



CAPITAL GROWTH PLANNING, INC.

A Diversified Financial Services Corporation

Established 1969



“INSURED” UNIT OFFERING OF EQUITY SECURITIES USING THE (“LIBACSM”) BUSINESS PROCESS

(Patent Pending – U.S. Serial No. 12/322,259)

GENERAL OVERVIEW

PRIVATE & CONFIDENTIAL INFORMATION

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THE LIBACSM “INSURED” EQUITY OFFERING STRUCTURAL OVERVIEW

An Issuer interested in using the **Life Insurance Backed Collateral** (“LIBACSM”) business process (Patent Pending - U.S. Serial No. 12/322,259; Publication No. US-2009-0198630-AL; Publication Date: August 6, 2009) to offer investment protection to prospective investors in an Equity offering transaction of its Securities would use this “collateral structure” in a Unit Offering as follows:

An Issuer would work with Capital Growth Planning, Inc. (“CGP”) to formulate an agreed upon LIBACSM overlay investment structure for an equity unit offering (the “Offering”). Once the general outline of the Offering structure is agreed upon, the Issuer would execute a Patent Licensing Agreement with CGP to use the LIBACSM Business Process in their Offering transaction. CGP and its attorneys would then work with the Issuer’s securities counsel to prepare a Confidential Private Placement Offering Memorandum (the “PPM”). The PPM would set forth the terms of the unit offering that would involve the issuance of two (2) investment components including: 1) membership interests in an LLC, formed by the Issuer (the “LIBACSM LLC”) that will own the LIBACSM Assets (to be defined later); and, 2) the Issuer’s equity securities (the “Equity Securities”). The placement (or co-placement) of the PPM would be made through Capital Growth Resources, a FINRA Broker-Dealer and CGP subsidiary. The Issuer’s Equity Securities may include, common or preferred stock in a corporation, limited or general partnership interests in a partnership, or membership interests in a limited liability company.

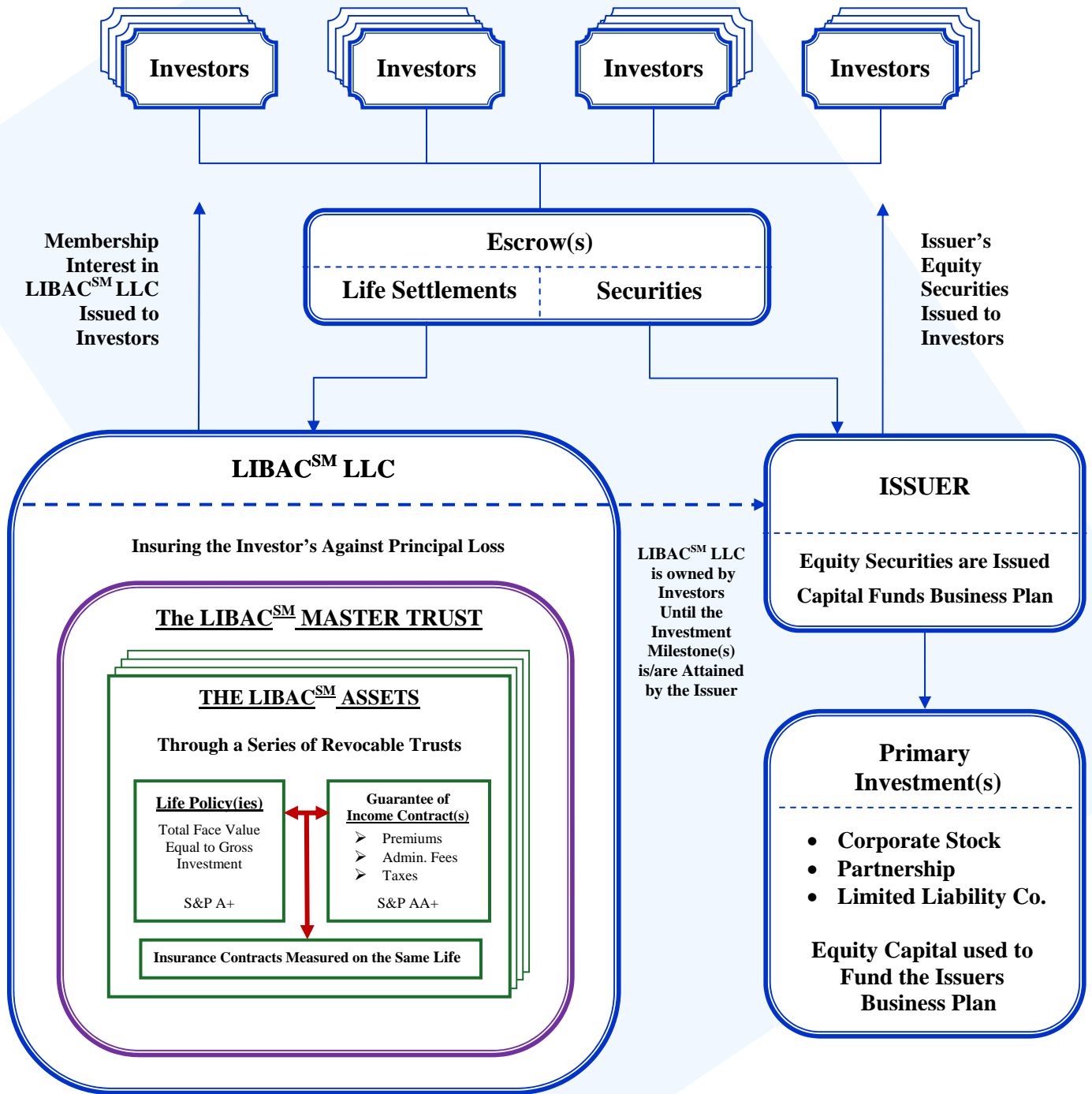
Once the PPM is introduced to the marketplace and the minimum Offering amount is achieved, forty percent (40%) of the invested funds, for the purchase of membership interests in the LIBACSM LLC, are distributed from the securities escrow directly to the life settlement escrow to fund the purchase of the LIBACSM Assets. Simultaneously, also from the securities escrow, 60% (less offering costs) would be released to the Issuer for its Equity Securities, thus completing the unit investment. Through the life settlement escrow, with the assistance of several contracted CGP subsidiaries, the LIBACSM LLC would acquire, through a series of Revocable Trusts, “Fully Funded” senior life settlement insurance policies with combined life insurance policy face values equal to, or more than, the gross amount of invested funds. Simply stated “Fully Funded” means that in addition to the senior life settlement policies, the LIBACSM LLC would acquire guarantee of income contracts (life insurance company backed) that provide annual income streams sufficient to pay all future premiums, all administrative fees, and all required taxes on income for the life of the insured underlying each policy in the LIBACSM pool (the “Portfolio of LIBACSM Assets”). Unless otherwise instructed, the Portfolio of LIBACSM Assets will normally carry an average life expectancy (the “LE”) of approximately fifteen (15) years.

Once in place, the LIBACSM Assets provide the investors with a bankrupt proof “collateral” back-stop portfolio of “Fully Funded” senior life settlement policies (held in trust with income) with combined face values equal to, or more than, the total amount invested, guaranteeing their “original invested principal” if the Issuer’s business plans fail to produce the required or expected returns and/or results. If a policy matures before the Issuer has met its pre-determined investment milestone(s), the Investors would be entitled to all LIBACSM LLC distributions for those policy death benefits that mature. Once the Issuer has met its milestone(s), some or all of the LIBACSM LLC membership interests, depending upon the milestone agreement(s), would transfer to the Issuer. At that point, depending upon the transaction and/or the terms of the CGP LIBACSM Patent Licensing Agreement, the LIBACSM Assets would either stay with the Issuer or they would become subject to CGP’s repurchase agreement, as defined by the Patent License.

A LIBACSM Transaction Example:

An investor invests \$10,000,000 in a Unit Offering which is deposited into a securities escrow account. Of that investment, \$4,000,000 (40% of total investment), for the LIBACSM LLC membership interests, is transferred to a life settlement escrow account to acquire a portfolio of “Fully Funded” LIBACSM Assets, with combined life insurance policy face values equal to or more than \$10,000,000, “insuring” the investor will receive a return of his/her principal investment if the Issuer’s business plans fail to produce the expected results. Concurrently, the balance of invested funds held in the securities escrow (60% of the total investment) or \$6,000,000 (less offering costs and broker-dealer fees) are distributed to the Issuer for its Equity Securities. Once the Issuer has attained its predetermined investment milestone(s), ownership in the LIBACSM Assets are transferred to the Issuer and become subject to CGP’s repurchase agreement (if applicable) for use in another LIBACSM “Insured” transaction.

A SAMPLE LIBACSM INSURED EQUITY UNIT OFFERING TRANSACTION



For more detailed information regarding **LIBACSM** Business Process structures, strategies and programs, including a full due diligence overview, legal & tax opinion letter and the Company's Patent Application filed with the U.S. Patent and Trademark Office on January 30, 2009 (Patent Pending - U.S. Serial No. 12/322,259; Publication No. US-2009-0198630-AL; Publication Date: August 6, 2009) a Non-Disclosure Agreement ("NDA") must be executed.



Subsidiaries

CAPITAL GROWTH RESOURCES

CAPITAL GROWTH PLANNING ADVISORS, INC.

CAPITAL GROWTH INSURANCE SERVICES, INC.

CAPITAL GROWTH REALTY, INC.

CAPITAL ADMINISTRATIVE SERVICES, INC.

CAPITAL LIFE ASSETS, INC.

INSURED CAPITAL MANAGEMENT, INC.

LIFE FUNDING PARTNERS, INC.

Affiliated Company

CAPITAL PROTECTION, INC.

CGP FOUNDERS GROUP, LLC

CAPITAL GROWTH PLANNING, INC.

A Diversified Financial Services Corporation

Established 1969

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