Market Synopsis and Investment Analysis

NestWorth Home Equity Sharing Option Contracts for Seniors

Revised May 15, 2016 to Reflect Variant on Product Design and Portfolio Stress Testing

1 INVESTMENT OPPORTUNITY

NestWorth is raising $10 million of working capital and $100 million of debt to originate and warehouse NestWorth contracts.

The working capital is used to generate contracts and grow the operating company. It is also seen as equity to support the securitization of contract portfolios. It is projected to be repaid in 18 months and to generate $400 million of equity value after 5 years. The Ops. Co. Value at year-end 5 below is a ratable portion of cash and portfolio profits interests earned, not a value at acquisition or sale.

The debt is collateralized by the master contract portfolio and bears a 12% current interest coupon. It will be repaid from securitization proceeds. The first securitization is anticipated in year 2 when the portfolio maturity characteristics are expected to be demonstrable. Securitization could occur at the end of year 1 but an additional cost is likely due to uncertainty about the timing of projected cash flows. Below is the anticipated performance of the equity and debt.

Year	0	1	2	3	4	5	IRR
Operating Company Equity Return	-$10	$0	$10	$0	$0	$104	73%
Portfolio Debt with Interest Repayment	-$100	$12	$12	$12	$12	$112	12%
Combined Return on Committed Funds	($110)	$12	$22	$12	$12	$216	24%

2 PRODUCT DESIGN

NestWorth is a senior-focused residential financial services company founded in 2008 that originates NestWorth Home Equity Sharing Income Option Contracts for Seniors. In exchange for one half of the home's future appreciation, the homeowner is provided monthly income. The payment balance starts small and grows over time, while the share of appreciation compounds on the larger value of half the home. This leverage is in effect homeowner financing of their income stream from future appreciation. NestWorth will select homes in consistently high appreciation areas and has the tools to mortality underwrite each homeowner, thereby having an average portfolio life of between 7 to 8 years. The NestWorth Option Contract portfolios yield accretive cash flows with investor IRRs up to 25%, with strong positive NPV cash flows, depending upon the combination of homeowner moveout and home appreciation. NestWorth Contracts allow senior to use the equity built up in their homes to pay living and care expenses while they continue to age in place. One half of the home's current value plus one half of the future appreciation is protected for the heirs unless a portion of it is needed for home repairs and maintenance. Clients and their property are underwritten on home value, zip code and by unique proprietary longevity algorithms. Based on the amount of equity in the home and the homeowner's age, NestWorth will pay the homeowner several thousand dollars each month of

 1401 Los Gamos Drive, Suite 120, San Rafael, CA 94903

tax-deferred income, for an initial term of 10 years, and will ensure a settlement payment out of sale proceeds at Agreement maturity. In exchange, when the home is sold, NestWorth will receive half of its appreciated value. At the end of 10 years, Contracts can be extended; owners do not have to move as their homes can continue to be held in the portfolio and to appreciate. NestWorth will "partner" with each senior client to make sure that the home is well-maintained and in good repair, so that it continues to appreciate and to be a sound place to live, and will make sure that the balance of the value of the home is available to the heirs. This unique partnership guarantees income certainty and inheritance certainty for clients, and is expected to yield a very attractive ROI from predictable future cash flows for both equity and debt funders.

Recent changes in Federal lending rules by both Housing and Urban Development (HUD) and the Consumer Financial Protection Bureau (CFPB) have disenfranchised many senior homeowners who live on fixed non-W2 unearned income, and who want to tap their equity while staying in their homes. Jumbo home equity access products have not been available to seniors since the onset of the financial crisis in 2008. NestWorth is positioned to serve this market while filling the void created by both the recently revised government Home Equity Conversion Reverse Mortgage (HECM) program, and tightened traditional bank lending standards. At the same time, the introduction of GAAP mark-to-fair value accounting precludes interest by institutional investors in all other products except HECMs.

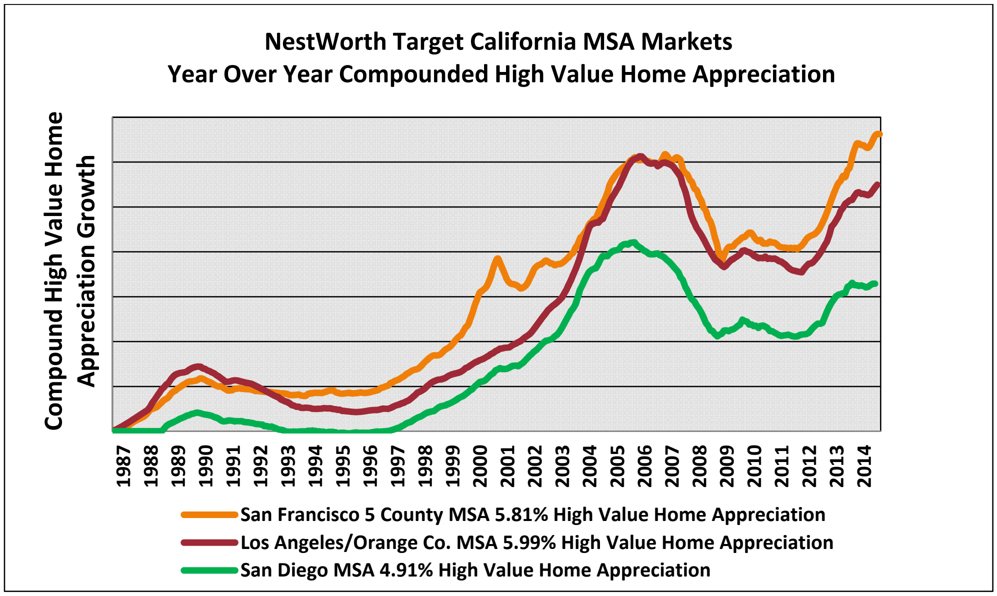
NestWorth evaluated potential competing products at 2%, 4% and 6% forward home appreciation. The NestWorth Option Contract portfolios yield accretive cash flows with an investor IRR of 25% at 6% appreciation and 19% at 4% appreciation. Because traditional lending products are not mortality-underwritten, they have no way of predicting future cash flows – the basis of value. Other market products yield lower IRRs, and their NPVs decrease accounting balance sheet asset values, produce near-term book losses, and decrease earnings per share and annual incremental earnings or reserve requirements. NestWorth Option Contracts are unique. They are better than HUD HECMs because they are not compound accrued interest products that deplete home equity.

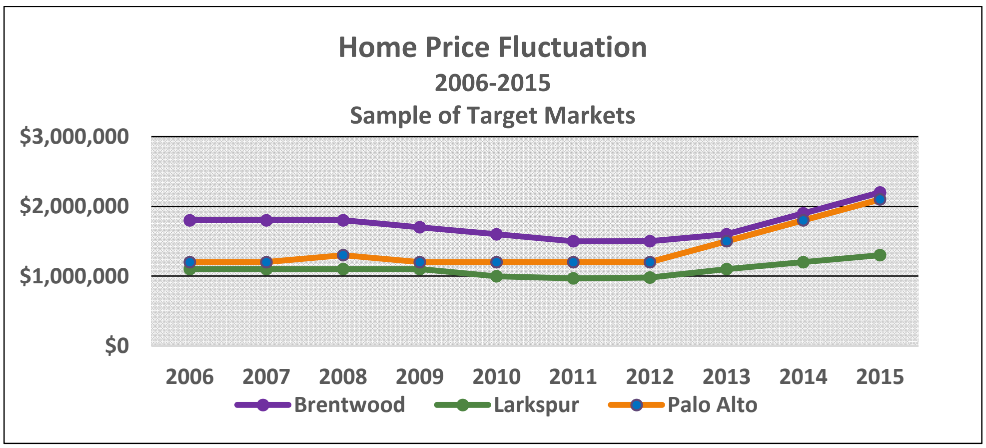
After proving the concept and refining the product with a small portfolio, in late 2014, NestWorth's Board brought in an experienced management team, who have worked together for years, to scale the business. Each has over 25 years of product and sales experience in home equity release products, jumbo mortgages or financial services.

3 MARKET

The initial target market is the retired workforce who purchased homes in what were new suburban areas in coastal California in the 1960's and 1970's, areas where homes have appreciated substantially over time. These seniors have aged in place largely because of favorable California property tax law - Proposition 13, passed in 1978 - that freezes property tax increases irrespective of increased home value, until a home is sold. These house-rich retirees live on fixed incomes that are not sufficient to qualify for traditional mortgage lending products, and are too house-rich for a reverse mortgage. With a NestWorth Contract, a homeowner with a $1.25M FMV home can expect to receive $3,000 per month in tax-deferred income, which nearly triples the $1,272 average Social Security or defined benefit s/he receives today.

Coastal counties in California are the initial geographic market focus, for good reason. Of the 830 top-tier cities in America with average home values over $600,000, over one-third (i.e., 281 cities) are in coastal California. These markets have *enjoyed almost 6% annual compounded home appreciation for more than 25 years*. This target market now and in the next five years represents 1.8 million households, age 75 or older, with well over $1.3 trillion of home value, much of it debt free. Follow-on target states include FL, NY, NJ, IL, HI, MA, VA, MD, TX, with key cities and counties in these states.





NestWorth's Opportunity in Targeted California Counties

Households Age 75+ Where Median Home Value is Greater Than $600,000 (2015-2020)

County	Total Population by County (thousands)	Population Age 75 + (thousands)	Households Age 75 + (thousands)	Median Home Value	Potential NestWorth® Housing Market (thousands)
Alameda	1,600	200	132	$700,000	$92,400,000
Contra Costa	1,100	100	66	$600,000	$39,600,000
Los Angeles	10,000	1,100	726	$600,000	$435,600,000
Marin	258	100	66	$1,100,000	$72,600,000
Orange	3,200	300	198	$700,000	$138,600,000
San Diego	3,200	400	264	$650,000	$171,600,000
San Francisco	840	100	66	$1,000,000	$66,000,000
San Mateo	750	100	66	$950,000	$62,700,000
Santa Barbara	435	56	37	$650,000	$24,024,000
Santa Clara	1,900	200	132	$850,000	$112,200,000
Ventura	900	100	66	$600,000	$39,600,000
	24,183	**2,756**	**1,819**		**$1,254,924,000**

Sources: Census Bureau Fast Facts, Top Tier Housing and Age data by cities and counties

4 NestWorth Marketing Distribution Channels

The unique Proposition 13 tax situation in California and coastal home values, added to the new current lending guidelines have created a large Disrupted Market. NestWorth's principal distribution channels will be organized with specially trained networks of conventional forward mortgage originators and HUD HECM loan brokers. NestWorth has relationships with two large California-based conventional mortgage originators, one of which is funded by a member of NestWorth's Executive Committee. Two of the four largest HUD HECM reverse mortgage originators based in California will also originate for NestWorth. One of these believes its 600 wholesalers each has 25–50 prospects who want and qualify for NestWorth Contracts. The recent HECM restrictions that reduced the reverse mortgage market now make these mortgage originators ideal distributors for NestWorth Contracts. They can be easily trained to offer NestWorth Contracts to targeted owners of homes above the HECM FMV limit. Commercially available data, when refined by NestWorth, will allow the Company to target individual households. This will be supplemented by a robust advertising and public relations campaign.

Further, 1,500 independent broker dealer offices serve high home value target markets in coastal California counties. NestWorth Contracts from this segment will generate both commission and referral income to the reps. Other referral sources are affinity groups, insurance agents, realtors, mortgage brokers, CPAs and attorneys. NestWorth has in the past and will continue to use its management team and a captive field sales force to educate advisors, field prospects and handle the interactions with seniors to place NestWorth Contracts.

5 Filling a Void in a Disrupted Market

Senior homeowners were swept up in the recent changes in Federal lending rules by both HUD and the CFPB. House rich seniors living on fixed non-W2 income have been precluded from qualifying for most conventional lending products. NestWorth is positioned to serve this market while filling the void created in both the recently revised HECM government reverse mortgages, and tightened traditional bank lending standards.

In a difficult mortgage environment, a NestWorth Contract provides both income certainty and inheritance certainty. On balance, it is a better solution for unlocking senior home equity to pay for living and care expenses so that senior homeowners can age in place, even as it protects a significant portion of future home value for heirs. Given the new underwriting guidelines, it also may be the **only** way for many seniors to access their home equity: Both Private Jumbo Reverse Mortgages and Non-Qualified Mortgages have significant regulatory and GAAP accounting features and terms that can make them unwise for senior homeowners and particularly for investors.

6 Operating Structure

The Operating Company is separate from the Portfolio Vehicle to illustrate the components. Only $3 million is necessary, but $10 million is shown as a maximum working capital advance against fees to the operating company which is repaid in year two and $100 million is secured debt used to originate and service the ongoing portfolio. Late in operating year 2 the portfolio should have statistical confidence in predicting future cash flows. At that point, contracts will be aggregated into $80 - $200 million portfolios for private placement. The equity tranche funder will receive ownership for a negotiated share of the company.

The capital infusion will be used to front-load working capital to support the underwriting costs of contract originations, funds released to the operation company as contracts complete escrow. The Company's integrated operating platform and "mortality predictive IP" are licensed from a third party and infinitely scalable. Projections show the Operating Company becoming cash flow positive after eight operating months. By the 15th operating month, the Operating Company anticipates ramping to 245 closings per month, and assumes this volume on a continuous basis. That close rate is one quarter of the leading HECM originator. At that run rate, NestWorth will only penetrate 2% of the targeted California coastal market in 10 years.

The operating company will have six "cash generating unit" (CGU) profit centers:

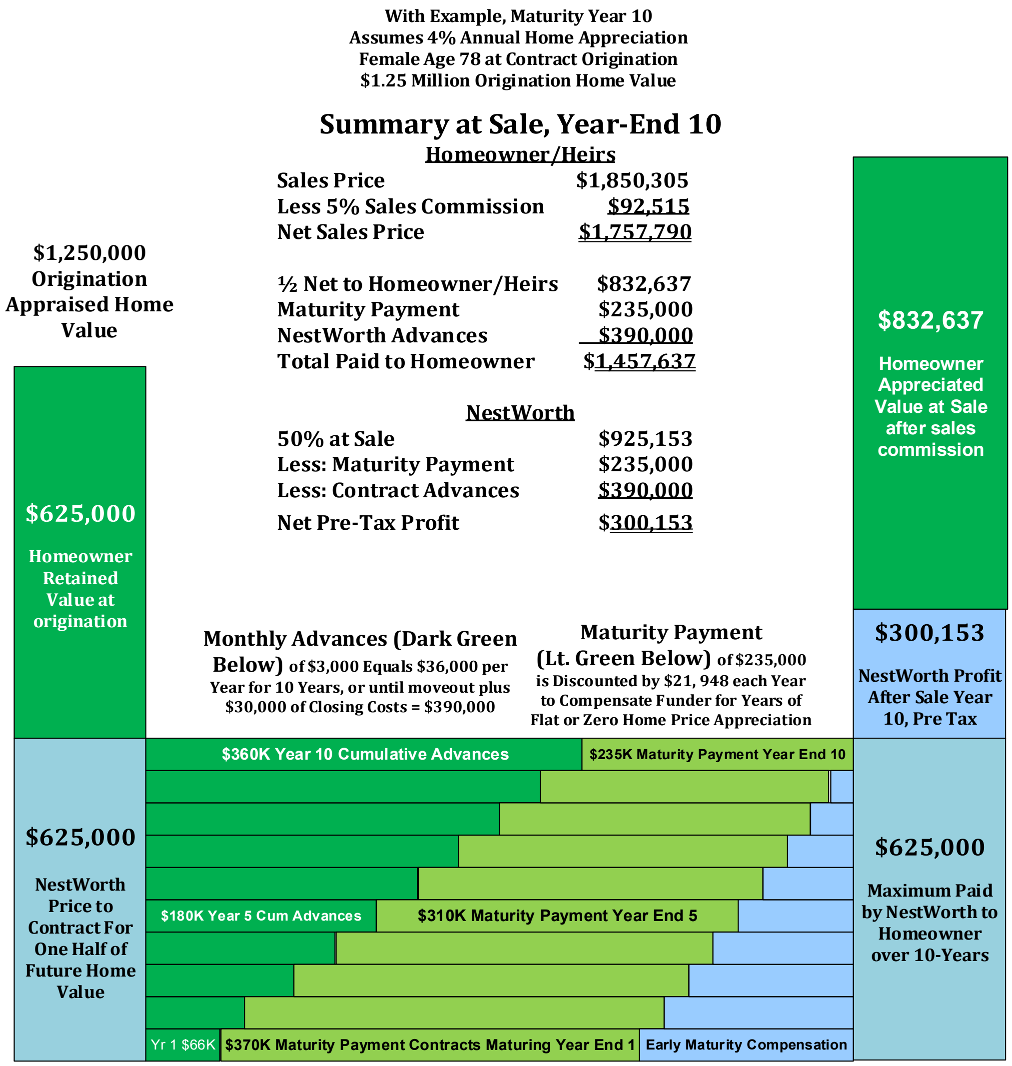
1. Agreement origination & underwriting – 3% of average option origination value
2. Portfolio management – 1% of the FMV of residences in portfolio
3. Portfolio servicing - $1,200 per year per residence
4. Maturity fees at time of agreement maturity and disposal of residence - $1,000
5. 20% profits interest in each portfolio in which NestWorth is the general partner, or
6. 100% of the profits from contracts retained in NestWorth's Master Portfolio

	NestWorth Consolidated Operating Company & Contract Portfolio Projected EBITDA				
$ in Millions	Year 1	Year 2	Year 3	Year 4	Year 5
Incremental Portfolio FMV	$ 58.21	$ 189.93	$ 272.87	$ 285.44	$ 284.92
Maturity Proceeds This Period	$ 5.48	$ 65.89	$ 188.49	$ 345.74	$ 523.84
Net Portfolio Securitization Revenue	$ -	$ 228.00	$ 228.00	$ 380.00	$ 380.00
Investment Income of Surplus Cash	$ 0.39	$ 1.12	$ 2.32	$ 6.76	$ 13.80
Portfolio Book Expenses	$ (24.11)	$ (124.21)	$ (250.86)	$ (409.53)	$ (563.97)
Portfolio GAAP EBITDA	$ 39.97	$ 360.73	$ 440.82	$ 608.41	$ 638.59
NestWorth Operating Company EBITDA	$ 12.45	$ 56.27	$ 91.78	$ 138.51	$ 168.65
NestWorth Consolidated GAAP EBITDA	$ 52.42	$ 417.00	$ 532.60	$ 746.92	$ 807.24

7 NestWorth Contract Design Fundamentals

NestWorth's Home Equity Sharing Option Contract for Seniors is a variant of Transamerica HomeFirst's successful jumbo reverse mortgage product introduced in 1993 by NestWorth's CEO Peter Mazonas. The principal difference is the elimination of "accrued compound interest" in favor of an early maturity penalty. NestWorth's staff has designed several variants of the Home Equity Sharing Option Contract for comparison purposes to either the HUD HECM products or other jumbo "reverse mortgage type" products. The Home Equity Sharing Option Contract in the graph below provides $3,000 per month in payments and lower total payments for Contracts that mature in early years. The NestWorth Contract is a balance of income certainty for homeowners, certainty of inheritance for heirs, and a built in cushion in the Contract maturity payment to provide funders individual Contract profits on early maturities in periods of flat or declining home prices.

NestWorth Home Equity Sharing Option Contract



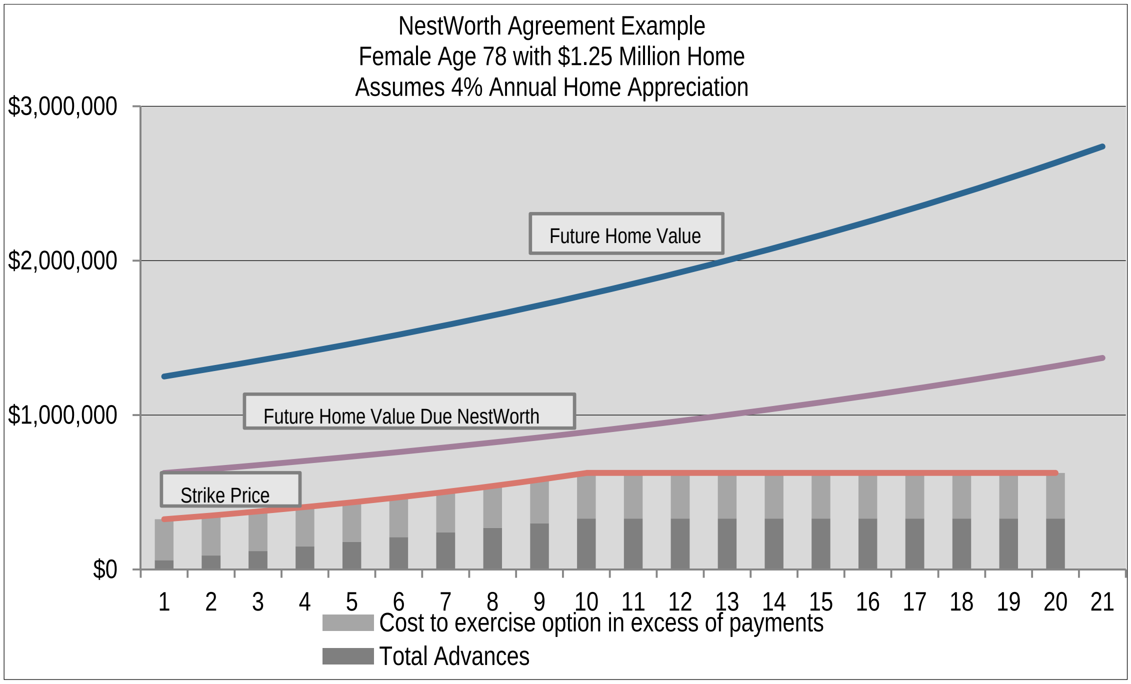
8 PORTFOLIO RETURNS FROM COLLATERALIZED CONTRACTS

NestWorth will originate Contracts in a master portfolio for approximately 18 months. After approximately 15 months, the portfolio will have sufficient statistically significant maturities to begin applying GAAP / IFRS 13 mark-to-fair-value analysis. A peer-reviewed published valuation methodology[i] will be employed using an audit program consistently applied every time the portfolio achieves 20 additional maturities. Importantly, this assurance of predictable future cash flows will minimize the risk premium component of the discount rate used to determine the net present value of future cash flows. Consequently, incremental Portfolio FMV adds substantially to the initial balance value and annual book profits. NestWorth may or may not securitize and sell portfolios of Contracts. If it does, here is a likely format.

1. **7-Year Fund with no Reinvestment of Surplus Cash:** This structure would apply to entities such as pension funds that want the current cash flow from maturities. At 6% compound forward home appreciation, this structure would yield a pretax 25.2% IRR to a funder. At 4% appreciation this structure yields 18.8%. At 2% appreciation, the estimated pretax IRR is 12.1%.

2. **NestWorth Retained Portfolio**: Provided there is sufficient capital, the greatest gains and investment yield comes from NestWorth retaining ownership of the portfolio held in a special purpose vehicle offshore. This combined operating company and portfolio strategy provides the greatest income tax efficiency, maximization of cash flow management and the least amount of capital infusion. The accompanying Excel model shows the operating company separate from the portfolio, but then consolidates them.

The loan to value coverage protects the funder.



For illustrative purposes the summary below assumes 10 years of Contract originations are held in a single portfolio, requiring approximately $325 million of cash infusion until the Portfolio becomes cash flow positive in year 4. This table reflects various outcomes from stress test modeling. Management believes it can achieve average 4% home price appreciation with contract maturities equivalent to the Society of Actuaries Variable Basic Table (VBT) between VBT2008@200% and VBT2008@ 300%, which approximates the GoM III at a score of0.42.

Maturity Outcomes Discounted at 4% w Statistical Confidence, 10-Years of Originations				
Home Price Appreciation	**VBT2008 @ 300% (approx. GoM III @ .42)**	VBT2008 @ 200%	VBT2008 @ 150%	VBT2008 @ 100% (Standard)
0% HPA	**$2,447,585,517**	$859,101,957	-$434,708,477	-$2,434,403,262
2% HPA	**$3,944,396,859**	$2,745,861,183	$1,601,292,218	-$362,966,907
4% HPA	**$5,413,145,317**	$4,824,608,232	$4,061,926,937	$2,206,481,330
6% HPA	**$7,095,158,719**	$7,020,265,631	$6,610,424,167	$5,261,399,276

Green = Probable Mortality Range

9 EXIT STRATEGY

NestWorth's goal is to position the Company for an IPO or acquisition after 5 full operating years, where year 5 operating company EBITDA is forecast to be $168.65 million. At a 6X valuation this is

$1.012 billion. NestWorth is committed to managing each portfolio originated for a minimum of 10 years. This provides the assurance of continuing compounded future portfolio management fees.

10 Management Team

Directors

Robert Friese, Retired Chairman, Securities Lawyer, Partner Shartsis Friese LLP
Richard Wollack, Real Estate Investor, REIT Fund Manager
John House, Investment Advisor, Broker Dealer
Terry Otton, former CFO Robertson Stephens, CEO of RS Investments
Peter Paul, Founder Headlands Mortgage
Barry Sachs, ERISA Lawyer, PhD, HUD HECM taxation specialist
Stephen Sogin, PhD, former CEO Montgomery Medical Ventures

Key Executives

Peter Mazonas, CPA – Chief Executive Officer. Peter has 25 years of experience designing financial products and managing emerging companies specializing in senior markets. In 2006, he founded Life Settlement Financial to aggregate life insurance policies as investments for institutional buys. Previously, he founded and managed Transamerica HomeFirst, an early leader and largest provider of privately-funded reverse mortgages throughout the United States. Peter has been issued patents for both the design of shared appreciation reverse mortgages and other longevity-dependent products. In 1972, he founded and managed the Executive Financial Planning division at Bank of America. He later founded the Private Banking Division of Bank of America. Peter received his initial audit and tax training at Price Waterhouse after graduate school.

Eric Ranson, FIAA – Chief Actuary and Portfolio Manager. Eric and Peter Mazonas started working together in 2010. Eric is a Fellow of the Institute of Actuaries of Australia (FIAA) and has a BA and Masters of Applied Finance. He securitized $8 billion of mortgage-backed securities annually while managing a $20 billion fund. He has worked as an actuary, portfolio manager and chief financial officer in the UK, Australia and the U.S. in longevity and real estate markets for the past twenty-five years for Bankers Trust and GE Capital.

Mary Gavin, JD - Director of Policy, Marketing and Communications. Mary and Peter Mazonas started working together at Bank of America. Mary is a lawyer by training who has been running her own C-level communications strategy and content company for 25 years. Formerly at Bank of America, she was in the Corporate Treasury Group, Chief of Staff to the CEO, and Manager of Executive Communications, where she served three successive CEOs, and was chief speechwriter. She has extensive experience growing sales and revenues for both for-profit and nonprofit companies.

Kevin Malone, Director of Sales. Kevin and Peter Mazonas started working together in 2010. In 2014 Kevin became CEO of Longevity Services, Inc., a leading life expectancy underwriting firm purchased from EMSI. Previously Kevin was the COO of Summit Capital in Seattle. Previously, he was the CEO of the underwriting division of Examination Management Services (EMSI), a large outsourcing firm of the insurance industry. Kevin also owns Longevity Services, Inc. Earlier, Kevin was CEO of Altius, Inc., the designer and manufacturer of custom keyboards for Bloomberg terminals. He sold that business to Bloomberg Media.

Matthew Friese – Vice President, Accounting and Servicing. Matt and Peter Mazonas started working together in 2013. Matt joined NestWorth as an analyst in 2009, overseeing the firm's bookkeeping and financial records. He was promoted to Fund Manager in 2012, and currently handles the day-to-day fund operations.

11 CONTACTS

Peter M. Mazonas, CEO peter.mazonas@nestworthinc.com 415.924.6269
Eric Ranson, Director of Underwriting and Capital Markets eric.ranson@nestworthinc.com 415.936.9396
Mary Gavin, Director of Policy, Marketing and Communications mary.gavin@nestworthinc.com 415.801.2693 x102
Revised May 15, 2016

---

[i] *Longevity Risk in Fair Valuing Level-Three Assets in Securitized Portfolios*, Peter Macrae Mazonas, Patrick John Eric Stallard, Lynford Graham, the Geneva Papers (2011) 36, 516-543. Doi: 10.1057 / gpp 2011.25. http://www.palgrave-journals.com/gpp/journal/v36/n4/abs/gpp201125a.html. Copies available upon request.