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Life Partners, Inc. Facing Fraud Charges, Investor Lawsuits Over Insurance Investments

(Dallas, Texas—August 24, 2012) The Securities and Exchange Commission has accused the life settlements company Life Partners, Inc. and its executives with fraud in connection with the marketing of their investment product.

Life Partners is also facing lawsuits from investors who have alleged that Life Partners fraudulently misrepresented the value of the investments which they were sold. The investments at the root of these lawsuits are a type of insurance transaction known as life settlements.

Life settlements are life insurance policies that are sold by the original owner to investors for a lump-sum payment that is less than the total face amount of the policy. When the original owner of the policy dies, the proceeds from the insurance are paid to the investor who bought it, rather than to the family of the insured. Life Partners acquires these life insurance policies for their customers to invest in.

Typically, multiple investors purchase a share of the same policy, which is called fractional ownership. The purchase price for a policy is supposed to include an amount to buy the policy, and also an amount that goes into an escrow account for the purpose of paying premiums during the estimated life expectancy of the insured. If the insured lives longer than the estimated life expectancy, then the investor (Life Partners' customer) must pay the premiums in order to avoid losing their investment. This is called a premium call.

According to lawsuits filed by investors who purchased these life settlements and a lawsuit filed by the SEC, Life Partners convinced its customers to invest in life settlements by providing fraudulent life expectancies through a doctor in Nevada. The accuracy of the life expectancy of the insured is one of the most important aspects of a life settlement investment. The shorter the life expectancy, the more the investment is worth. If the life expectancy is short, then the investor will be receiving the face amount of the policy sooner. Furthermore, they will not have to pay as much in premiums in the interim. As a result, investors should be willing to pay more for policies where the insured has a short life expectancy.

The lawsuits filed against Life Partners allege that Life Partners possessed life expectancy evaluations from reputable companies and instead of providing these life expectancy evaluations to their customers, they retained a doctor in Nevada to issue new life expectancies which were much shorter, making the investments look much more profitable. The lawsuits allege that Life Partners used these fraudulent life expectancies to convince their customers to pay more for the life settlements producing huge profits to Life Partners.

Heygood, Orr & Pearson is filing lawsuits on behalf of investors who purchased life settlements through Life Partners. Our firm has already filed class action lawsuits against Life Partners on behalf of investors in Texas, California, and nationwide who purchased life settlements from the company.

If you were the victim of unnecessary payments involving the purchase of a life settlement from Life Partners or the victim of fraudulent life expectancies, you may be eligible to file a claim against the company.

For a free evaluation of your case, please contact our law firm by calling our toll-free hotline at **1-877-446-9001**, or by emailing us at **info@hop-law.com**.

For more information about Life Partners and other lawsuits filed by the lawyers at Heygood, Orr & Pearson, please visit us online by going to **http://hop-law.com**.