

Chesapeake Financial Settlements, LLC Announces Completion of Life Settlement Transaction on Policy Donated to Mount St. Mary's University

Rockville, MD, May 8, 2006 – Chesapeake Financial Settlements, LLC (Chesapeake), a life settlement brokerage firm based in Rockville, MD, and Mount St. Mary's University (The Mount) of Emmitsburg, Maryland, the oldest independent Catholic University in the United States, today announce a \$348,949 life settlement on a \$1 million life insurance policy owned by the university.

"I am so excited I was able to assist the Mount in maximizing the value of this policy," said Joe Young, Principal of Chesapeake and Mount St. Mary's alumnus. "When I originally contacted my friends in the Advancement Office, they were unaware of life settlement transactions and had already committed to surrendering the policy for \$286,000 to fund a current construction project. The additional \$62,000 was essentially found money."

The Mount's Advancement staff explained that the transaction involved a \$1 million universal life insurance policy that had been donated several years ago. Due to the ongoing premium requirements and the desire to complete the funding of a major current project, the Mount decided to surrender the policy.

"We feel fortunate that Joe contacted us and educated us on this new exit strategy from donated life insurance policies," said Pam Zusi, acting Vice President for Institutional Advancement. "Although we had to wait a little longer to receive the funds, it was obviously well worth it," Zusi added.

What many charitable organizations don't know is that if they own donated life insurance policies, they may, with the donor's consent, pursue a life settlement for policies on qualified senior insureds. A life settlement is simply the sale of a life insurance policy by a senior over the age of 65 to an institutional investor for an amount greater than the cash surrender value the insurance company would pay. Young recommends that charities that have already accepted donated life insurance policies conduct periodic reviews and determine whether a life settlement would be suitable based on the policies' performance and cost to maintain. Furthermore, a life settlement may also present an attractive option for all parties prior to a donation because the charitable organization can receive current cash in lieu of a deferred gift while the donor can increase his or her charitable deduction for tax purposes if the donor completes the life settlement and donates the proceeds instead of the policy itself.

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“Virtually all the charities and institutions we have spoken with are unfamiliar with the planning opportunities that are offered by the emerging life settlement market,” said Young. “We look forward to educating professionals in the planned giving community and creating more success stories like the Mount,” Young concluded.

About Chesapeake Financial Settlements, LLC

Headquartered in Rockville, Maryland, Chesapeake Financial Settlements, LLC was borne out of the need for a life settlement broker to provide highly professional and transparent life settlement services to the financial advisory and planned giving communities. Chesapeake does nothing but broker qualified life insurance policies on behalf of professionals in the financial services, estate planning, accounting, and planned giving communities. Chesapeake acts as a full-service turn-key partner that allows them to navigate the new planning solutions provided by this emerging marketplace. The company can be reached at 240-403-1509, or at www.chesapeakefs.com.

About Mount St. Mary's University

Mount St. Mary's University is a distinctive Catholic academic community celebrating its bicentennial in 2008. As home to the National Shrine Grotto of Lourdes and a nationally prominent seminary, the Mount offers a historic campus setting and a bold vision for the future. With a nationally recognized core-curriculum, the Mount's academic program offers depth, substance and success. From conducting professional level research in the sciences, to a robust Honors program, students acquire solid intellectual backgrounds and hands-on experience that launches them into the world. Mount students also achieve excellence in the highly competitive NCAA Division I athletic program. Shaped by its Catholic mission, the Mount teaches undergraduate and graduate students the importance of social justice, service to others, and a core system of values. Students are encouraged to question, and to search for truth and meaning.

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