



LESTI
Structured
Settlements
Incorporated

**Transfer
Environmental
Obligations**

**Deduct
The Present
Value**

**Avoid
Disclosures**



Responsible Parties

GET A DEDUCTION AND AVOID DISCLOSURES ON ENVIRONMENTAL CLAIMS

There is now a way to deduct the present value of future cleanup funds and avoid governmental and accounting disclosure requirements. An Environmental Structured Settlement also allows for an assignment of future obligations and ends costly legal and administrative costs associated with environmental claims. Payments may be guaranteed for up to 50 years.

Regulators

HOW CAN YOU BE SURE THE CLEANUP FUNDING WILL BE THERE?

It's every regulator's nightmare when a responsible party that once could afford to pay for a cleanup can no longer do so. Such a tragedy can be avoided by using an Environmental Structured Settlement. This is where the responsible party is obligated to make the cleanup payments and this obligation is assigned to a third party that is guaranteed by a large life insurance company.

Responsible Parties and Regulators

WORKING TOGETHER

An Environmental Structured Settlement works best when a responsible party wants to currently fund a cleanup obligation. Similarly, the Environmental Protection Agency or a similar regulator may require secure funding, but does not want to own the financing vehicle. In addition the property owner and environmental contractor may be rewarded for future cleanup cost savings.



This financing approach is also useful when de-minimus responsible parties want to pay their obligations now or a large corporation needs to reduce its current year's income. Best of all, both parties can close their files earlier as the time value of money eases financial negotiations and the transaction puts in place a safe and secure funding instrument. The environment benefits as the cleanup plan is safely funded even if the responsible firm has future financial troubles.

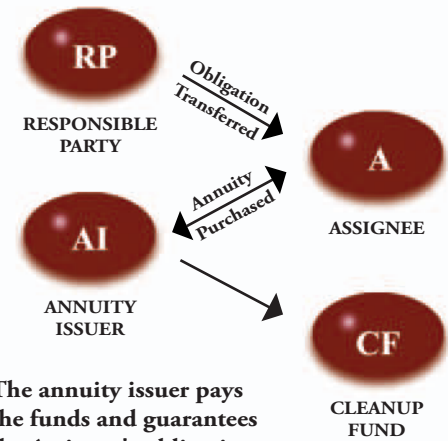


Inherent Incentive to Innovate

THE TRIPLE I CONCEPT

When the site is properly characterized and the cleanup fund transaction is properly funded and insured, the responsible party and contractor may benefit financially if the remediation is performed for less money. The cost savings may be paid forward into the fund or kept for other uses. This creates an Inherent Incentive to Innovate to create and use improved, less expensive and faster remediation techniques. The public policy benefits of using an Environmental Structured Settlement are that new cleanup approaches and technologies will be created to benefit the environment as a whole.

How Assignment Works



Environmental Structured Settlement Transaction

1. There is an agreement to provide for periodic payments.
2. The responsible party assigns the obligation to make periodic payments to an assignment company.
3. The assignment company purchases an annuity that pays the periodic payments.
4. A large U.S. life insurance company guarantees the assignment company.



Advantages

RESPONSIBLE PARTIES and DEFENDANTS

Settlement cost is deducted in current year

Obligation to make future payments fully assigned - ending costly ongoing expenses

Avoids government and accounting disclosure requirements

Payments guaranteed for 50 years

Potential for fund recapture

REGULATORS

A large life insurance company guarantees payments

Cleanup money is available even if responsible party enters bankruptcy

Cleanup plan implemented earlier

Inherent Incentive for Innovation drives new cleanup technology

TO THE ENVIRONMENT and SOCIETY

Cleanup is securely funded

Incentive to reduce cleanup time

Incentive to efficiently use funds

Incentive to create and use improved cleanup methods

New cleanup technologies created from incentives may benefit other sites

Many Uses

WE ARE HERE TO HELP

Comprehensive Environmental Response, Compensation, and Liability Act – CERCLA - Superfund Sites

Brownfield Transactions

Resource Conservation Recovery Act sites - RCRA

Long Term Stewardship Obligations

Land Use and Institutional Controls

Operations and Maintenance

Landfills

Claims Expense Fund

Mining, nuclear and large industrial site decommissioning obligations





Lesti Structured Settlements, Incorporated

ABOUT US

Paul J. Lesti, CSSC President of Lesti Structured Settlements, Inc. is one of the nation's leading experts on Structured Settlements. Since 1982, he has consulted on or brokered over 25,000 cases. He is the author of Structured Settlements, 2d, Clark Boardman Callahan, Thomson, West.

Paul actively serves his local community. He chaired his city's Planning Commission for 2004, and also chaired its Parks & Recreation Commission. He served on a joint city advisory committee that looked at land re-use issues when Moffett Federal Airfield was taken over by NASA.

He was the first elected community co-chair of the environmental cleanup Restoration Advisory Board for Moffett Field. This Restoration Advisory Board became a national model for other military bases. This commitment to staying involved also extends to Paul's professional life where he was elected President of the Society of Settlement Planners for 2005 and was a founding member of its Board of Directors. He is also a member of the National Structured Settlement Trade Association and the National Association of Forensic Economics. He has a degree in Economics from the University of California, Berkeley.

Corporate Office

NORTHERN CALIFORNIA

745 Distel Drive, Suite 114
Los Altos, California 94022
(888) 537-8477 (Toll free)
(888) LESTISS

(650) 903-4100 Office
(650) 903-4141 Fax

www.lesi.com
paul@lesi.com



**Paul J. Lesti, CSSC
PRESIDENT**