

Example Investor ABC

DECLARATION

Prior to receiving funding from Investor ABC, I have not received any funds of any kind of a similar nature.

I am aware that I may not solicit or accept any funds or advances against my legal case from any other funding company unless I first repay Investor ABC in full.

I acknowledge that I am waiving my rights to further funding of this kind and further acknowledge that if I accept any such funding I will be violating my agreement with Investor ABC.

Sample Client

Date _____

State of _____)
County of _____) ss.:

On the _____ day of _____, 2007, before me personally came Sample Client, (each) known to me, and known to me to be the individual (s) described in and who executed the within document and duly acknowledged to me that s/he executed the same.

NOTARY PUBLIC

Example Investor ABC

February 09, 2007

Sample Attorney, Esq.
Sample Firm
26 Court Street
Suite 1104
Brooklyn, New York 11242-0000

Re: **Irrevocable Letter of Instruction**

Client: Sample Client

Sample Client for the incident that occurred on or about 1/1/1900, or any other related actions

Dear Sample Attorney, Esq.:

This letter, along with copies of the Investor ABC Funding Agreement will confirm that I am irrevocably assigning an interest in the proceeds from any settlement of my pending case (as described above) to Investor ABC ("LSC").

I hereby instruct you as my attorney to honor and follow my irrevocable instructions to you listed below:

Before disbursements of any settlement or judgment proceeds from my claim, have your office contact LSC at (866) 000-000 to confirm the amount due under the terms of my Investor ABC Funding Agreement. PLEASE BE ADVISED THAT YOU MAY NOT DISBURSE ANY FUNDS FROM MY PORTION OF THE SETTLEMENT, COLLECTION, JUDGEMENT, COMPROMISE, OR ANY OTHER COLLECTION RESULTING FROM THIS CASE WITHOUT FIRST SATISFYING LSC'S LIEN.

Upon disbursement of any settlement or judgment proceeds from my claim, deduct and forward all amounts payable to LSC before any proceeds are distributed to me, via mail to:

Investor ABC

Upon request from LSC, disclose the gross settlement amount from my claim for internal purpose only.

Promptly notify LSC if there are any other assignments or liens on this claim now and in the future.

If in the future you are no longer representing me in this claim, promptly notify LSC within 48 hours.

Cooperate with LSC by providing, upon request, any information regarding my claim and the defendant(s) to LSC that does not violate the attorney/client privilege.

Very truly yours,

Sworn to and subscribed before me on _____.
Sample Client

Notary Public

Attorney Acknowledgement

As your attorney, I acknowledge receipt of this letter and further acknowledge notice of the fact that you have granted Investor ABC ("LSC") a Security Interest and Lien in the proceeds of your case as a consequence of your Funding Agreement with them. I acknowledge that pursuant to the Funding Agreement, you have assigned a portion of your proceeds to them. I further acknowledge that I will follow all of your irrevocable instructions to me as outlined above in this letter and will honor the terms of your Funding Agreement with LSC. I know of no other lien in this case as a result of funding similar in nature to LSC and acknowledge that my client's Funding Agreement prohibits the client from creating any other liens resulting from funding similar in nature to LSC. Prior to making any distribution to my client, I will contact LSC to ascertain the amount due and will not pay any portion of my client's proceeds to client or on client's behalf until LSC's lien is satisfied in full.

I represent that this case is still pending in active status and that there presently are no motions for final disposition, including but not limited to summary judgment. However, I further represent that this case is being vigorously defended as to both liability and injury and that there is no guarantee that the plaintiff will be successful or will recover sufficiently to satisfy your lien in whole or in part.

I am the attorney of record in the above-captioned case. I further certify that I have received a copy of and reviewed the LSC Funding Agreement, and explained the terms to my client. This certification shall be deemed a material part of the LSC Funding Agreement.

Attorney Signature

Date

EXAMPLE INVESTOR ABC FUNDING AGREEMENT

My name is Sample Client and I reside at 123 Main Street , Anywhere, New Jersey 00000-.

I am accepting the sum of \$2,750.00 from Investor ABC ("LSC") which I will use for immediate economic necessities. I hereby direct said amount to be distributed as follows: \$2,500.00 payable to Client, Sample ; and \$250.00 payable to First American Finance.

In consideration thereof, I am assigning an interest equal to the funded amount, together with accrued use fee, compounded monthly, and other fees or costs, from the proceeds of my lawsuit to LSC. The monthly use fee shall be a charge in an amount equal to 3.50% monthly of the amount funded to me herein. This funded amount includes the Application Fee that I agreed to when first applying for this funding. **(Together, this makes my total funded amount \$3,000.00.)** In the event that any funding is repaid with proceeds within the first 1 months, the pay-off amount will be computed as if it were repaid at the end of that period. The monthly use fee is charged from this date until the end of the 1 month interval during which payment of proceeds is made to LSC. In the case of multiple fundings, then these fees shall accrue on each funded sum from the date of each individual funding. These amounts will be deducted from the proceeds of my lawsuit. If I do not recover any money from my lawsuit, I will not owe LSC anything. If I recover money from my lawsuit, which is insufficient to pay the full amount due to LSC, then LSC's recovery will be limited to the proceeds of the lawsuit.

FULL DISCLOSURE BOX:

Total to be advanced to me under ALL agreements:	<u>\$2,750.00</u>	
Case Monitoring Fee (one time fee):	<u>\$0.00</u>	
Application Fee (total of all fundings):	<u>\$250.00</u>	*

Annual Percentage Rate:	<u>56.99%</u>	**
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Other fees may apply as per agreement but are not anticipated at the time of funding.

APR is calculated based upon a 27-month term of funding. LSC funding history shows that 27 months is our average term.

Total amount to be repaid by me under ALL agreements:

<u>Date of Payment to LSC</u>	<u>Amount Due</u>
Before 05/09/2007	\$3,295.53
After 05/09/2007 and on or before 08/09/2007	\$3,634.26
After 08/09/2007 and on or before 11/09/2007	\$4,010.65
After 11/09/2007 and on or before 02/09/2008	\$4,428.90
After 02/09/2008 and on or before 05/09/2008	\$4,883.22
After 05/09/2008 and on or before 08/09/2008	\$5,398.53
After 08/09/2008 and on or before 11/09/2008	\$5,971.15
After 11/09/2008 and on or before 02/09/2009***	\$6,607.45

fter this date, monthly fees continue to accrue until LSC is paid in full.

This chart includes example dates only. Dates in-between and after those shown may reflect other pay-off amounts. Always contact LSC for your exact pay-off amount.

I have granted LSC a Security Interest and Lien in the amount listed on the last line of the Full disclosure Box. Nonetheless, I will pay only LSC the amount that is due at the time of payment, which shall be in full satisfaction of the lien. LSC may send my attorney notice of additional lien amounts should the outstanding sum due exceed the amount listed on the last line of the Full Disclosure Box.

In signing this agreement, I am assigning my interest in the proceeds of my lawsuit to LSC in the amount described in the Full Disclosure Box. In the event that this assignment is not permitted by law, then I agree to pay LSC all of the funds due under this Agreement immediately upon the payment of the Lawsuit proceeds as a separate and independent obligation. I am granting a Security Interest and Lien to LSC in the same amount.

The term "proceeds" shall include any money paid as a consequence of the lawsuit whether by settlement, judgment or otherwise.

The "lawsuit" shall be the case of **Sample Client for the incident that occurred on or about 1/1/1900, or any other related actions.** Related actions shall include, without limitation, any lawsuits or claims in which I am asserting my right to recovery for my injury, whether it is against the defendants named in the lawsuits, or others, and shall include any claims I may or will have for the handling of my original claim or lawsuit.

I have been advised that I should not accept this funding if I have any other alternative to meet my immediate economic needs. Because LSC is taking a high risk in giving me this funding, I understand that LSC may make a large profit. However, LSC will be paid only from the proceeds of my lawsuit, and agrees not to seek money from me directly in the event that my lawsuit is not successful. I will use the proceeds advanced to me for my life needs only.

I understand that LSC will charge a one time fee of \$00.00 as a monitoring fee. If after my initial funding, I apply for additional funds from LSC, I will be charged an additional \$00.00 application fee whether or not the request for additional funding is approved.

You have advised me to seek legal counsel of my own choosing prior to signing this Agreement. I have either received such counsel or expressly waive it.

I understand that should I decide not to pursue my case I will notify LSC within FIVE (5) BUSINESS DAYS of that decision.

I hereby agree that I will not knowingly create additional liens against the proceeds without the prior written consent of LSC except those as may be necessary to the prosecution of the case. I specifically promise not to create any liens against the proceeds of the case as a result of any funding or loans that I might receive after the date of this agreement.

LSC reserves the right to decline any advances not yet made under this agreement, if in the sole discretion of LSC, the circumstances of the lawsuit have adversely changed. This shall not affect my obligations regarding any funds which actually were advanced, including but not limited to fees and charges.

Judiciary Law § 489 prohibits "Champerty". Basically, champerty makes it illegal for an individual or company to acquire someone else's right to sue. In entering into this agreement, the parties acknowledge that LSC is in no way acquiring your right to sue; that you have already started the law suit referred to herein; that the law suit absolutely belongs to you and no one else; and that LSC will in no way be involved in the decisions that you and your attorney(s) make in connection with the law suit. This is an investment and not a loan, but should a Court of competent jurisdiction construe it to be the latter, then I agree that interest shall accrue at the maximum rate permitted by law.

This Agreement and all of its principal terms have been fully explained to me, and all questions that I might have about this transaction have been explained to me fully. This has been done both in English and _____, the language I speak best.

I have instructed my attorney to cooperate with you and to give you periodic updates of the status of my case as you request. If I change attorneys, I will notify you within 48 hours of the change, and provide you with the name, address and phone number of my new attorney. If I choose to drop my case, I will contact LSC within 5 business days.

I understand that I am not assigning my cause of action (lawsuit) to you, but rather a portion of the proceeds of the action (case). You will play no role whatsoever in the prosecution or the settlement of my case. I understand that the risk is yours. If I do not recover money, I will owe you nothing.

If LSC should become aware that you made a material misstatement in your application or in connection with your Lawsuit, or committed a fraudulent or criminal act either in connection with this transaction, or in a matter that would adversely and significantly impact on your lawsuit (unless disclosed to us prior to funding), then you will be liable to LSC for all sums advanced, together with outstanding fees and charges without regard to the outcome of your Lawsuit. In the case of multiple fundings, should LSC become aware of any of the foregoing between fundings, LSC may, additionally, at its sole and exclusive option, discontinue any future funding.

I hereby grant you a Lien and Security Interest in the proceeds of the lawsuit. The amount due you shall be withheld from any money collected as a result of this lawsuit and paid immediately upon collection to LSC. The amount due shall be paid immediately after my attorney fees (including the expenses charged by my attorney for costs) and after payment to any lien holders (including LSC's Application Fee Lien) that might exist of record as of this date, or which may have priority by law. I will not receive any money from the proceeds of the lawsuit until you have been paid in full. This shall also apply to any structured settlement of my lawsuit. I acknowledge that my receipt or use of any funds prior to the full re-payment to LSC shall constitute an illegal conversion and may well be a crime.

I direct my attorney, and any future attorney representing me in the lawsuit, to honor this lien. If LSC must engage the services of any attorney to collect the sum due, then I will be responsible for reasonable attorneys fees and costs for such. I agree that a fee equal to one-third of the money due LSC is a reasonable fee for such purpose. If I am required to engage an attorney to defend myself against an improper claim by LSC, then the prevailing party shall be entitled to reasonable attorneys fees in an amount equal to one-third of the money that LSC has wrongfully claimed.

I hereby waive any defense to payment of the sums due and promise not to seek to avoid payment of any money due to LSC under this Agreement.

I MAY CANCEL THIS AGREEMENT WITHOUT PENALTY OR FURTHER OBLIGATION WITHIN 120 HOURS (5 BUSINESS DAYS) OF THIS DATE, PROVIDED, however, that I return all money given to me by LSC simultaneously with my rescission. I may do this by making personal delivery to LSC's offices of: (a) the undeposited (or un-cashed) check that LSC gave to me; (b) a Certified or Bank check in the exact amount that LSC gave me; or (c) a Money Order in the exact amount that LSC gave me. I may also mail by insured, registered or certified U.S. mail, postmarked within five (5) business days of receipt of funds from LSC, a notice of cancellation together with LSC's uncashed check, or a certified or registered check or money order for the full amount of the disbursed funds. NEW YORK CONSUMER'S RIGHT TO CANCELLATION: YOU MAY CANCEL THIS CONTRACT WITHOUT PENALTY OR FURTHER OBLIGATION WITHIN FIVE BUSINESS DAYS FROM THE DATE YOU RECEIVE FUNDING FROM LSC. (See above terms and conditions.)

I will receive any notices required at the address I have first listed above. If I move, I will notify you within 72 hours of my new address.

If any provision of this Agreement shall be deemed invalid or unenforceable, it shall not affect the validity or enforceability of any other provision hereof. This written agreement represents the entire agreement between the parties. It may only be modified in writing. This Agreement takes precedence over any prior understandings, representations or agreements.

I agree that any disputes that may arise out of this Agreement shall be adjudicated in either the Supreme Court, or the Civil Court in the County of Kings. This agreement will be construed in accordance with the laws of the State of New York. I understand that in the event that you do not receive payment as required by this Agreement and that you need to take action to pursue such payment, you may collect, in addition to the amount due and owing, reasonable attorneys fees and costs in enforcing your efforts. I agree that an amount equal to one third (33 1/3%) of the amount due and owing is a reasonable attorney's fee. Notwithstanding the foregoing, the prevailing party in any legal action shall be entitled to reasonable attorney's fees and costs, and that one-third (33 1/3%) of the sum at issue is a reasonable attorney's fee.

I represent to you that there are no pending tax claims against me nor are there pending criminal allegation(s) or charge(s) against me.

This Agreement may be executed in separate counterparts. A signature transmitted by FAX shall be effective with the same force and effect as an original signature.

In the event that there is a dispute as to the amount owed at the time that my lawsuit is resolved, it is expressly understood that my attorney shall not disburse any funds to me, or on my behalf, except for attorney's fees and/or actual disbursements incurred by my attorney in connection with the prosecution of my lawsuit. I hereby make the foregoing an irrevocable direction to my attorney, or his successors.

Notwithstanding any other provision of this contract, at the sole and exclusive option of LSC, any controversy or claim arising out of or relating to this contract, including without limitation the interpretation, validity, enforceability or breach thereof, shall be settled by final, binding arbitration administered by the American Arbitration Association (hereinafter referred to as "AAA") in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be a practicing attorney or a retired judge licensed to practice in the State of New York. The parties also agree that the AAA Optional Rules for Emergency Measures of Protection shall apply to the proceedings. The arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees. "Costs and fees" mean all pre-award expenses of the arbitration, including the arbitrator's fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, and attorneys' fees. The award shall be in writing, shall be signed by the arbitrator, and shall include a statement regarding the reasons for the disposition of any claim. LSC may exercise its sole and exclusive option to arbitrate at any time whatsoever, unless LSC has commenced a litigation or interposed a counter claim in litigation that you have commenced. This option is not waived in the event that LSC interposes an Answer in an action that you have commenced.

I will instruct my attorney to mail all payments to:

Investor ABC

The payment instructions set forth herein are irrevocable and are not subject to modification in any manner, except by LSC or any successor lender so identified by them and only by written notice to you rescinding or modifying the payment instructions contained herein.

(remainder of page intentionally left blank)

A copy of this contract will be sent to both me and my attorney.

I hereby accept LSC's funding as per the terms of this agreement, grant LSC a Security Interest and Lien as per the terms hereof, and assign the proceeds of my lawsuit to the extent specified in this agreement on the _____ day of _____, 2007.

DO NOT TO SIGN THIS CONTRACT BEFORE YOU HAVE READ IT COMPLETELY, OR IF IT CONTAINS ANY BLANK SPACES. BEFORE YOU SIGN THIS CONTRACT YOU SHOULD OBTAIN THE ADVICE OF YOUR ATTORNEY. YOU ARE ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS CONTRACT.

Sample Client

State of _____)
County of _____) ss.:

On the _____ day of _____, 2007, before me personally came Sample Client, (each) known to me, and known to me to be the individual (s) described in and who executed the within document and duly acknowledged to me that s/he executed the same.

NOTARY PUBLIC