

# CEO CFO



**ABSOLUTE**  
LIFE SOLUTIONS, INC.

Issue:  
July 8, 2011

All rights reserved!  
ceocfointerviews.com

**The Most Powerful Name In Corporate News and Information**

## **As One of the Only Publicly Traded Life Settlements Companies, Absolute Life Solutions, Inc. is Offering Investors a Unique Opportunity to Enter this High Value and Stable Business**

**Financial  
Life Insurance  
(ALSO-OTC: BB)**

**Absolute Life Solutions, Inc.**

**45 Broadway, 6<sup>th</sup> Floor  
New York, NY 10006  
Phone: 212-201-4070**

**Avrohom Oratz  
President and CEO**

### **BIO:**

Chief Executive Officer & President – Formerly the CFO, Avrohom Oratz was previously the Corporate Controller of Platinum Human Resource Management, a full-service human resource services firm with offices in New York, Florida, Alabama, and California. As Controller, Mr. Oratz designed and implemented a comprehensive fraud protection program, with processes and procedures that protect clients' financial integrity. Mr. Oratz played a key role in the establishment of Normandy Harbor Insurance Company, specializing in Workers' Compensation coverage and comprehensive Risk Management Programs.

### **Company Profile:**

Absolute Life Solutions, Inc. offers a distinctive approach that provides liquidity to seniors while creating a stable alternative asset class for investors. By securing only high-quality policies and employing a proprietary valuation platform and best-in-class portfolio and management techniques, Absolute seeks to optimize an insurance policy's inherent value and minimize risk.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Oratz, what is the focus at Absolute Life Solutions?

**Mr. Oratz:** Absolute Life Solutions is a financial services company primarily engaged in the business of life settlements. For those that are not familiar, a life settlement transaction is when a senior typically aged 65 and up (and in our model we concentrate on 75 and up), has a life insurance policy that they no longer want, need, or can afford, and they are looking to get out of. Typically, in the past if their policy was to lapse, simply all of the premiums that they paid would go to waste and they would no longer have coverage. The other alternative is that they can surrender the policy back to the insurance company if there is intrinsic cash value on the policy. That is generally at a very severe discount to value of the policy. At Absolute we buy those policies at a premium to the surrender value. Typically, studies show that the life settlement transaction pays about 8 times the cash value an insurance company would pay. We buy those policies, and become the owner and the beneficiary of the policies. Then we pay the premiums and hold the policy to maturity.

**CEOCFO:** What attracted you to Absolute Life Solutions?

**Mr. Oratz:** Due to past involvement in the life settlement business, I was fortunate to be able to recognize that this industry offers an excellent business model where seniors had policies that they were looking to sell. Therefore, they would come to a life

settlement broker and the broker assisted them in selling their policies. There were a number of different things that changed the business back in 2008 where seniors were having a more difficult time selling the policies as there were a fewer number of buyers. We realized that to be a seller was no longer the best option, because the buyers were getting unbelievable deals and were therefore able to achieve unbelievable returns on this asset. Therefore, we saw an asset class where the general business climate does not really affect the value of the policy. That value of the policy remains unchanged, and we saw such unbelievable deals out there that I realized it was a great business to be in.

**CEOCFO:** Are most people aware of what it is you do?

**Mr. Oratz:** I would say, in general, there are probably two categories of people who are aware. In the senior market specifically, life settlements are becoming more of a known option to investors. If you meet someone and tell him about life settlements, typically, it would be the first time they are hearing about it. However, anyone that hears about it and understands the concept generally loves it. When you are buying something at pennies on the dollars and it has a significant return, they want to hear more.

**CEOCFO:** How do people find out about Absolute Life from either end of the spectrum?

**Mr. Oratz:** In terms of us buying policies and selling policies, based on New York State law we cannot and do not transact directly with the seniors. There is an intermediary called a pro-

vider that is regulated by the New York State Insurance Department, and they are the ones that are sourcing policies. So, with regards to policies, there is plenty of supply and no marketing needed on our side. In terms of the awareness of the company, obviously we are relatively new. We started just around a year ago and slowly but surely, we are seeing terrific progress by, among other things, making conference appearances, issuing press releases and doing interviews such as this one.

**CEOCFO:** Why choose Absolute Life instead of other companies in the industry?

**Mr. Oratz:** In terms of other companies in the industry, there are actually very few options. If a person hears about life settlements, they like the idea and they like the asset and they want to get involved and invest. If they have large sums of money they can go buy a portfolio policy on their own, which is obviously, in a sense, a very large undertaking. In terms of being able to invest in a business, Absolute Life Solutions is currently one of the only publicly traded companies that focuses solely on the business of life settlement. There are really few other options to buy shares of a public company that is engaged in this business.

**CEOCFO:** Absolute Life has emphasis on proper valuation; what is it you are doing that others are not?

**Mr. Oratz:** There have been a number of stories in the news of late about inaccurate life expectancies and improper valuation. What we focus on is a number of different items specifically using conservative life expectancy criteria that are recognized in the industry. We are not doing in-house evaluations or using our own doctors. We are using industry-recognized carriers as our life expectancy underwriters.

**CEOCFO:** What are you doing as CEO on a day to day basis; what do you focus on personally in your role?

**Mr. Oratz:** Right now, I am reviewing policies almost on a constant basis.

For every policy that comes across our desk, we probably acquire less than 10 percent. With the supply being almost limitless, we really have the ability to be as selective as we possibly can. We are reviewing the policies to ensure that we are picking the best policies, from the best carriers, with the best terms, thus offering the best deals for the Company and its shareholders. We are also out there spreading our story so people know about us and hear about us. Finally, we are out there raising money. We are in the midst of a \$60 million raise, of which we have raised approximately \$50 million so far.

**CEOCFO:** What should people know about the industry and Absolute Life Solutions that they might miss when they first look at the company?

**What people have to understand about the industry is that we are providing liquidity to seniors where otherwise they would have no liquidity. Seniors are living healthier than ever before. They are living more active lives in their later years and their sources of funds as a result may be more limited. We are enabling them to tap into an asset that they have held sometimes for many years and being able to use those funds to actually live and enjoy their lives in their later years. - Avrohom Oratz**

**Mr. Oratz:** In terms of the industry, historically there has been a bit of a grim reaction to our core business, which doesn't help us get portrayed in the light which we would prefer. What people have to understand about the industry is that we are providing liquidity to seniors where otherwise they would have no liquidity. Seniors are living healthier than ever before. They are living more active lives in their later years and their sources of funds as a result may be more limited. We are enabling them to tap into an asset that they have held sometimes for many years and being able to use those funds to actually live and enjoy their lives in their later years. These seniors have paid into these policies for years and years and now they are in danger of having these valuable policies just lapse. Conceptually, what is happening is they have paid for something that they no longer can afford. However, they now have a

choice. Instead of being left with nothing, they can come to Absolute Life Solutions, where they can actually receive something from that.

**CEOCFO:** Are investors starting to pay attention to Absolute Life Solutions?

**Mr. Oratz:** Investors definitely are. In terms of our private raise, we were able to raise \$50 million in just under a year, which in the current economic climate is definitely a feat to be proud of. In terms of the public, investors are slowly starting to pick up the story. We are definitely seeing more interest, but it is still a work in progress. It is something that we are focusing on and we are doing whatever we can to get the story out there.

**CEOCFO:** Why should potential investors look at Absolute Life Solutions today?

**Mr. Oratz:** I personally invest in the stock market. You look at certain industries, such as technology, biotech, and medical research and in some of these instances, you are really buying into a dream. Assuming the company's story plays out and they actually do solve the problem that they are out there looking to do; then the companies could potentially be successful. For every one of those companies that are successful, hundreds fail. Here at Absolute Life Solutions, you are not investing in a dream. Our policies are our assets. On our last balance sheet, we have approximately \$200 million in face value of life insurance and currently more than that. We will receive those net proceeds.

The main question going forward is going to be how long will it take us to receive those net proceeds. It is not an asset that is speculative in nature. It is an asset that there is a fixed. The policies have an intrinsic non-correlated value, where the world changes, the economy changes, the price of gas, oil, and the value of the dollar, but nothing will impact that benefit of the policy.

**CEOCFO:** What challenges do you

see down the road as Absolute Life continues to grow?

**Mr. Oratz:** Obviously as we continue to grow and gain exposure, for every positive story you will hear about life settlements, there are negative ones as well. We are really trying to change that image so that people understand that life settlements are a

safe and viable investment option. We are in a unique position in that while helping people, we have a great business too.

**CEOCFO:** Final thoughts, what should people remember most when they read about Absolute Life Solutions?

**Mr. Oratz:** In my opinion, the best part of the story is the value we are getting on assets that are non-correlated to other economic factors. Simply put, we purchase non-correlated assets at a severe discount to their face value.

---



**Absolute Life Solutions, Inc.**  
**45 Broadway, 6<sup>th</sup> Floor**  
**New York, NY 10006**  
**Phone: 212-201-4070**