant Life Shares, LLC