

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

ROBERT M. RANDOLPH and STEPHANIE)
W. RANDOLPH, AS TRUSTEE OF THE)
ROBERT M. RANDOLPH 2008)
IRREVOCABLE LIFE INSURANCE TRUST)
DATED APRIL 1, 2008, *Individually and on*)
Behalf of All Others Similarly Situated,)

Plaintiffs,)

v.)

LINCOLN NATIONAL CORP. and)
LINCOLN NATIONAL LIFE INSURANCE)
CO.)

Defendants.)

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT – CLASS ACTION

TO THE HONORABLE JUDGE OF SAID UNITED STATES DISTRICT COURT:

Plaintiffs Robert M. Randolph (“Randolph”) and Stephanie W. Randolph, as Trustee of the Robert M. Randolph 2008 Irrevocable Life Insurance Trust dated April 1, 2008 (“Trustee” and “Trust”) bring this action individually and, as to some claims, on behalf all others similarly situated, and make this Complaint against Lincoln National Corporation (“Lincoln National”) and its wholly owned subsidiary Lincoln National Life Insurance Company (“Lincoln”) (collectively “Lincoln Defendants”). Plaintiffs alleges the following on either personal knowledge or information and belief, and after a full and complete investigation by the undersigned counsel.

I.
BRIEF OVERVIEW

This action arises from a national life insurance provider's breaches of its policies and attendant deception of its policyholders.

Plaintiffs bring this action individually and on behalf of similarly situated owners of JP Legend 300, and JP LifeWriter Legend 100, 200, and 400 series life insurance policies ("the policies") issued by Jefferson-Pilot Corporation ("Jefferson-Pilot") now held by Lincoln. Acting in conjunction with its parent Lincoln National, Lincoln has repeatedly breached the policies, and subjected Plaintiffs and other similarly situated policyholders to unlawful acts and practices: namely, the unauthorized implementation and collection of "Premium Load Charges" (f.k.a. "Expense Charges"), the repeated and deliberate practice of billing incorrect premiums, and the use of deceptive policy illustrations—practices all engineered with the ultimate aim of either (1) unlawfully inducing the opportunistic surrender or premature lapse of policies using a device called "shock premiums," or (2) extracting excessive payments from policyholders to which Lincoln was not entitled under the policies ("hostage premiums"). The Lincoln Defendants also subjected Plaintiffs to unlawful cost of insurance ("COI") increases.

Plaintiffs assert individual claims and class claims on behalf of putative nationwide class members for breach of contract based on the deliberately incorrect billing of premiums, the unlawful implementation and collection of "Premium Load Charges" (f.k.a. "Expense Charges"), and the use of deceptive policy illustrations. Plaintiffs individually assert an additional breach-of-contract claim based on the Lincoln Defendants' implementation and collection of unlawfully inflated COI charges. Plaintiffs also assert individual statutory claims arising under the Texas Insurance Code for the Lincoln Defendants' violations of the Texas Insurance Code based on the deliberately incorrect billing of premiums, the unlawful implementation and collection of

“Premium Load Charges” (f.k.a. “Expense Charges”), the unlawful implementation and collection of inflated COI charges, and the use of deceptive policy Illustrations and Statements of Account. Plaintiffs reserve the right to amend this Complaint, and fully expect to amend this Complaint, to assert similar Texas Insurance Code claims on behalf of putative Texas class members, and Plaintiffs intend to make such an amendment at the expiration of the Texas Insurance Code’s mandatory notice period. The statutorily required notices are being served on the Lincoln Defendants contemporaneously with the filing of this Complaint, and are attached hereto as Exhibits L and M.

II. **THE PARTIES**

A. Plaintiffs

1. Robert M. Randolph is a resident of Weatherford, Parker County, Texas, and the insured under a Legend 300 flexible premium adjustable life insurance policy, with policy number JP525505 (the “Policy”). The Policy was issued to be effective September 9, 2002, by Jefferson-Pilot Life Insurance Company, as insurer, with insured Randolph, for initially a \$380,000 death benefit. Following his purchase of the Policy, Randolph transferred ownership of the Policy to the Trust to be held in trust for the benefit of Stephanie W. Randolph, Randolph’s wife, and as alternative beneficiaries, Randolph’s three children: Jeanette Randolph Rollins, Nowlin G. Randolph, and Anne C. Randolph. The Trust was formed in accordance with the provisions of the Texas Trust Code on April 1, 2008. By the time of the Trust’s formation, Jefferson-Pilot had merged into Lincoln. After receiving Randolph’s notice of transfer of ownership of the Policy to the Trust, on April 29, 2008, Lincoln accepted transfer of the Policy to the Trust. At all material times after April 1, 2008, Randolph was acting on behalf of the Trustee of the Robert M. Randolph 2008 Irrevocable Life Insurance Trust dated April 1, 2008 (the “Trust”), which holds the Policy in

trust. The Trust holds no assets other than the Policy, and the Trust relies on Randolph's annual gifts to the Trust—from which the Policy's premium payments are made. Furthermore, pursuant to the terms of a Marital Property Agreement made effective on December 8, 2005, Randolph is bound to retain Stephanie W. Randolph (in her personal capacity) as primary beneficiary under the Policy. The Marital Property Agreement binds Randolph to keep the Policy in force, failing which, Randolph's estate would pay her \$380,000 if she survives him, satisfied either from the death benefit of the Policy or from other assets of Randolph's estate.

2. Stephanie W. Randolph is a resident of Weatherford, Parker County, Texas, and Trustee of the Trust holding the Policy.

B. Lincoln Defendants

3. Lincoln National has its home office and principal place of business at 150 North Radnor-Chester Road, Radnor, Pennsylvania 19087. Lincoln National is and has been at all material times a corporation organized under Indiana law. Lincoln National acquired Jefferson-Pilot for approximately \$7.5 billion in cash and stock in a merger consummated in 2006. The combined company is one of the largest publicly traded life insurance companies in the United States of America, and it is the fourth largest in the State of Texas. Lincoln National's most senior executives—its CEO and CFO—both came to Lincoln from Jefferson-Pilot. Lincoln National is the parent of its subsidiary, Lincoln, and both conduct regular business under the same marketing name: "Lincoln Financial Group." According to letters sent to the policyholders, including Randolph, all of Jefferson-Pilot's insurance policies ("universal life insurance products") that are the subject of this lawsuit were transferred automatically to Lincoln as a result of the merger of Lincoln National and Jefferson-Pilot in 2006. Lincoln National may be served by and through its

Texas agent for service of process: Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin, Texas 78701.

4. Lincoln is a life insurance company incorporated under the laws of Indiana, with its principal place of business located at 100 North Greene St., Greensboro, NC 27401 according to public records. Lincoln purports to be the current insurer of the Policy. It also sent the misleading 2016 and 2017 communications regarding the universal life policies that are the crux of Plaintiffs' and similarly situated policyholders' claims under Chapter 541 of the Texas Insurance Code. Lincoln may be served by and through its Texas agent for service of process, as registered by Lincoln with Texas Department of Insurance records: Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin, Texas 78701.

III. **JURISDICTION AND VENUE**

A. **SUBJECT MATTER JURISDICTION**

i. Subject Matter Jurisdiction Over Plaintiffs' Individual Claims

5. This Court has original subject-matter jurisdiction over the named Plaintiffs' claims pursuant to 28 U.S.C. § 1332(a)(1), because there is complete diversity between Plaintiffs and both Lincoln Defendants, and Plaintiffs assert claims in excess of \$75,000.

6. Plaintiffs file their individual action on behalf of the Trust, which was formed under the Texas Trust Code. The Trust holds the Policy, which was delivered in the State of Texas and insures the life of a Texas resident. The citizenship of a trust, for diversity-jurisdiction purposes, is determined by the citizenship of its trustee. Here, Trustee is a citizen of Texas. Likewise, Randolph is a citizen of Texas. Therefore, the Trustee and Randolph are both diverse from Lincoln

National—which is a citizen of both Indiana (its place of incorporation) and Pennsylvania (its principal place of business)—*and* Lincoln—which is a citizen of Indiana (its place of incorporation) and North Carolina (its principal place of business).

ii. Subject Matter Jurisdiction Over Class Claims

7. This Court has subject matter jurisdiction over all class claims asserted herein under the authority of the Class Action Fairness Act (“CAFA”), codified in 28 U.S.C. § 1332(d). Plaintiffs are diverse from both named Defendants because Plaintiffs are Texas residents and Lincoln and Lincoln National are citizens of Indiana and North Carolina, and Indiana and Pennsylvania, respectively. On information and belief, there are 100 or more individual universal life policyholders with claims that may, and should be, tried jointly as class members on the ground that Plaintiffs’ claims involve common questions of law and fact. On further information and belief, the aggregate sum of Plaintiffs’ and all putative class members’ claims exceeds \$5 million, exclusive of interest and costs. Plaintiffs included the following types of relief when calculating the aggregate amount in controversy:

- a. Compensatory damages;
- b. Statutory damages, namely, treble damages awarded pursuant to Tex. Ins. Code § 541.152;
- c. Attorneys’ fees, as authorized by statute; and
- d. Quantifiable injunctive relief.

B.
PERSONAL JURISDICTION

i. General Jurisdiction

7. This Court has “general” personal jurisdiction over both Lincoln and Lincoln National.

a. *Lincoln’s continuous and systematic contacts with the State of Texas support an exercise of general jurisdiction over Lincoln.*

8. Lincoln’s contacts with this forum are so numerous, continuous, pervasive and systematic that they warrant the exercise of general jurisdiction. Per Texas Department of Insurance records, Lincoln accounts for 4.03% of the life insurance market share—generating *over \$450 million* in written premiums—making it the *fourth largest* issuer of life insurance in Texas as of 2015. Lincoln sells many of these policies through its Texas-based advisors and offices directly. The policies that they do not sell directly are sold through Texas brokers and general agents with whom the Lincoln Defendants regularly conduct business.

b. *Lincoln National’s own continuous and systematic contacts with the State of Texas support the exercises of general jurisdiction.*

9. Lincoln National has multiple subsidiaries, but it admits to being in the primary business of life insurance. In its most recent Annual Filing with the SEC, Lincoln National self-identifies as a “Life Insurance” company. *See* Lincoln National Corp., Annual Statement (Form 10-K), Feb. 23, 2017, at 1 (listing “6311 – Life Insurance” as its Standard Industrial Classification Code). Moreover, both Lincoln and Lincoln National operate under the same marketing name, “Lincoln Financial Group.” That marketing name appears on a variety of documents sent to Texas policyholders, including premium invoices, rate increase notices, statements of account, and policy illustrations. To this point, Lincoln Financial Group is not a standalone legal entity, but is instead a conflation of Lincoln National and its subsidiary companies, including Lincoln.

10. Lincoln National, operating under “Lincoln Financial Group,” maintains continuous and systematic contacts with the State of Texas, as evinced by the numerous advisors, registered representatives, and other agents residing in this State and conducting business under the Lincoln Financial Group name or otherwise on the Lincoln National’s behalf. Such business includes the selling of life insurance, annuities, health and accident insurance, and financial services to Texas residents. For perspective, Lincoln National houses three separate offices in this District alone.

c. *Additionally, Lincoln’s continuous and systematic contacts with the State of Texas impute to Lincoln National, supporting the exercise of general jurisdiction over Lincoln National.*

11. At all times pertinent, Lincoln was acting on Lincoln National’s behalf and as Lincoln National’s agent in the administration and servicing of the Policy and the policies of all others similarly situated. To be sure, it was Lincoln National, not Lincoln, who negotiated and executed the Lincoln-Jefferson merger. Pursuant to the terms of that merger, Jefferson-Pilot merged into Lincoln, Lincoln National’s wholly owned subsidiary at Lincoln National’s instruction. In exchange, it was Lincoln National that paid Jefferson-Pilot shareholders in cash and Lincoln National stock. Through the merger, Lincoln National effectively purchased the subject life insurance policies while at the same time delegating the responsibility of administering and servicing those policies to Lincoln, which is a “significant subsidiary” of Lincoln National. *See* Rule 1-02(w) of Regulation S-X, codified in 17 C.F.R. part 210.1-02 (definition of “significant subsidiary”).

ii. **Specific Jurisdiction**

12. This Court also has specific personal jurisdiction over both Lincoln and Lincoln National because the Lincoln Defendants cooperatively and purposely directed their business activities toward the State of Texas, availed themselves of the privileges of conducting business activities in Texas, and the claims asserted herein arise from and relate to those contacts.

13. The Lincoln Defendants established contacts in this forum by their assumed sale and servicing of certain insurance policies held by Plaintiffs and other Texas residents, which were delivered in the State of Texas, and the Lincoln Defendants' assumption of obligations under the subject policies. Specifically, Lincoln assumed responsibility as insurer under the Jefferson-Pilot policies by virtue of Lincoln National's acquisition of Jefferson-Pilot. Since that time, the Lincoln Defendants acted in unison when conducting business in this State, including the servicing and administration of those policies. At Lincoln National's direction, and in accordance with the terms of the Lincoln-Jefferson merger agreement, Jefferson-Pilot merged into Lincoln in 2006—with Lincoln thereby assuming Jefferson-Pilot's obligations under the Policy and other universal life policies—Lincoln undertook the task of administering and servicing those policies, a great many of which were held by, and insured the life of, Texas residents.

14. Lincoln and Lincoln National regularly conduct their business activities under the same marketing name, "Lincoln Financial Group." Many of the premium notices, illustrations, and statements of account at the heart of this litigation were sent on Lincoln Financial Group letterhead.

15. As addressed in later part of this Complaint, Plaintiffs' assert claims arising from the Lincoln Defendants' deceptive use of policy illustrations. Contained in each of those policy illustrations is an express representation that the form is "presented by Lincoln Financial Group."

16. Plaintiffs' also assert claims arising from the Lincoln Defendants' unlawful increases in cost-of-insurance charges based on "changed assumptions" regarding the policies. The notice letters sent to policyholders apprising them of the changes to coverage were sent on Lincoln Financial Group letterhead. Contained in each of those policy illustrations is an express representation that the form is "presented by Lincoln Financial Group." Furthermore, the "revised assumptions" letters instruct policyholders to call 1-800-487-1485 if they have any questions concerning their change in coverage. That phone number is Lincoln Financial Group's central line. Life-insurance-related matters are but one of several inquiries that can be submitted through that central the line.

17. Finally, each Statement of Account provided by Lincoln contains a "Lincoln Financial Group Privacy Protection Notice," which reads as follows:

The Lincoln Financial Group companies are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect information about you . . . while your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information.

In small print located at the bottom of the page, Lincoln defines "Lincoln Financial Group" as "Lincoln National Corporation and its affiliates."

18. Lincoln Defendants' share a singular interest in this matter and serve that interest cooperatively through the same business. In light of the foregoing facts, as further discussed in the sections that follow, Lincoln National's contacts with the forum are imputed to Lincoln, and Lincoln's contacts with the forum are imputed to Lincoln National.

19. The nature and quality of the Lincoln Defendants' contacts to this forum, and those contacts' source and connection to Plaintiffs' and putative class members' claims, together readily satisfy the "substantial connection test." The Policy underlying Plaintiffs' breach of contract

claims was delivered and negotiated in the State of Texas. Similarly, the acts and omissions that constitute the said breaches of contract occurred in Texas. Plaintiffs also assert private claims under Chapter 541 of the Texas Insurance Code (“TIC”), which provides a private right of action for Texas insureds to seek relief from insurers who conduct “unfair methods of competition” or “unfair or deceptive acts or practices” in the business of insurance in Texas. Concerning Plaintiffs’ TIC claims, the Lincoln Defendants engaged in unfair methods of competitions and/or unfair or deceptive acts or practices in the State of Texas while conducting business in this State (and while availing themselves of the benefits of selling and servicing life insurance in this State) that consequently subjected them to this forum’s jurisdiction. Those acts or practices include the delivery of incorrect premium notices “[m]isrepresenting the terms of a policy,” Tex. Ins. Code § 541.051(1)(1)(A); and misrepresentations regarding the policy terms made “to a policyholder . . . for the purpose of inducing or that tends to induce the policyholder to allow an existing policy to lapse or to forfeit or to surrender the policy,” Tex. Ins. Code § 541.051(5). At this time, Plaintiffs assert TDI claims individually on behalf of the Trust exclusively. However, Plaintiffs intend to amend this Complaint to assert class TIC claims on behalf of Texas policyholders with the same form policies and who experienced the same unfair or deceptive acts or practices. Plaintiffs fully intend to make such amendment as soon as soon as the Texas Insurance Code’s statutorily required 60-day notice period for class claims expires.

20. Plaintiffs assert common-law claims arising from the same deliberately incorrect billing practices, albeit involving policies delivered in different states, as the Lincoln Defendants admitted. Though the nationwide class may include policyholders from other states, Plaintiffs respectfully show that Plaintiffs do not assert any state-specific statutory claims on behalf of the nationwide class at this time (but intend to assert class claims for a Texas class under the Texas

Insurance Code). Plaintiffs assert common-law claims for breach of contract. Those claims follow virtually the same elements in all fifty states.

C.
VENUE

21. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claims occurred in this District.

22. The acts and omissions that underlie Plaintiffs' breach-of-contract claim occurred in this District, including (i) the delivery of deliberately incorrect annual premium invoices, (ii) the collection of unlawfully increased Cost of Insurance charges, (iii) the collection of improper Premium Load Charges (f.k.a. Expense Charges), and (iv) the issuance and delivery of deceptive policy Illustrations and Statements of Account to Plaintiffs.

23. Venue in this District is also proper because the Texas Insurance Code claims asserted by Plaintiffs arise from "unfair methods of competition" or "unfair or deceptive acts or practices" conducted by the Lincoln Defendants in this District. First, Lincoln made, issued, or circulated one or more illustrations that misrepresented the benefits or advantages of the Policy, and the majority of those illustrations were delivered to Plaintiffs, through Doug Frazier, whose office is housed in this District. *See* Tex. Ins. Code § 541.051(1)(B). Second, in this District, Lincoln delivered to Randolph (and later, Trustee) premium notices containing the wrong premium amount—an actionable "statement misrepresenting the terms of a policy" pursuant to Section 541.051(1)(A) of the Texas Insurance Code. Separately, but similarly, Lincoln's practice of billing deliberately incorrect premiums constitutes a "misrepresentation to a policyholder by any insurer for the purpose of inducing or that tends to induce the policyholder to allow an existing policy to lapse or to forfeit or to surrender the policy." *See* Tex. Ins. Code § 541.051(5). That cause of action also rests on the incorrectly billed premium invoices delivered substantially in this District.

24. Venue is also proper in this District under 28 U.S.C. § 1391(d) because the Lincoln Defendants are subject to the personal jurisdiction of the State of Texas, and this District is the district within which the Lincoln Defendants have the most significant contacts at the time of filing this Complaint. The Lincoln Defendants employ or contract with many business agents and operatives in this district. Plaintiffs as well as hundred if not thousands of putative class members did business with Lincoln (or their predecessor-in-interest, Jefferson-Pilot Life Insurance Company) in this District. The Lincoln Defendants have engaged and continue to engage in business in this District.

D.
DISCLOSURE OF RELATED LITIGATION
(Philadelphia Class Action Against Lincoln Defendants)

25. Currently pending in the U.S. District Court for the Eastern District of Pennsylvania is a separate class action involving the Lincoln Defendants and life insurance policyholders, many of whom also purchased universal life policies. *See Barti R. Rharwani, et al. v. Lincoln National Corp. and Lincoln National Life Ins. Co.*, Cause No. 16-cv-06605-GJP (“*In Re: Lincoln National COI Litigation*”). The two actions are distinguishable in important respects making this case proper to file as a separate, stand-alone suit. No class certification motion has yet been filed in that case, nor has there been a class certification.

26. The plaintiffs in the *In Re: Lincoln National COI Litigation* asserted claims for breach of contract, breach of implied covenant of good faith and fair dealing, and injunctive relief (collectively, the “core claims”), as well as a variety of state insurance-law and consumer-law claims (collectively, the state-specific claims). Among the state-specific claims previously asserted, the Texas Subclass of the *In Re: Lincoln National COI Litigation*, originally plead causes

of action for violations of Article 21.21 of the Texas Insurance Code (the predecessor to Chapter 541, which Plaintiffs also bring claims under).

27. The Lincoln Defendants' moved to dismiss all eight claims wholesale. The Eastern District recently ruled on that motion, dismissing the Texas Insurance Code claims without prejudice, offering the Texas Subclass class representative the opportunity to replead the Texas-based claims with greater specificity. However, the Eastern District Court denied dismissal of the other core claims, with the exception of the claim for declaratory relief. *See Memo. And/Or Op. Signed by Hon. Gerald J. Rappert*, Cause No. 16-cv-06605-GJP (Entered: Sept. 12, 2017). In the Amended Consolidated Class Action Complaint that we filed on September 25, 2017, based on leave of court granted on September 11, 2017, the Seventh Claim for Relief still alleges violations of 28 Tex. Admin. Code sections 21.2206 to 21.2212 and Texas Insurance Code article 21.21 on behalf of one of the class plaintiffs and a sub-class of Texas policy holders.

28. The *In Re: Lincoln National COI Litigation* focuses almost entirely on the Lincoln Defendants' unlawful cost of insurance increases. Plaintiffs here make *no class claims* based on the cost of insurance increases. Although Plaintiffs here also assert *individual* claims arising from Lincoln's unlawful cost of insurance increases, it is but only one of four distinguishable bases for the claims asserted herein. In this lawsuit, unlike the *In Re: Lincoln National COI Litigation*, Plaintiffs assert individual claims against the Lincoln Defendants arising from not only Lincoln's improper unlawful cost of insurance increases, but also individual and class claims for distinct forms of misconduct that are not pled in the *In Re: Lincoln National COI Litigation*. Specifically, on their own behalf and all others similarly situated, Plaintiffs assert both "core" and "state-specific" claims arising from or related to the Lincoln Defendants' "Deceptive Illustrations and Statements of Account Scheme," "Deliberately Incorrect Annual Premium Invoice Scheme," and

the “Premium Load Charge Scheme,” all described in more detail hereinafter. For these reasons, Plaintiffs respectfully show that both its individual claims, pleaded class action claim, and to-be-asserted Texas Insurance Code class action claims for a Texas class merit this separate suit.

IV.
FACTUAL BACKGROUND

A.
The Policies at Issue

29. The policies at issue are all universal life policies (collectively, “UL” policies) issued by Jefferson-Pilot and its affiliated entities (“JP policies”). The principal benefit of universal life policies is that, unlike other kinds of whole life insurance that require fixed periodic premium payments, the premiums required for universal life policies are flexible and need only be sufficient to cover the COI charges and certain other expenses specified in the policy. The COI charge is typically the highest expense charge that a policyholder pays, at least on a month-to-month basis. As a result, the provision in the policy explaining how and when COI Charges can be adjusted is one of the most important terms of the contract. Likewise, this places a heightened responsibility on the insurer to properly bill each annual premium so that the insured maintains the term and amount of insurance intended.

30. Instead, each year Jefferson-Pilot (later, Lincoln) invoiced first Randolph, and then the Trustee, an annual premium of \$4,983.22 (which was the initial discounted year’s premium), and each year the invoiced amount of premium was paid. Randolph simply paid the premium as billed, trusting that sophisticated companies like Jefferson-Pilot and Lincoln could manage to issue invoices for the correct premium amounts. With each year of incorrectly billed premium amount, Jefferson-Pilot, and then Lincoln, shortened the term of the policy, shrinking the insurance to

violate **two cardinal goals** that had been the central basis for Randolph's purchase of the insurance: (1) coverage to at least age 100; and (2) a \$380,000 death benefit.

31. Randolph purchased the Policy in order to pay premiums at a uniform rate, so as to create positive account values in earlier years (of lower mortality) on which interest would accrue and maintain his policy coverage to at least age 100. Any premiums paid in excess of the COI Charges and other delineated expenses are applied to a policy's "accumulation account," sometimes known as "policy account" or "cash value." These excess premiums earn interest, often called the credited rate.

32. In this case, however, Plaintiffs and similarly situated policyholders did not receive the full benefits of their UL policies. Rather than provide their policyholders with what they contracted for, especially long-term, Lincoln used its own breaches of the policies to hold the policyholders hostage—putting them into the dilemma of paying higher-than-contracted large premium increases ("hostage premiums") to keep the policies in force (according to Lincoln), or letting the policies lapse (usually much later in the mortality curve, after the policyholders have paid years and years of premiums), hugely profiting the Lincoln Defendants thereby.

33. Trustee holds in trust one of these Jefferson-Pilot universal life insurance policies on the life of Randolph, an 81-year-old attorney (retired since 1998) and resident of Weatherford, Parker County, Texas. In 2002, Randolph compared other companies' universal life insurance policies and received detailed illustrations and information from Jefferson-Pilot through Doug Frazier, whose office is in Tarrant County, Texas, before ultimately purchasing his JP Legend LifeWriter 300 policy, effective September 9, 2002. After initially owning his Policy individually, Randolph assigned his policy in 2006 to Stephanie W. Randolph, as Trustee for his Texas-formed life insurance trust. This assignment was acknowledged and accepted by Lincoln. Since that time,

Randolph has received information on behalf of, and acted as agent for, Trustee. Trustee is also representative of all similarly situated Lincoln policyholders, including all members of all subclasses defined herein. Plaintiffs have retained as legal counsel George Parker Young, Rich Hyde, and the firm of Circelli, Walter, and Young, P.L.L.C. Plaintiffs have standing to bring all claims for relief asserted in this Complaint, and have been victimized by every type of unlawful and inequitable practice challenged in this Complaint. Lincoln's unlawful practices fall into four categories.

The Deliberately Incorrect Premium Invoice Scheme

34. When Randolph agreed to purchase the Jefferson-Pilot policy at issue, he was very clear that he wanted to purchase death benefits of \$380,000, with that amount remaining the death benefit for the life of the policy, through his death, and that he wanted to be insured to at least age 100. Accordingly, on July 16, 2002, he was provided an illustration by Jefferson-Pilot (attached hereto as Exhibit B) that showed exactly that scenario, with the policy continuing to and past age 100, a death benefit of \$380,000, and the premium amount being “-0-“ premium after he attained age 100 (for ten ensuing years). Though retaining the right to adjust the premium based on very limited factors set forth in the contract of insurance, at the inception of the Policy Jefferson-Pilot specified to Randolph that to meet his **two cardinal goals** (death benefit of at least \$380,000 and coverage to at least age 100), after an initial, one-time discounted year's premium of \$4,983.24, he would pay an annual premium in the amount of \$8,155. Despite explicit instructions provided in and with the Policy Application and accompanying materials to charge the premium required to maintain the death benefit of \$380,000 for a term exceeding Randolph attaining age 100, first Jefferson-Pilot and then Lincoln incorrectly billed the annual premium for over 15 years.

35. Each year Jefferson-Pilot (and later, Lincoln) invoiced Randolph (and later, the Trustee) an annual premium of \$4,983.22 (which was the initial discounted year's premium), and

each year the invoiced amount was paid as billed. However, with each year of incorrectly billed premium amount, Jefferson-Pilot, and then Lincoln, shortened the term of the Policy, shrinking the insurance to violate the **two cardinal goals** that had been the central basis for Randolph's purchase of the insurance.

36. Randolph, age 81, though currently in excellent health, now has a medical history that makes him uninsurable for purposes of life insurance.

37. After Lincoln changed the format of its invoicing and Annual Statement in September of 2014, several questions were raised about what Lincoln (and its predecessor Jefferson-Pilot) had been invoicing as premium on the policy and the effect on the policy term and amount. Randolph (acting on Trustee's behalf), both directly and through Frazier, raised Lincoln's premium invoicing errors beginning in September of 2014, and several more times since (including having Frazier speak with Lincoln's chief legal counsel and its director of compliance in 2015). Lincoln continued to incorrectly invoice Trustee. Shockingly, Lincoln refused to take any responsibility, informing Randolph that even with the inflated catch-up premiums they were now quoting, Randolph could only maintain insurance to 97 (three years short of the age 100 trigger, carrying ten more years of insurance under the policy at no premiums).

38. Even though the Incorrect Annual Premium Invoices were entirely Lincoln's (and its predecessor Jefferson-Pilot's) fault, Trustee never sought a windfall. From the time the billing errors were discovered, Plaintiffs simply sought to reach consensus on the required amount of a one-time catch-up premium payment by the Trust to keep the policy in force, with the originally agreed-upon term (coverage to and past 100 years) for a death benefit of \$380,000. Lincoln, however, took steps to make it impossible to determine the proper amount of this catch-up

premium amount, instead providing misleading information and illustrations showing a catch-up premium that only kept the term of the policy in force into age 97.

39. To avoid the policy lapsing, in an abundance of caution, Trustee eventually paid the \$44,000 catch-up payment and increased annual premium in the amount of \$14,583. However, even after that, Lincoln continued to incorrectly invoice Trustee (most recently in September of 2017).

40. On information and belief, Lincoln has engaged in this incorrect premium invoicing practice with hundreds if not thousands of insureds with the known consequence of inducing “shock lapses”—the surrender or premature lapse of policies provoked by sudden and dramatic spikes in payment obligations once the incorrect premium invoicing is brought to Lincoln’s attention. Even those who were fortunate enough to be able to fund the increased premiums quoted to at least keep their policy in force were still unfortunate in that they still had to endure Lincoln’s charging of “hostage” premiums—premiums which Lincoln inflated to rates that it knew its elderly, uninsurable, and deeply invested policyholders would be forced to capitulate to, or experience lapses of their policies.

The Deceptive Illustration Scheme

41. As discussed, the term of the Policy shortened as a result of the Annual Deliberately Incorrect Premium Invoice Scheme, so Randolph, in an abundance of caution, solicited Lincoln for payment options to keep the Policy in force to at least the age of 100 for the full death benefit of \$380,000. In response, on October 12, 2016, Lincoln sent an illustration representing that payment of an almost \$44,000 catch-up (“\$43,968”) and increased annual premiums of \$14,583 would keep the Policy in force until age 97 (notably, 13 years short of the initially agreed-upon term). Notably, the performance reflected in the October 12, 2016 Illustration does not reflect the

consequence of charges other than the COI charges (e.g., Premium Load Charges, *discussed below*) on the Policy's performance.

42. Under the duress of the Policy lapsing, and in reliance upon an illustration sent by Lincoln on October 12, 2016, Plaintiffs made the \$44,000 catch-up payment and the annual premium payment for 2016 year at the increased rate of \$14,583, enclosed with a letter expressly noting that the check was for payment of the catch-up and the first-year at the increased premium and that they were paying in order to "prolong the life of the policy."

43. However, on September 18, 2017, Randolph received from Lincoln a Statement of Account showing coverage that materially deviated from the coverage it represented it would provide per the October 12, 2016 Illustration. The September 18, 2017 Statement of Account showed that even with the catch-up payment, and all future planned premiums paid at the increased amount of \$14,583, the term of Randolph's coverage would extend only to April 2032, at which time Randolph would be 95 years old. That is, eleven months after sending an illustration indicating that coverage would extend into age 97, Lincoln shaved two critical years off of Randolph's coverage.

44. The Deceptive Illustrations and Statements of Account Scheme is further addressed in this Complaint *infra*, Part IV.F.

The Unlawful Increase in Cost of Insurance ("COI") Rates

45. The Policy gives Lincoln limited discretion to determine the COI rate based on its expectation of future mortality, interest, expenses and lapses. In September 2016, Lincoln announced a COI rate increase for policies that have been in force for up to eighteen years. This increase was in excess of 91% for Plaintiffs, and on information and belief, even higher for other insureds. Lincoln based the COI increases on impermissible considerations. On information and

belief, the COI Rate Increase resulted in the unlawful implementation and collection of significantly higher premiums for hundreds if not thousands of policyholders, and for many hundreds if not thousands of others, resulted in Lincoln's other goal: the surrender or lapse of their policies.

46. The unlawful COI Rate Increase is further addressed in this Complaint *infra*, Part IV.D.

The Improper “Premium Load Charges” and “Expense Charges”

47. From 2002 to 2014, the Summaries of Policy Activity delivered as part of Plaintiffs' Statements of Account listed an annual deduction for what the statements reference as “Expense Charges”—which was applied annually and listed as a deduction separate from the cost of insurance charges. Over that 12-year term, Lincoln unlawfully deducted \$5,775.66 in annual “Expense Charges.” Later, beginning in 2015, Plaintiffs' annual Statements of Account began showing an annual deduction for what the Statements of Account reference as the “Premium Load Charge.” Since 2015, Lincoln has unlawfully deducted \$6,598.81.

48. Although “Premium Load Charges” (f.k.a. “Expense Charges” deductions) appear in the Policy's annual Statements of Account, that term appears nowhere in the Policy, Policy Application, or any of the Illustrations. Nor does anything in the Policy, Policy Application, or Illustrations purport to authorize Lincoln to deduct an amount for “Expense Charges” as a separate charge additional to COI charges.

49. Plaintiffs, acting by and through Randolph, reached out to Lincoln directly to inquire about the deduction (what it was, what it was used for, and on what authority Lincoln deducted it). However, those efforts were to no avail. On information and belief, the annual “Premium Load Charge” (f.k.a. the “Expense Charges” deduction) is, plainly stated, Lincoln's

illegal practice of implementing and collecting an unauthorized windfall from policyholders. The practice is even more culpable when considered in conjunction with the increase in premiums due to the COI Rate Increase in 2016 and/or the need to “catch up” due to the deliberately incorrect premium. Because the “Premium Load Charge” (f.k.a. the “Expense Charges” deduction) is calculated at a fixed rate of the amount of premiums paid, an increase in the size of the premiums creates a corresponding increase in the size of the Premium Load Charge. In effect, Lincoln has created an exponential windfall from its own windfall.

50. As a result of the unlawful implementation and collection of annual deductions for “Expense Charges” and “Premium Load Charges,” Randolph’s coverage under the Policy has been shortened, requiring Plaintiffs to pay a significant catch-up payment and improperly increased premiums to keep the Policy in force until Randolph reaches the age of 97, not the original minimum 100 years of age for the full \$380,000 death benefit.

51. On their own behalf and on behalf of all others similarly situated, Plaintiffs bring common-law claims for breach of contract and equitable claims for injunctive relief based on the unlawful implementation and collection of “Expense Charges” and “Premium Load Charges.” Plaintiffs also bring individual, statutory claims for violations of the Texas Insurance Code based on the unlawful implementation and collection of “Expense Charges” and “Premium Load Charges.”

52. The unlawful Premium Load Charge is further addressed in this Complaint *infra*, Part IV.E.

B.
More on the Policy Sold to Randolph

53. At his then-current age of 66, Randolph communicated to Jefferson-Pilot, through Doug Frazier that three things were of utmost importance to him regarding the insurance that became the Policy: (1) that the Policy insure him to at least age 100; (2) that the face amount of the policy remain \$380,000 over the course of the years until it paid at his death; (3) that the premiums be at a uniform rate necessary to accomplish (1) and (2). In other words, Randolph was not using the Policy as a tax avoidance device or wealth building mechanism. Rather, he intended to use it as a means of providing financial security for his wife.

54. On July 16, 2002, Jefferson-Pilot sent Randolph a Policy Illustration included in a document setting out many of the company's terms of the Policy. A true and correct copy of the July 16, 2002 Illustration and the full document in which it is included is attached hereto and incorporated herein as Exhibit A. The first page of the July 16, 2002 Illustration (titled "Policy Illustration Explanation") reads, in relevant part:

This policy allows for flexible premium payments **to age 100**. There is **no maturity date**. This policy will **remain in force** as long as the cash surrender value is sufficient to cover monthly policy expenses.

Ex. A at 2 (emphasis added).

55. In short, the July 16, 2002 Illustration represented coverage into age 100 for a \$380,000 death benefit assuming the payment of planned premiums to age 100. At age 100, Randolph would no longer be required to pay premiums and the Policy would remain in force into age 110 so long as the cash value of his Policy was at least \$1.

56. Line one of the July 16, 2002 Illustration lists a Year 1 discounted premium outlay (paid at Age 66 and extending past Randolph's 67th birthday) for the sum of \$4,983. The next line of the Illustration lists a Year 2 premium outlay (paid at Age 68) for the sum of \$8,155. Years 2

through 34 list the same premium outlay, \$8,155, to be paid by Randolph at Ages 67 to 99 (2004 extending to 2036). When Randolph purchased the Policy, he did so with the clear understanding that the annual premium would increase roughly 60% in 2003 and remain stable at that amount into Age 100, subject to premium increases limited to very limited circumstances not applicable here.

57. Randolph reviewed multiple life insurance products offered by a variety of life insurance companies before Randolph ultimately chose his particular Policy with Jefferson-Pilot. Randolph was very specific about what he needed, and he picked his Policy based on a very select set of criteria that Jefferson-Pilot represented itself as being willing and able to satisfy. Even then, Randolph made sure to meticulously navigate the terms of his Policy Application and the July 16, 2002 Policy Illustration. Based on his very select criteria, the Policy with Jefferson-Pilot was his optimal choice.

58. The July 16, 2002 Illustration contains material recitations of company obligations and a demonstration for how the Policy is to perform. Moreover, Randolph was **required to sign** the July 16, 2002 Illustration before Jefferson-Pilot would activate his Policy.

59. Two weeks later, Jefferson-Pilot, through Frazier, presented Randolph with a Policy Application, which Randolph completed and signed on July 31, 2002, and submitted to Jefferson-Pilot, through Frazier. A true and correct copy of the Policy Application is attached hereto as Exhibit B. The “Billing Instructions” found in the Policy Application list a “Planned Premium” in the amount of \$8,155, with the Premium Bill to be sent annually to the insured’s “Home Address.” Ex. B at 2.

60. Jefferson Pilot accepted Randolph’s Policy Application and issued a Legend 300 flexible premium adjustable life insurance policy with policy number JP525505 (the “Policy”),

dated and effective September 9, 2002. A true and correct copy of the Policy is attached hereto as Exhibit C.

61. The Jefferson-Pilot merger into Lincoln was completed in April 2006, and Lincoln assumed all responsibilities and contractual obligations under the Policy and the policies of all other similarly situated Jefferson-Pilot policyholders. On April 3, 2006, Lincoln mailed Randolph a letter notifying him of the merger, Lincoln's assumption of insurer status under the Policy, and assuring him that "[a]ll other terms and benefits of your policy, contract or certificate will remain unchanged."

62. On or about April 1, 2008, Randolph, as settlor, established the Trust, whereby he transferred his interest under the Policy to be held in trust and administered by his wife, Stephanie W. Randolph, as Trustee. Stephanie W. Randolph was also made primary beneficiary of the Policy, and Randolph bound himself contractually to her to see that the Policy premiums were paid so that the full death benefit of \$380,000 was paid to her at his death (or, failing such Policy, pay her such sum from his estate if she survives him). Lincoln accepted the change in ownership on April 4, 2008.

C.

More on The Deliberately Incorrect Premium Invoice Scheme

63. When the Policy was issued on September 9, 2002, the "annual" billed premium for the Policy was \$4,983.24. Jefferson-Pilot's representations about this premium and future-level premiums varied. The July 16, 2002 and the July 31, 2002 Policy Applications stated this \$4,983.24 amount was a one-time, first-year, discounted premium, and that the premium was scheduled to increase in 2003 to the full-year premium of \$8,155. The Premium Invoices and Statement of Account delivered to Randolph in 2003 incorrectly stated that the continuing annual premium would be \$4,983.24.

64. Jefferson-Pilot (and later, Lincoln) consistently sent Randolph incorrect premium notices of \$4,983.24 each year *for fifteen years*, despite contract documents showing that the premium would increase after the first year to \$8,155. Randolph paid the amount billed by Jefferson-Pilot (and later, Lincoln) of \$4,983.24 through 2015 (and paid increased premiums of \$14,583 for 2016 and 2017). Lincoln has since admitted this incorrect billing was deliberate on its part, though it had the information that the entire premise of the purchase of the Policy in the first place was based on premiums after the first year being \$8,155.00 until 2035. On information and belief, Lincoln engaged in this deliberate practice of incorrectly billing premiums to numerous other UL insureds, with two main categories of damages accruing: (1) “shock premium” notices sent in policyholders’ later years that cause forfeiture or the premature lapse of policies; or (2) “hostage” premium notices that unduly enable Lincoln to extract far more in premium payments than if the premiums had been properly billed in the first place, with Lincoln simultaneously attempting to shorten the term of the policy.

65. In a letter sent with the Policy’s 2014 Statement of Account on September 9, 2014, Lincoln notified Trustee that “certain assumptions” had changed regarding the Policy, namely, assumptions made about how it would perform based on premiums paid, cost of insurance, and interest rates. A true and correct copy of the September 9, 2014 Notice Letter is attached hereto and incorporated herein as Exhibit D. The September 9, 2014 Notice Letter further indicated that based on Lincoln’s unilaterally revised, “current” assumptions, the Policy would now expire in June 2024, i.e., when Randolph attained the age of 88, *not* at the age of 100. This was not the bargain Randolph made with Jefferson-Pilot. He was very clear that he needed, and specifically intended, the Policy to extend to *at least* age 100.

66. On September 9, 2015, Plaintiffs received a second notice letter, which contained substantially the same language as the September 9, 2014 Notice Letter. *See infra* ¶ 57. The September 9, 2015 Notice Letter notified Plaintiffs that certain assumptions had *again* changed. This time, Lincoln shortened Randolph’s coverage to June 2023, i.e., when Randolph attained the age of 87— a year short of the previous year’s projected coverage and 13 years short of the coverage represented at the Policy’s inception. A true and correct copy of the September 9, 2015 Notice Letter is attached hereto and incorporated herein as Exhibit E.

67. Through Frazier, Plaintiffs immediately inquired into the matter, seeking an explanation from Lincoln for why the current policy performance was not in line with the original illustrations and why coverage was precipitously shortening. Lincoln responded in a letter dated November 26, 2014, a true and correct copy of which is attached hereto and incorporated herein as Exhibit F. In the November 26, 2014 Letter, Lincoln *admits* that “[t]he original illustration that was signed by the owner of the policy specified the first year premium at \$4,983.24; afterwards, effective for the second policy year the premium was to be increased to \$8,155 and continuing for the maturity of the policy[,]” and that the inconsistency between the Policy’s performance and the July 12, 2002 Illustration was “attributable to premiums not paid as originally specified.” Ex. F ¶¶ 1, 3. Lincoln purports to excuse its failure to follow the Policy’s terms in the November 26th letter, stating,

Per our review of policy activity, there is no record of any requests from the client or agent to change the specified premium for the second policy year. In 2002, we did not have the ability to code for future premium changes; this ability was no available until 2010 The policy owner or agent would have needed to contact us to have the premium billing amount changed for the second annual premium.

68. Lincoln’s November 26, 2014 Response Letter fundamentally misstates the nature of the Policy. Although it correctly admits that the premium was supposed to increase to \$8,155

beginning in 2003, it incorrectly states that the \$8,155 amount would be “[c]ontinuing for the **maturity** of the policy.” (Emphasis added). This directly contradicts what was represented in the Policy Illustration sent on July 6, 2002: “[T]here is *no maturity date*. This policy will *remain in force* as long as the cash surrender value is sufficient to cover monthly policy expenses.” Ex. B at 2 (next to subtitle “LifeWriter Legend 300”) (emphasis added). Likewise, the November 26th Letter directly contradicts the “continuation” terms found on Page 8 of the Policy:

Continuation of Insurance. This Policy and all riders will continue in force according to the terms as long as the cash surrender value is sufficient to cover the monthly deduction. If premiums are discontinued on any date, the value on that date will be used to provide insurance under this provision.

69. More concerned about the immediate consequences of the Policy lapsing than arguing the Lincoln’s liability for the incorrect billing, Plaintiffs, acting through Frazier, solicited options from Lincoln for keeping the Policy in force for the full Death Benefit of \$380,000 until Randolph reached at least age 100. Those options included Randolph making a “catch-up” payment of \$44,000 and payment of annual premiums in the amount of \$14,583.00 (a 78.8% increase from the original premium amount of \$8,155). But even with Randolph’s payment of the catch-up payment and dramatically increased premiums—payments designed to bring the Policy in line with the original coverage contemplated at its inception—coverage would be shortened from an attained age of 100 to 97.

70. In an abundance of caution, on December 14, 2016, Randolph, acting on behalf of both Plaintiffs, sent a letter to Lincoln, accompanied by a check made payable to Lincoln for \$58,583.00—\$44,000 for the “catch-up” payment and \$14,583.00 for payment of the 2016 premium. A true and correct copy of Plaintiffs’ December 14, 2016 Letter is attached hereto and incorporated herein as Exhibit G. The December 14, 2016 Letter recited the ways in which Lincoln

had incorrectly billed premiums for over a decade. It also explained what Lincoln's November 26, 2014 response letter diagnosed as the extended billing error's cause. Randolph's letter emphasized that neither Randolph, as original owner of the policy and the insured, nor Trustee, who by then held the policy in trust as the assigned owner, agreed that Lincoln was entitled to charge the increased premiums (due to the incorrect billing error) or the COI increases (discussed *infra* Part IV.D), and that the Trust expressly "reserve[ed] all rights to seek return of all or portions of the same." The December 14, 2016 Letter further clarified that the payments were not to be "construed as acceptance, ratification, or waiver of Lincoln's breaches of contract or other violations of law" and that "[i]n no way does the payment constitute waiver of applicable limitations, estoppel, or other legal and equitable reasons that Lincoln National is not entitled to charge the increased premium and catch-up." Rather, Randolph made the payments "in order to avoid the threatened risks of cancellation, benefit reduction or shortening of the full term of the policy."

71. Aside from Lincoln's repeated errors computing the premiums due (which created the need for a catch-up payment in the first place), Lincoln incorrectly computed the catch-up payment itself in three ways. *First*, Lincoln calculated the catch-up payment using an incorrect projected duration of the policy to terminate when Randolph reached the age of 97, rather than the age of 100. *Second*, a multi-thousand-dollar discrepancy exists between the catch-up payment as billed and the catch-up payment as it should have been billed. The correct annual premium is \$8,155. And the premium that Lincoln incorrectly charged each year from 2003 through 2015 was \$4,983.24. The difference between the two figures (i.e., what should have been billed) is \$3,171.76, which when multiplied by 13 (i.e., the number of years Randolph had been incorrectly billed as of that time) results in \$41,232.88. But that is not the catch-up amount Lincoln charged.

Instead, Lincoln charged \$43,968, which Randolph rounded up to \$44,000 and paid. Lincoln failed to explain the additional \$2,767.12 tacked on at Plaintiffs' expense.

72. Lincoln's legal department has been on notice of the premium billing error since as early as October 2014. The Lincoln Defendants were reminded of the issue in September of 2015, when Frazier discussed the matter directly with Lincoln's chief legal counsel and director of compliance. And as if those events were not enough to put the Lincoln Defendants on notice of the billing error, Randolph certainly did the job with his thorough demand letter sent on December 14, 2016. On more than three separate occasions, Plaintiffs thoroughly apprised Lincoln of its errors.

73. However, despite the wide array of notices received, in September of 2017, Lincoln *again* sent a premium notice for the 2017 year at the initial, discounted year's premium amount of \$4,983.24. This prompted Randolph to write a *new* letter on September 1, 2017, in which Randolph once again notified Lincoln of its failure to adjust the premiums to the increased amount of \$14,583.00, which itself followed 14 years of failing to adjust the premium upward from \$4,983.25 to \$8,155. Randolph enclosed a copy of the letter he sent on December 14, 2016, and a check for the full, increased premium amount of \$14,583.

D.

More on The Unilateral and Unlawful Cost of Insurance Increases

74. The Policy's premiums increased in 2016 for a reason totally separate from the Annual Deliberately Incorrect Premium Invoice Scheme described in Part C. In addition to the premium increases necessary to extend the life of the Policy, the Policy's premiums increased in response to Lincoln's unilateral and unlawful increase in the cost of insurance ("COI") for **all** the subject universal life policies.

i. Lincoln Unilaterally Increased the Policy's COI Rates in 2016.

75. On or about September 6, 2016, Plaintiffs received a letter from Lincoln indicating that the Policy's monthly COI Rates would increase by an unstated amount beginning October 9, 2016. A true and correct copy of the COI Rate Increase Notice Letter is attached hereto as Exhibit H. To justify the increase, Lincoln generically blamed its continued burden of "nearly a decade of persistently low interest rates, including recent historic lows, and volatile financial markets." Likewise, Lincoln told its brokers that the COI increases are the result of the following:

- "Lower investment income as a result of continued low interest rates";
- "Updated mortality assumptions, including instances of both higher and lower expected mortality rates versus prior expectations"; and
- "Updated expenses, including higher reinsurance rates."

76. The September 6th Notice Letter did not indicate the size of the COI Rate increase, but instead directed the policyholder to request an "inforce illustration." Frazier did just that at Plaintiffs' request. In response, on October 12, 2016, Lincoln sent Frazier an Illustration representing that in order to keep Randolph's Policy in force into age 97, Plaintiffs would need to pay a \$43,968 catch-up payment plus new annual premiums of \$14,583.00. Of course, the October 12, 2016 Illustration does not indicate how much of the 78.8% premium increase accounts for remedying the incorrect premium billing error compared with how much of the increase accounts for the newly noticed COI increases. That information can only be determined by comparing Statements of Account from before and after the October 9, 2016 COI Rate hike.

77. The Summary of Policy Activity found in Plaintiffs' 2016 Statement of Account lists the COI charge for September 2016 as \$370.89. By comparison, the 2017 Statement of Account's Summary of Policy Activity lists the COI Charge for November 2016 (the first full

month of the post-COI Rate Increase) in the amount of \$708.85—an increase of \$338.85 dollars or 91.1%.

78. Tellingly, Lincoln’s September 10th Notice Letter did not indicate that it planned to increase rates due to future adverse cost increases. Instead, its notice dwelled on *past* costs—e.g., “We continue to face nearly a decade of persistently low interest rates, including historic lows.” The letter provided no other explanation for the COI Rate increase in the face of improving mortality rates and an improving interest rate environment.

79. Because of the COI Rate increase, Plaintiffs are now required to absorb significantly higher deductions to maintain the same level of coverage anticipated when Randolph purchased the Policy.

ii. **The COI Rates are Limited to Certain Enumerated Factors.**

80. The COI charge is typically the highest charge that a policyholder pays, at least on a month-to-month basis. As a result, the provision in the policy explaining how and when COI Charges can be adjusted is one of the most important terms of the contract. This places a heightened responsibility on the insurer to properly bill each annual premium so that the insured maintains the term and amount of insurance intended.

81. The size of the COI Charge is highly significant to policyholders for at least two important reasons: (a) the COI Charge is typically the highest expense that a policyholder pays; and (b) the COI Charge is deducted from the policy account (i.e., the savings or investment component) of a policy, so the policyholder forfeits the amount of the COI Charge entirely.

82. Values built up in policyholders’ interest-bearing accounts generate interest at a minimum guaranteed rate (or, potentially a higher, non-guaranteed rate). Absent other contributions, the interest generated is reduced by the monthly amount of the COI Charge and

Administrative Charge (collectively, the “Monthly Deductions”). If the COI Charge and Administrative Charge exceed the interest generated for the month (plus any amounts paid into the policy account), the Policy Value (and interest generating “principal”) is reduced by the Monthly Deductions.

83. Small changes in the cost of insurance rate (“COI Rate”) can cause a dramatic increase in the dollar amount of the Monthly Deductions, particularly at older attained ages. Consequently, the higher the COI Rate, the greater the amount of the premiums required to maintain a positive Policy Value balance and avoid a lapse of the policy.

84. Jefferson-Pilot’s insurance policies (now Lincoln’s) limit the insurer’s ability to increase COI rates. Randolph’s Policy contains the following contractual limitation (emphases added):

The monthly cost of insurance rates are determined by us. **Rates will be based on our expectation of future mortality, interest, expenses, and lapses.** Any change in the monthly cost of insurance rates used will be on a **uniform basis** for Insureds of the same rate class.

85. This provision restricts the circumstances under which the Lincoln may raise the COI rate and does not permit Lincoln to increase COI rates, for example, to cover for improper dividends Lincoln paid to Lincoln National, or miscalculations concerning past mortality assumptions, or past interest rates, expenses or lapse rates. Likewise, Lincoln is not permitted, pursuant to the policy terms to increase COI Charges to earn future profits higher than the level projected at the time the Policies were priced. Under the Policy, COI rates may only be raised based on expected *future* experience relating to the enumerated factors resulting from a deviation between actual and assumed experience using actuarially sound practices.

86. On information and belief, each Legend policy in these series states that COI “will be based on our expectation of future mortality, interest, expenses, and lapses,” and that “any

change” in COI rates “will be on a uniform basis for Insureds of the same rating class.” On further information and belief, each Legend policy in these series states that “upon request, we will provide, without charge, an illustration showing projected policy values based on guaranteed as well as current mortality and interest factors.”

iii. The COI Rate Increases Are Unlawful.

a. *The COI Rate Increases Were Not Based on the Factors Enumerated in the Policy.*

87. The Policy states that cost of insurance “[r]ates will be based on our expectation of future mortality, interest, expenses, and lapses.” Likewise, the Illustration sent to Randolph, through Frazier, on July 16, 2002, states that “[t]he rates charged [for cost of insurance] are based on the policy year, the attained age of the insured, the insured’s underwriting class and the amount at risk.”

88. Lincoln has pointed to three factors that it purports justify the increase: lower investment income as a result of continued low interest rates, “updated” mortality assumptions, and “updated” reinsurance costs—but those estimates are not sufficient to justify any increase in excess of 91%.

89. *First*, reinsurance costs cannot provide material support for the increase, and reinsurance costs are not an enumerated permissible factor for an increase. Reinsurance is a cost that the insurer voluntarily undertakes with an undisclosed third-party; it is *not a direct cost* of administering the policy. Moreover, Lincoln National’s earnings releases prior to the COI Rate increase do not mention losses due to increased reinsurance costs at all—in fact, its Q4 2014 results show a \$53 million profit on recapturing policies from out of reinsurance contracts. Whatever changes there have been in Lincoln’s future reinsurance costs cannot provide material support for the COI Rate Increase.

90. To the extent Lincoln claims that the third-party reinsurance companies demanded premium increases, or that Lincoln recaptured certain liabilities associated with the Policy to avoid increased reinsurance premiums, any such increases were a direct result of Lincoln's own past failures to adhere to the underwriting standards used to price the reinsurance treaties rather than any future change in expected experience.

91. Second, Lincoln claims that changing mortality expectations has contributed to some COI increases. But the opposite is true: Lincoln has filed interrogatory responses with the National Association of Insurance Commissioners (NAIC) in each year from 2010 to 2014 stating that it expects mortality experience to improve. Additionally, Lincoln's 2015 Annual Statement stated that "mortality experience is also predicted to improve in the future." And in its Quarterly Report on Form 10-Q filed with the SEC for the third quarter of 2016, Lincoln National informed investors that "[m]ortality was in line with [Lincoln National's] expectations during the third quarter of 2016."

92. Nationwide, mortality (normally the most important element in COI rates) has continuously *improved* since the Policy was issued. Beginning at least as early as 1980, the NAIC has issued a series of Commissioners Standard Ordinary ("CSO") mortality tables. These are industry standard mortality tables that were commonly used by insurers at the time the Policy was priced to calculate reserves and to set maximum permitted cost of insurance rates in universal life policies. In 2001, at the request of the NAIC, the Society of Actuaries (SOA) and the American Academy of Actuaries (Academy) produced a proposal for a new CSO mortality Table. The accompanying report from June 2001 explained that (a) the 1980 CSO Mortality Table was still the industry-standard table and (b) mortality rates had improved significantly each year since the 1980 table issued. The Society of Actuaries is currently investigating an update of the CSO tables

with a current target publication date of 2017. An investigative report on the update of the CSO tables by the society was published in March 2015 and showed further significant reductions in insurance company reserves compared to CSO 2001 due to continuous mortality improvements since 2001.

93. Moreover, Jefferson-Pilot (and later, Lincoln) sent Randolph (and later, Trustee), both through Frazier, several illustrations showing Policy coverage using the pre-increase COI rates. The Policy states that the illustrations will depict future COI rates based on “current mortality and interest factors.” The illustrated COI rates in those illustrations were significantly lower than what they are after the COI increase, but mortality experience has not changed for the worse in the years since those Illustrations were provided. Since the illustrations were required to reflect “current mortality” when issued, and they illustrated cheaper future COI rates using those mortality assumptions, Lincoln cannot use its now-“current” mortality experience to justify a massive increase in the COI rate. Alternatively, if the Illustrations did not reflect Lincoln’s then-current mortality assumptions when provided, then all these illustrations breached the contractual provision that the illustrations must be based on “current mortality and interest factors.”

94. In sum, changing interest rates, mortality, and reinsurance costs could not possibly justify the large and unusually sloped increase imposed on the Policy. Specifically, no changes in these factors could warrant imposing an increase that would result in Trustee paying higher COI rates when Randolph is younger than when he is older. This contradicts reasonable actuarial practice; for example, the Society of Actuaries report of the Individual Life Insurance Valuation Mortality Task Force lists three basic goals for the mortality table, and the COI rates for the Randolph’s Policy runs contrary to the third: “Mortality for any given attained age should increase with duration since issue.” Some other factor must have been included in the increase to generate

that strange and illogical shape, and the contract language does not permit such other factors to be used as the basis for a COI increase.

b. *Lincoln used the 2016 COI Rate Increase to Recoup Past Losses.*

95. The Policy requires that COI “[r]ates will be based on our expectation of future mortality, interest, expenses, and lapses.” This language explicitly forbids COI Increases that are based on a carrier’s desire to increase profits beyond the level assumed at pricing or to make up for past losses. Actuarial principles similarly prohibit the carrier from implementing a COI increase that would result in the carrier making more profit on the policies than it originally expected using its original expectations. Further, in its filings with the NAIC, Lincoln explained that “[c]ost factors that can vary are periodically reviewed and may be adjusted based on changes in prospective assumptions. The adjustments are made in such a way that past losses (i.e., experience less favorable to the company than expected) are not recouped.”

96. Contrary to these basic principles, Lincoln admitted that it was using the increase to recover *past* losses when, in the letter sent to Trustee in September of 2016, it pointed to “**nearly a decade of persistently low interest rates**, including **recent historic lows**, and volatile financial markets” to justify the increase. Lincoln doubled-down on this admission when it told brokers that the increases were allegedly due to “lower investment income as a result of **continued** low interest rates.” (emphases added). Lincoln’s President and CEO Dennis Glass admitted to a reporter in or around September 2016—at the same time the 2016 COI increase was made effective—that Lincoln sees inforce repricing (i.e., the COI increases) as an opportunity to blunt the impact of the prevailing low interest rate environment.

97. Further, the facts stated above (including dramatic improvements in mortality) indicate that a COI rate increase of this magnitude could not be supported by changes in Lincoln’s

future cost expectations, and confirm that Lincoln is increasing its profit targets on an old, closed block,¹ and is attempting to recoup past losses or profits lower than initially projected.

98. In revealing that the increase is allegedly due in part to “lower investment income as a result of continued low interest rates,” Lincoln has made plain that it is trying to avoid its contractual obligation to meet the interest crediting rates it promised under the Policy, and to recoup past losses or past profits lower than the level of profitability assumed at pricing—thereby increasing future profits to levels higher than those projected at pricing. The Policy guaranties that Lincoln will credit to Policy account a minimum interest rate, often called the credited rate, of no less than 4% interest. While the interest rate can be higher, it cannot be lower than that—and the interest rate Lincoln credits is now at the floor of 4%.

99. In April of 2012, the Center for Insurance Policy & Research (“CIPR”), a branch of the National Association of Insurance Commissioners, published a report warning of the effects on insurers of a prolonged period of low level interest rates, stating in relevant part:

Life insurance companies face considerable interest rate risk given their investments in fixed-income securities and their unique liabilities. For life insurance companies, their assets and liabilities are heavily exposed to interest rate movements. Interest rate risk can materialize in various ways, impacting life insurers' earnings, capital and reserves, liquidity and competitiveness. Moreover, the impact of a low interest rate environment depends on the level and type of guarantees offered. Much of the business currently on life insurers' books could be vulnerable to a sustained low interest rate environment

Life insurers typically derive their profits from the spread between their portfolio earnings and what they credit as interest on insurance policies. During times of persistent low interest rates, life insurers' income from investments might be insufficient to meet contractually guaranteed obligations to policyholders which cannot be lowered.

¹ Closed blocks (or books) are policies that are no longer sold actively, but are accounted on the financial statements of a life carrier as premium-paying policies.

100. Lincoln explained that the increase was based on prior low investment returns, which caused Lincoln to sustain past losses or past profit levels lower than the priced-for levels during those prior years. Lincoln now seeks to offset or subsidize its credited interest guarantees and recoup its past financial problems through the COI Rate Increase and correspondingly increased premiums. What Lincoln is actually doing is attempting to avoid its obligation to credit the guaranteed interest rates under the Policy, to recoup past losses or past reduced profits and to shed the Policy by making the premiums to maintain them cost-prohibitive for policyholders—thereby frustrating policyholders’ abilities to receive their contractual benefits under the Policies.

101. Moreover, when Jefferson-Pilot priced and sold the Policy, it established a premium schedule that was designed to generate high profits in early durations followed by potential losses in later durations. Now, Lincoln, the successor to Jefferson-Pilot, wants to reverse that decision, and seeks to impose unfair and excessive COI rate increases to recoup the reduced profits and losses resulting from the rate schedule the company it acquired affirmatively enacted.

102. However, non-guaranteed elements such as the COI rate and deduction amounts are required to reflect expectations of future, not past experience. Accordingly, Lincoln is precluded from re-determining those elements to recoup past losses or past constrained profits. To do so would violate the actuarial standards of practice and code of professional ethics.

d. *Lincoln’s Used the COI Increases to Reap an Undue Windfall.*

103. The COI Rate increases are part of an amalgam of predatory tactics used to induce the forfeiture or premature lapse of the Policy. If successful in doing so, Lincoln avoids its obligations under the Policy while reaping an undue windfall from past premiums paid. The COI Rate increases join the Lincoln’s Deliberately Incorrect Premium Invoice Scheme in this regard.

Both practices exemplify what have been termed “shock lapse” tactics: unfair and deceptive schemes designed to force policy lapses by virtue of burdensome premium increases.

104. As the Lincoln Defendants know, the unlawful COI Rate increases could likely result in Plaintiffs’ forfeiture of the Policy. Trustee may decide to access the Policy’s cash value and surrender value before those values are depleted and ultimately exhausted by increased deductions.

105. What is perhaps most sinister about shock-lapse tactics is that they are being used against an elderly (and virtually uninsurable) party. At the time Randolph applied for the Policy in mid-2002, he was 66 years old. When applying for the Policy, he submitted to medical examinations conducted by medical professionals selected by an insurance company, as well as blood tests conducted at Jefferson-Pilot’s direction. Through this vetting process, Randolph received Jefferson-Pilot’s stamp of insurability approval, and rightfully so. But by the time Randolph had reached the age of 80, fourteen-years-worth of premium payments later, his circumstances had changed. Randolph was much older, and therefore elevated to a much riskier underwriting class with a much higher mortality rate. What’s more, since initiating the Policy in 2002, Randolph had undergone a by-pass operation in 2006 and endured chronic lymphocytic leukemia (currently in remission). In short, Lincoln decisively took actions to jeopardize the continuation of the Policy after Randolph had become patently *uninsurable*.

106. Plaintiffs were fortunate enough to bear the burden of the increased premiums, and thereby avoid a “shock lapse” of the Policy. Nevertheless, they were held hostage and continue to be held hostage by Lincoln in order to keep the Policy alive. Therein lies the catch-22. When faced with crippling cost increases, Plaintiffs could either capitulate to the increase and take on the significant and unplanned-for burden, or avoid that burden and lose the financial security they had

paid years- if not decades-worth of premiums to secure. In either event, Lincoln reaps undue benefits from the higher premium payments and excessive deduction charges, enabling the Lincoln Defendants to recoup past financial reversals, or, through lapses, entirely avoid their contractual Policy obligations.

E.

More on the Undefined and Unauthorized “Premium Load Charge”

107. Since 2002, Plaintiffs have paid \$12,422.47 in “Premium Load Charges” (f.k.a. the “Expense Charges” deduction), which Lincoln treats as annual deductions from the Policy’s cash value—thereby reducing the amount of insurance paid for or the term of that insurance. That is, like the COI charges, Plaintiffs receive no benefit from the sums deducted as “Premium Load Charges” and “Expense Charges.”

108. There is no mention of an annual “Premium Load Charge” or “Expense Charges” deduction in the Policy Application, the Policy, or any Illustrations. Nor is a definition found in any of the 2003–2016 Statements of Account, the Policy, the Policy Application, or any of the Illustrations incorporated into and made part of the Policy. It was only recently, after reaching out to Lincoln directly, that Randolph obtained a vague, purported “definition” for the “Premium Load Charge.” In an e-mail sent on September 23, 2017, Wendy Chase, VP of Customer Service at Lincoln Financial Group, unhelpfully “explained” the Premium Load Charge and Lincoln’s reasons for charging it as follows: “Premium load is a result of ‘Net Premium Factor’ on page 4 of the contract.”

109. Per “page 4” of the Policy, the “Net Premium Factor” is a factor “used in calculation of policy values,” (though how remains completely vague and ambiguous, resulting in construction against Lincoln), and in no way is it defined as a deduction from premium payments made to reduce the amount of insurance funded by the premium or the term of that insurance. Indeed, the

term “Premium Load Charge” is found nowhere in the Policy. Lincoln failed to explain on what authority it deducts the Premium Load Charge (i.e., where the Policy permits it). Instead, Wendy Chase referred to different terms in the Policy as a workaround for justifying something that is not found in the Policy.

110. The itemization of deductions in the Policy’s Statements of Account show the Premium Load Charges (f.k.a. the “Expense Charges” deduction) as assessed *in addition to* the COI charges and the Administrative Charges. By logical extension, the Premium Load Charge is *not* a COI charge, nor an Administrative Charge, but instead another unauthorized charge that Lincoln has simply decided to make. This means that Lincoln was deducting from premium payments something it had no authority to deduct under the Policy.

111. Of course, the more pressing issue for Plaintiff and similarly situated policyholders is the amount of money being lost to this phantom charge. And it is no trivial expense.

112. In this way, Lincoln benefits on two levels. On the first level, it unduly benefits from the unlawful increase in the COI Rate, as previously discussed, which increases the amount it can seize from Plaintiff for itself. As a consequence of higher COI Rates, the size of Plaintiff’s premiums increase, and Lincoln benefits *a second time* from the corresponding increase in the size of the Premium Load Charge, apparently calculated as a percentage from those improperly increased premium amounts.

F.

More on the Deceptive Illustration Scheme In Violation of the Texas Insurance Code

113. As discussed, the term of the Policy shortened as a result of the Deliberately Incorrect Premium Invoice Scheme (shortening coverage from age 110 to age 87), so Randolph, in an abundance of caution, instructed Frazier to solicit from Lincoln payment options to keep the Policy in force to at least age 100 for the originally agreed death benefit of \$380,000. Lincoln responded by providing Frazier with several alternative payment schedule options for Plaintiffs to increase Randolph's coverage.

114. On October 12, 2016, Lincoln, through Frazier, sent Randolph an Illustration that if Randolph made a lump-sum, catch-up payment of \$43,968 and increased annual premiums of \$14,583, the Trustee could keep his Policy in force into age 97 (notably, 13 years short of the original coverage term). A true and correct copy of the October 12, 2016 Illustration is attached hereto and incorporated herein as Exhibit I. Notably, although unbeknownst to Plaintiffs' at the time, the October 12, 2016 Illustration **did not** include or account for Premium Load Charge deductions.

115. Under the duress of the Policy lapsing, and in reliance upon the October 12, 2016 Illustration, Plaintiffs reluctantly paid the \$44,000 catch-up payment and the annual premium payment for 2016 at the increased rate of \$14,583 on December 14, 2016. In a letter enclosed with the \$58,583.00 payment, Randolph, speaking on Trustee's behalf, expressly identified that the check was for payment of the catch-up and the first-year at the increased premium and that it was being paid in order to "prolong the life of the policy."

116. On September 15, 2017, Randolph had a phone call with Wendy Chase, VP of Customer Service for Lincoln, in which he signaled his intention to sue Lincoln for the deliberately incorrect billing of premiums and the unlawful implementation and collection of inflated COI

charges. Specifically, he pointed to his loss in coverage caused by Lincoln's practices, and made a demand for refund of the excess amount charged on the catch-up payment (\$2,767.12); restore the annual premium to the \$8,155 amount; pay the excess over \$8,155 that he paid in premiums in 2016 and 2017; and to provide coverage to at least age 100 for the full death benefit of \$380,000.

117. On September 18, 2017, the Monday following Randolph's phone call with Wendy Chase, Plaintiffs received a Statement of Account purporting to show the Policy's account status as of September 9, 2017. To Plaintiffs' dismay, the September 18th Account Statement contained a Summary of Policy Activity showing that even with the catch-up payment, and all future planned premiums paid at the increased amount of \$14,583, the term of Randolph's coverage would extend only to **April 2032**, at which time Randolph would be 95 years old. That is, less than a year after sending the October 12, 2016 Illustration representing that coverage would extend into age 97, Lincoln shaved two critical years off of the term of the Policy. A true and correct copy of the September 18, 2017 Statement of Account is attached hereto and incorporated herein as Exhibit J.

118. **Two days later**, on September 20, 2017, Plaintiffs received a new Statement of Account, which like the September 18th Statement of Account, purported to show the Policy account status as of September 9, 2017. Furthermore, like the September 18th Statement of Account, the September 20th Statement of Account showed the Policy's projected coverage assuming the same catch-up payment and all future annual premiums at \$14,583. However, unlike the September 18th Account Statement, the September 20th Account Statement showed a termination date, of **July 2033** (at which time Randolph would be 97 years and 15 days old). Lincoln did not provide any explanation for why, in two days' time, Lincoln decided to add over a year's worth of coverage to the Policy. A true and correct copy of the September 20, 2017 Statement of Account is attached hereto and incorporated herein as Exhibit K.

119. The September 20th Statement erroneously raised the Policy value and thereby extends the term by double-crediting a September 2017 premium of \$14,583. The September 20, 2017 Statement of Account added 15 months of coverage to the Policy in a misleading effort to make it appear to conform with the October 12, 2016 Illustration.

V.
CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF
Breach of Contract
(Plaintiffs Individually)

120. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

121. Plaintiff is the insured and original owner of the Policy.

122. Trustee is the successor-in-interest to Randolph's interest as the buyer and the insured under the Policy.

123. The Lincoln Defendants are the successors-in-interest to Jefferson-Pilot Life Insurance Company and are parties to the Policy on which Plaintiffs assert their breach-of-contract claim.

124. The Policy is a valid and enforceable contract. Randolph was required to sign the July 16, 2002 Illustration as a material condition for the Policy to become effective. Moreover, the July 16, 2002 Illustration contains numerous commitments by the insurance company, as well as the computations of Lincoln's obligations under the Policy. Accordingly, the July 16, 2002 Illustration and its terms are incorporated into and made part of the Policy.

125. At all relevant times, Plaintiffs have performed their obligations under the Policy, except to the extent that their obligations have been excused by Lincoln's conduct as set forth herein.

126. As further described in Subsections (i) through (iv), below, the Lincoln Defendants materially breached the Policy by unilaterally and unlawfully increasing the COI Rates and deduction amounts; by repeatedly incorrectly billing premiums owed; by wrongfully deducting Premium Load Charges from the Policy; and by failing to provide coverage consistent with the illustrations presented to Plaintiffs, through Frazier, and integrated into the Policy.

127. The Lincoln Defendants' conduct and material breaches of the Policy proximately caused damages to Plaintiffs in an amount to be determined at trial.

i. **Lincoln Breached the Policy by Repeatedly and Deliberately Billing Incorrect Premium Amounts.**

128. By engaging in the repeated practice of billing premiums in amounts that were different from those found in the Policy, the Policy Application, and incorporated illustrations, the Lincoln Defendants materially breached the Policy.

129. The Policy was clear on its mandate. Lincoln was to bill and collect \$4,983 in the first Policy Year, after which time, it was to bill and collect \$8,155. In exchange, Lincoln would insure Randolph's life to at least age 100 for a specified Death Benefit of \$380,000. Lincoln critically failed to honor the terms of the Policy by failing to bill the premium at the contracted rate and gutting the term of Randolph's coverage. Lincoln simply did not honor the bargain.

130. Randolph (and later, Trustee) at no point claimed a right to the discounted premiums. Plaintiffs reluctantly made a catch-up payment in the sum of \$44,000 and increased periodic premiums (and expressly reserving the right seek reimbursement of these amounts). Even then, the Lincoln Defendants failed to calculate, implement, and collect the catch-up payment and increased premiums in a way that was consistent with the original terms of the Policy. They blatantly overcharged Plaintiffs for the catch-up payment and reduced Randolph's coverage into

age 97. In sum, the Lincoln Defendants' deliberately incorrect billing practices are in material breach of the Policy.

131. The Lincoln Defendants' conduct and material breach of the Policy has proximately caused damages to Plaintiffs in an amount to be determined at trial.

iii. **Lincoln breached the Policy by Unilaterally and Unlawfully Increasing COI Rates and Deductions.**

132. By implementing the unlawful 2016 COI Rate Increase, the Lincoln Defendants materially breached the Policy. They also breached the covenant of good faith and fair dealing implied in the Policy.

133. At a minimum, the COI Rate Increase is of such a magnitude that, even if legitimate cost of insurance increases were a factor, the Lincoln Defendants necessarily considered impermissible factors other than those enumerated for calculating the cost of insurance ("future mortality, interest, expenses, and lapses") in setting the level of the premium and COI Rate Increase.

134. The Lincoln Defendants material breach of the Policy has proximately caused damages to Plaintiffs in an amount to be determined at trial.

135. The Lincoln Defendants have made clear in statements and by their actions that they intend to continue implementing and collecting the inflated COI charges, and likely impose further COI increases in future years resulting in the continuation and likely enhancement of further harm to Plaintiffs.

iv. **Lincoln Breached the Policy by Wrongfully Assessing "Premium Load Charges."**

136. By implementing and collecting the unauthorized Premium Load Charges (f.k.a. "Expense Charges"), the Lincoln Defendants materially breached the terms of the Policy.

137. The Policy fails to define what the Premium Load Charge is and what it used for. Page 4 of the Policy lists a “Net Premium Factor” as one of the vague “factors used in the calculation of policy values.” According to Wendy Chase, Lincoln uses the Net Premium Factor to calculate the undefined Premium Load Charge. But bootstrapping an unauthorized term to a vague factor used to calculate policy values does not amount to authorization. In fact, allowing the Lincoln Defendants to use these policy factors to unilaterally manufacture new and significant policy expenses whenever and wherever they see fit renders the policy a contract of adhesion. To be sure, Plaintiff would not even know how the Lincoln Defendants calculated the charge had Randolph not reached out to Lincoln directly.

138. On information and belief, in the absence of any justification to explain its use otherwise, Plaintiffs show that the Premium Load Charges (f.k.a. the “Expense Charges” deductions) are nothing more than a pretext for impermissible deductions in breach of the Policy terms.

139. The Lincoln Defendants’ wrongful deduction of Premium Load Charges proximately caused damages to Plaintiffs in an amount to be determined at the time of trial.

140. The Lincoln Defendants have made clear in statements and by their actions that they intend to continue implementing and collecting Premium Load Charges in future years resulting in the continuation and likely enhancement of harm to Plaintiffs.

SECOND CLAIM FOR RELIEF
Violations of Chapter 541 of the Texas Insurance Code
(Plaintiffs Individually)

141. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein. This claim is brought by Trustee, individually, on behalf of the Trust and as a Trust beneficiary. This claim is also brought by Randolph, as the insured under the Policy.

Plaintiffs reserve their right to amend this Complaint to assert class claims on behalf of other Texas policyholders similarly situated.

142. Lincoln is a legal entity engaged in the business of insurance as an insurer. Lincoln's parent company, Lincoln National, is also a legal entity engaged in the business of insurance as an insurer.

143. Lincoln and Lincoln National violated one or more provisions of the Texas Insurance Code, Chapter 541, Subchapter B, by *knowingly* engaging in acts or practices that constitute "unfair methods of competition" or "unfair or deceptive acts or practices" in the business of insurance.

144. Plaintiff Stephanie W. Randolph has standing to assert Chapter 541 claims arising from the Randolph's purchase of the Policy in her capacity as Trustee and, separately, in her capacity as a beneficiary of the Trust. Randolph has standing as the insured party under the Policy.

i. **Lincoln's Underbilled Premium Notices and Deceptive Illustrations/Statements of Account Misrepresented Policy Terms to the Detriment of Plaintiffs (Tex. Ins. Code. § 541.051(1)(A)–(B).**

145. Section 541.051 of the Texas Insurance Code, in relevant part, expressly prohibits insurers from making, issuing, or circulating—or causing to be made, issued, or circulated—any estimate, illustration, circular, or statement misrepresenting the terms of any policy or the benefits or advantages promised by any policy. *See* Tex. Ins. Code § 541.051(1)(A) (misrepresentation of policy terms) (2015); *id.* § 541.051(1)(B) (misrepresentation of policy benefits or advantages). The Lincoln Defendants violated Section 541.051 in two distinct ways.

146. ***First***, the Lincoln Defendants violated Section 541.051(1)(A) by deliberately and repeatedly incorrectly billing Randolph (and later, the Trust) the wrong amount of premiums owed, continuing to do so even after Plaintiffs had repeatedly notified the Lincoln Defendants of the

billing error. Such conduct constitutes the making and issuing of a “statement” misrepresenting the terms of a policy.

147. The Lincoln Defendants’ violation of Section 541.051(1)(A) proximately caused actual damages to Plaintiffs in an amount to be determined at the time of trial. Accordingly, Plaintiffs bring a private cause of action against the Lincoln Defendants under the authority of Section 541.161, seeking the recovery of all actual damages proximately caused by Lincoln’s violation of 541.051(1)(A).

148. Moreover, the Lincoln Defendants had actual awareness of the falsity, unfairness, or deceptiveness of the illustration(s). The Lincoln Defendants continued to incorrectly bill premiums—most recently in September of 2017—despite numerous written notices sent by Plaintiffs apprising the Lincoln Defendants of the error. Accordingly, Plaintiffs seek additional treble damages in the sum of up to two times their actual damages caused by the violations. *See* Tex. Ins. Code § 541.152.

149. ***Second***, and separately, the Lincoln Defendants violated Section 541.051(1)(B) of the Texas Insurance Code by providing Randolph (and later, the Trust), both through Frazier, with Illustrations and Statements of Account that materially misrepresented the “benefits and advantages of the policy” in its October 12, 2016 Illustration and the Statements of Account received on September 18th and 20th of 2017.

150. The Lincoln Defendants represented that their Illustrations were based on their current expected future expenses from those that underlie the illustrations.

a. *Lincoln’s Used Illustrations Depicting Policy Performance that was More Favorable to Plaintiff than Was Possible—a Trade Practice that is Prohibited By the Texas Department of Insurance.*

151. In relevant part, the Texas Department of Insurance Trade Practice Regulations require that insurers develop a “disciplined current scale” to act as a “limit on illustrations.” 21 Tex. Admin. Code § 21.2204. This scale must be “reasonably based on *actual recent historical experience*.” *Id.* § 21.2204(5) (emphasis added). Insurers may not use an illustration that “depicted performance more favorable to the policy owner.” *Id.* § 21.2206(2)(E) (Prohibited Conduct).

152. If the Lincoln Defendants’ justification for the COI increase is to be believed, the October 12, 2016 Illustration that projected a coverage into age 97, rather than 95, depicted performance more favorable to the policyholder than would have been possible using a scale that was reasonably based on their recent experience. The reason for this is simple: Lincoln’s expectations could not have changed in one-years time on a large enough scale to justify the shortened coverage, and Lincoln has never said anything publicly to suggest otherwise (despite its many pronouncements on the grounds for the increase).

153. Even more incriminating is the shift of coverage from 95 to 97 in **two days** time, all other assumptions remaining the same. Separately, all of the Illustrations “depicted performance more favorable to the policy owner” because none of those Illustrations (including the July 2002 Illustration and the October 2016 Illustrations) accounted for the prospective impact of Premium Load Charges (f.k.a. the “Expense Charges” deduction) on the Policy’s performance.

b. *Lincoln Failed to Adequately Disclose All Limitations Affecting the Payment of Death Benefits, namely, the Factors that Increase Premium Rates.*

154. The Texas Department of Insurance has promulgated “Rules Pertaining Specifically to Life Insurance and Annuity Advertising.” Those rules are codified in Title 28,

Chapter 21, Section 21.114 of the Texas Administrative Code, which reads in relevant part (emphasis added):

If an advertisement that is an "invitation to contract" refers to a dollar amount, a period of time for which a benefit is payable, a cost of the policy, a specific policy benefit or the loss for which such benefit is payable, it shall expressly or specifically disclose those exclusions and limitations affecting the payment of benefits under the policy. *Without this disclosure it is determined that the advertisement would have the capacity and tendency to mislead or deceive.*

155. The Lincoln Defendants' failure to disclose all factors influencing the COI Rate when advertising the Policy **set up** what would ultimately amount to a failure to disclose all "limitations affecting the payment of benefits under the policy." 21 Tex. Admin. Code § 21.1114. That failure to disclose **ripened** into an actual injury when Trustee paid the "hostage" premium at the increased rate in 2016.

156. Per the Texas Department of Insurance's trade practice rules governing an insurer's use of illustrations, there is a presumption that the Lincoln Defendants' failure to disclose had "the capacity and tendency to mislead or deceive." Although enforcement of trade rules is reserved to public action initiated by the Texas Department of Insurance Commissioner, the presumption created by this particular trade rule violation serves as persuasive support for the private cause of action brought by Plaintiffs under Chapter 541 for "unfair or deceptive acts or practices" in the business of insurance. Specifically, by failing to disclose all material factors affecting the COI Charge, which share an inverse relationship with policy benefits, and by failing to account for Premium Load Charges (f.k.a. "Expense Charges") in projecting future coverage, Lincoln materially misrepresented the "benefits and advantages of the policy"—thereby violating Section 541.051(1)(B) the Texas Insurance Code.

157. The Lincoln Defendants violation of Section 541.051(1)(B) proximately caused actual damages to Plaintiffs in an amount to be determined at the time of trial. Accordingly,

Plaintiffs brings a private cause of action against Lincoln and Lincoln National under the authority of Section 541.151(1), seeking the recovery of all actual damages proximately caused by the Lincoln's violation of 541.051(1)(B).

158. Moreover, the Lincoln Defendants' had actual awareness of the falsity, unfairness, or deceptiveness of the Illustrations. Accordingly, Plaintiffs seek additional treble damages in the sum of up to two times Plaintiffs' actual damages incurred as a result of the violations. *See* Tex. Ins. Code § 541.152.

ii. **Lincoln Made Material Misrepresentations About the Amount of Premiums Owed with the Intent of Inducing the Lapse, Forfeiture, or Surrender of the Policies (Tex. Ins. Code § 541.152(5)).**

159. Section 541.051(5) of the Texas Insurance Code prohibits an insurer from “mak[ing] a misrepresentation to a policyholder insured by any insurer for the purpose of inducing or tending to induce the policyholder to allow an existing policy to lapse or to forfeit or surrender the policy.”

160. In the instant case, the Lincoln Defendants' violated Section 541.051(5) by deliberately billing Randolph (and later, the Trust) the incorrect amount of premiums owed with the ultimate aim of inducing, and tended to induce, the surrender or premature lapse of the Policy. Lincoln also violated Section 541.051(5) by providing deceptive Illustrations that did not account for Premium Load Charges when projecting future Policy performance.

161. Pursuant to Section 541.151(1) of the Texas Insurance Code, Plaintiffs assert a private cause of action against Lincoln and Lincoln National, seeking recovery of their actual damages incurred as a result of Lincoln's violation of Section 541.051(5).

162. Moreover, the Lincoln Defendants had actual awareness of the falsity, unfairness, or deceptiveness of the misrepresentations that tended to induce the lapse, forfeiture, or surrender

of the Policy. Therefore, Plaintiffs seek additional treble damages in the sum of up to two times their amount of actual damages incurred as a result of the acts or practices in violation of Section 541.051(5). *See* Tex. Ins. Code § 541.152.

iii. Reservation of Class Claims Arising Under Chapter 541 of Tex. Ins. Code.

163. At this time, Plaintiffs assert only individual claims against the Lincoln Defendants for violations of the Texas Insurance Code. However, on information and belief, there are hundreds if not thousands of other, similarly situated Texas universal life policyholders, whose policies were issued and/or delivered in the State of Texas. Plaintiffs reserve the right to amend this Complaint to assert state-specific class claims on behalf of putative universal life policyholders, and Plaintiffs intend to do so at the expiration of the mandatory notice period's expiration.

THIRD CLAIM FOR RELIEF
Temporary and Permanent Injunctive Relief
(Plaintiffs Individually)

164. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

165. The Lincoln Defendants engaged in the following practices, among others:

- a. Imposing the COI Rate Increase even though the Lincoln Defendants' expected future mortality exposure has improved and is better than the mortality upon which the original COI rate schedule is based in order to increase premiums, recoup past losses, force policyholders to surrender their policies, abridge the duration of the policies' coverage, decrease the Death Benefit amount of the policies, and/or force policyholders' policies to prematurely lapse.
- b. Following the sale of the policies, sending Statements of Account, annual reports, policy servicing statements, illustrations, and other documents and correspondences to Plaintiffs, through Frazier, without disclosing that there would be sudden, dramatic, and cost-prohibitive increases in the COI charges in 2016.
- c. Failing to provide any meaningful advance warning that they intended to massively and suddenly increase the COI amount commencing in 2016.

- d. Ultimately providing a false and misleading explanation to Plaintiffs of the grounds for the COI Rate Increase.
- e. Using deceptive illustrations that induced or tended to induce Plaintiffs into paying the catch-up payment and higher “hostage premiums.”
- f. Engaging in the repeated and deliberate practice of underbilling Plaintiff and other members of the Premiums Subclass with the intention of increasing premiums, forcing policyholders to surrender their policies, abridging the duration of the policies’ coverage, decreasing the Death Benefit amount of the policies, and/or force policyholders’ policies to prematurely lapse.
- g. Unlawfully implementing and collecting “Premium Load Charges” (f.k.a. “Expense Charges”), which are undefined and unauthorized by the policies.

166. If the Lincoln Defendants continue to unlawfully implement and collect inflated COI charges (which the Lincoln Defendants presumably intend to continually increase) and Premium Load Charges (which increase in tandem with increases in COI charges), Plaintiffs will suffer irreparable harm, including, but not limited to, continuing underinsurance and/or lapse of the Policy due to an inability to pay exorbitant premiums. Plaintiffs have no adequate remedy at law because a damages remedy for past violations will not preclude the Lincoln Defendants from continuing to implement and collect Premium Load Charges or unlawfully increased premiums. The Lincoln Defendants clearly intend to continue levying Premium Load Charges and to continue increasing COI rates. Accordingly, the Lincoln Defendants must be enjoined from the future implementation and collection of Premium Load Charges and COI charges (to the extent such COI charges exceed the reasonable bounds permitted by the Policy).

167. If the Lincoln Defendants are not enjoined from their practice of using deceptive policy illustrations and statements of account—documents which deceptively omit the adverse effects of future Premium Load Charges and other charges to the Policy’s cash and surrender values—Plaintiffs will suffer irreparable harm, including, but not limited to, the burden of further

“hostage” premiums or a “shock lapse” of the Policy. Plaintiffs have no adequate remedy at law as the payment of past damages has no assurance of preventing the same misconduct in the future.

168. If the Lincoln Defendants continue their practice of deliberately billing Plaintiffs incorrect premium amounts, Plaintiffs will suffer irreparable harm, including, but not limited to, the burden of further “hostage” premiums or a “shock lapse” of the Policy. Plaintiffs have no adequate remedy at law as the payment of past damages provides no assurance of preventing the same misconduct in the future.

169. In consideration of the foregoing allegations, Plaintiffs respectfully request that the Court issue injunctions against the Lincoln Defendants preliminarily and permanently enjoining them from continuing to engage in unlawful and unfair conduct set forth above.

FOURTH CLAIM FOR RELIEF
Breach of Contract (Class Claims)

(On behalf of the Incorrect Premium Billings Subclass, Premium Load Charge Subclass, and Deceptive Illustrations Subclass)

170. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

171. Plaintiffs assert a second claim for relief for breach of contract on behalf of all putative members of the Incorrect Premium Billings Subclass, Premium Load Charge Subclass, and Deceptive Illustrations Subclass.

172. The subject policies owned by putative members of the Incorrect Premium Billings Subclass, Premium Load Charge Subclass, and Deceptive Illustrations Subclass contain the same form language as the Policy held in the Trust.

173. Lincoln Defendants are the successors-in-interest to Jefferson-Pilot Life Insurance Company and is a party to the policies owned by putative members of the 2016 COI Increase

Subclass, Incorrect Premium Billings Subclass, Premium Load Charge Subclass, and the Deceptive Illustrations Subclass.

174. On information and belief, the Lincoln Defendants materially breached hundreds if not thousands of universal life insurance policies by repeatedly billing the incorrect amount of premiums owed; by wrongfully deducting Premium Load Charges (f.k.a. the “Expense Charges” deduction); and/or by failing to provide coverage consistent with deceptive illustrations presented to policyholders and incorporated into the policies. These breaches are further described in Subsections (i) through (iv), below.

i. Lincoln breached the Policies by Repeatedly and Deliberately Billing Incorrect Premium Amounts.

175. By engaging in the repeated practice of billing premiums in amounts that were different from those found in the subject policies, policy applications, and incorporated illustrations, the Lincoln Defendants materially breached the terms of the policies owned by putative members of the Incorrect Premium Billings Subclass.

176. The Lincoln Defendants’ conduct and material breaches of the subject policies have proximately caused damages to putative members of the Incorrect Premium Billings Subclass in an amount to be determined at trial.

i. Lincoln Breached the Policies by Wrongfully Assessing a “Premium Load Charge.”

177. By unlawfully implementing and collecting the Premium Load Charge, the Lincoln Defendants materially breached the terms of the policies held by putative class members of the Premium Load Charge Subclass.

178. The subject policies fail to define what the Premium Load Charge is and what it used for. Page 4 of the policies lists a “Net Premium Factor” as one of the vague “factors used in the calculation of policy values.” According to Wendy Chase, Lincoln uses the Net Premium

Factor to calculate the undefined Premium Load Charge. But bootstrapping an unauthorized term to a vague factor used to calculate policy values does not amount to authorization. In fact, allowing the Lincoln Defendants to use these policy factors to unilaterally manufacture new and significant policy expenses whenever and wherever they see fit renders the policies contracts of adhesion.

179. The propriety of a Premium Load Charge is determined by a review of the terms of each policy as a whole—what they permit, what they prohibit, and what they limit.² In essence, the jury must decide what the Premium Load Charge is and whether its implementation and collection comport with the authority granted by the policies. The analysis of what constitutes a Premium Load Charge begins by clarifying what it is not. Because Lincoln itemizes Premium Load Charges separately and distinctly from the COI Charges and Administrative Charges in post-2005 Activity Reports, it can be fairly deduced that the Premium Load Charge is not a Cost of Insurance or an Administrative Charge. On information and belief, in the absence of any justification to explain its use otherwise, Plaintiffs show that the Premium Load Charge is nothing more than a pretext for an impermissible deduction in breach of the policies' terms.

180. The Lincoln Defendants' wrongful deduction of Premium Load Charges proximately caused damages to similarly situated members of the Incorrect Premium Billings Subclass, and the Premium Load Charge Subclass in an amount to be determined at the time of trial.

VII. **NOTICE**

181. The Lincoln Defendants' had actual and constructive notice of Plaintiffs' claims arising from or related to the underbilling of premiums, the deceptive illustrations, the unlawful Premium Load Charges, and the unlawful COI Increase since as early as October 2014.

² Each subject policy contains the same form language, so the analysis is the same as to all the policies at issue.

Furthermore, Randolph, acting on behalf of the Trustee, outlined the Trust's claims in two written letters sent on December 14, 2016 and September 3, 2017, respectively. However, since first receiving notice of the Trust's claims in late-2014, the Lincoln Defendants' continued to incorrectly bill the Trust. This practice continued beyond Randolph's December 14, 2016 letter; it continued beyond Lincoln's revision of the premium to \$14,583.00, effective 2016; and it continued beyond Randolph's September 3, 2017 letter. On information and belief, Lincoln engaged in the same deliberately incorrect billing practices while administering the Policies of similarly situated putative Class Members.

182. The Lincoln Defendants also had actual and constructive notice of Plaintiffs' claims arising under Chapter 541 of the Texas Insurance Code since as early as December 2016, by virtue of the class action filed on December 23, 2016, captioned *Barti R. Rharwani, et al. v. Lincoln National Corp. and Lincoln National Life Ins. Co.*, Cause No. 16-cv-06605-GJP, originally filed and currently pending in the U.S. District Court for the Eastern District of Pennsylvania. Both Lincoln Defendants are named defendants in that class action, in which the controversy turns on the same form life insurance policies as the Policy in this case, and in which certain plaintiff classes and subclasses asserted private claims for relief under Chapter 541 of the Texas Insurance Code.

i. **Notice Requirements Specific to Texas Insurance Code Claims**

183. The Texas Insurance Code requires Plaintiffs to send Lincoln and Lincoln National a 60-day, pre-suit written notice advising the Lincoln Defendants of the Trust's specific complaint, as well as the amount of actual damages and expenses, including attorney's fees reasonably incurred in asserting the claim against the other person. *See* TEX. INS. CODE § 541.154(a)(1)–(2). However, Plaintiffs also acknowledge that the Texas Insurance Code provides a statutory exception to this requirement where, as here, giving notice would be impracticable. *See* TEX. INS.

CODE 541.154(c)(1). To the extent Plaintiffs have not satisfied the Texas Insurance Code's notice requirements, Plaintiffs accept the abatement of their claims, should either of the Lincoln Defendants' elect to file a plea in abatement.

VI.
CLASS ACTION ALLEGATIONS

184. Plaintiffs bring this action as a class action and as the representatives of a Class and Subclasses pursuant to Rule 23 of the Federal Rules of Civil Procedure. Plaintiffs seek and request the certification of a class ("the Class" or "Class Members") comprised of the following, with subclasses as appropriate:

All non-excluded owners of JP Legend 100, 200, 300 and 400 life insurance policies issued by Jefferson-Pilot Corporation (now Lincoln National Corp. and The Lincoln National Life Insurance Company), who purchased such policies between September 9, 2002, and present date, and who (1) since purchasing their policies been incorrectly billed premiums at amounts significantly lower than the premium amounts listed in their respective policies, policy applications, or policy illustrations; (2) within the past fifteen years, been charged "Premium Load Charges" or "Expense Charges" against their policy values; or (3) within the past four years, received illustrations or statements of account demonstrating policy benefits or advantages that were materially inconsistent with the policy benefits or advantage ultimately received.

**DELIBERATELY INCORRECT PREMIUM BILLING CLASS ACTION
ALLEGATIONS
("Incorrect Premium Billings Subclass")**

185. Plaintiffs reallege and incorporate all allegations of this Complaint as if fully set forth herein.

186. This action is brought by Plaintiffs individually and on behalf of the following subclass—referred to herein as the "Incorrect Premium Billings Subclass"—which consists of:

All non-excluded owners or former owners of JP Legend 300, and JP LifeWriter Legend 100, 200, and 400 series life insurance policies issued by Jefferson-Pilot Corporation (now The Lincoln

National Life Insurance Company), from September 9, 2002 to present, that were incorrectly billed premiums at amounts significantly lower than the premium amounts listed in their respective policies, policy applications, or policy illustrations, resulting in any one or more of the following consequences: abridged coverage; the premature lapse, surrender, or forfeiture of policies; payment of “catch-up” sums in order to maintain coverage for the originally represented term; and/or reduction in death benefit amounts.

187. The Incorrect Premium Billings Subclass consists of thousands of consumers of life insurance and is therefore so numerous that joinder of all members is impracticable. The identities and addresses of class members can be readily ascertained from business records maintained by the Lincoln and Lincoln National.

188. The claims asserted by Plaintiffs are typical of the claims asserted by the Incorrect Premium Billings Subclass.

189. Plaintiffs will fairly and adequately protect the interests of the Incorrect Premium Billings Subclass.

190. Plaintiffs have retained attorneys who are knowledgeable and experienced in life insurance matters, insurance billing matters, as well as class and complex litigation.

191. Plaintiffs request that the Court afford class members with notice and the right to opt-out of any class certified in this action.

192. This action is appropriate as a class action pursuant to Rule 23(b)(3), Rule 23(b)(2), and Rule 23(b)(1) of the Federal Rules of Civil Procedure because common questions of law and fact affecting this class predominate over those questions affecting only individual members.

Those common questions include:

a. The construction and interpretation of the form life insurance policies at issue in this litigation;

b. whether the Lincoln Defendants' repeated failures to bill premiums at the amount agreed to in the policies violated the terms of those form policies;

c. whether Plaintiffs and class members are entitled to receive damages as a result of the unlawful conduct by defendant alleged herein and the methodology for calculating those damages;

d. whether the Lincoln Defendants' were aware of the premium billing error, and if so, when the Lincoln Defendants became aware of the premium billing error;

e. whether the Lincoln Defendants' premium billing methodology applies generally to the class, so that injunctive relief is appropriate respecting the class as a whole;

f. whether inconsistent or varying adjudications with respect to individual class members concerning the propriety of the underbilled premiums would establish inconsistent standards of conduct; and

g. whether adjudications concerning the underbilled or otherwise incorrectly billed premiums would, as a practical matter, be dispositive of interests of other members not parties to the individual adjudications or would substantially impair or impede their ability to protect their interests.

193. A class action is superior to other available methods for the fair and efficient adjudication of this controversy for at least the following reasons:

a. the complexity of the issues involved in this action and the expense of litigating the claims, few, if any, class members could afford to seek legal redress individually for the wrongs that the Lincoln Defendants committed against them, and absent class members have no substantial interest in individually controlling the prosecution of individual actions;

b. when the Lincoln Defendants' liability has been adjudicated, claims of all class members can be determined by the Court;

c. this action will cause an orderly and expeditious administration of the class claims and foster economies of time, effort and expense, and ensure uniformity of the decisions;

d. without a class action, many class members would continue to suffer injury, and defendant's violations of law will continue without redress while defendant continues to reap and retain the substantial proceeds of its wrongful conduct; and

e. this action does not present any undue difficulties that would impede its management by the Court as a class action.

f. this action shall be filed contemporaneously with the notices required under Section 541.255 of the Texas Insurance Code for class relief—which Plaintiffs shall send to the Lincoln Defendants, as well as the Commissioner of the Texas Department of Insurance.

**IMPROPER PREMIUM LOAD CHARGE CLASS ACTION ALLEGATIONS
("Premium Load Charge Subclass")**

194. Plaintiffs reallege and incorporate all allegations of this Complaint as if fully set forth herein.

195. This action is brought by Plaintiffs individually and on behalf of the following subclass—referred to herein as the "Premium Load Charge Subclass"—which consists of:

All non-excluded owners or former owners of JP Legend 300, and JP LifeWriter Legend 100, 200, and 400 series life insurance policies issued by Jefferson-Pilot Corporation (now The Lincoln National Life Insurance Company) who, within the past fifteen years, Lincoln charged "Premium Load Charges" or "Expense Charges" (other than Administrative Charges permitted under the policies) against their policy values, resulting in any one or more of the following consequences: abridged coverage; the premature lapse, surrender, or forfeiture of policies; payment of "catch-up" sums in order to maintain coverage for the originally represented term; and/or reduction in death benefit amounts.

196. The Premium Load Charge Subclass likely consists of thousands of consumers of life insurance and is therefore so numerous that joinder of all members is impracticable. The identities and addresses of class members can be readily ascertained from business records maintained by the Lincoln Defendants.

197. The claims asserted by Plaintiffs are typical of the claims asserted by the Premium Load Charge Subclass.

198. Plaintiffs will fairly and adequately protect the interests of the Premium Load Charge Subclass.

199. Plaintiffs have retained attorneys who are knowledgeable and experienced in life insurance matters, insurance billing matters, as well as class and complex litigation.

200. Plaintiffs request that the Court afford class members with notice and the right to opt-out of any class certified in this action.

201. This action is appropriate as a class action pursuant to Rule 23(b)(3), Rule 23(b)(2), and Rule 23(b)(1) of the Federal Rules of Civil Procedure because common questions of law and fact affecting this class predominate over those questions affecting only individual members. Those common questions include:

- a. The construction and interpretation of the form insurance policies at issue in this litigation;
- b. whether Plaintiffs and subclass members are entitled to receive damages as a result of their payment of unlawful Premium Load Charges or Expense Charges;
- c. whether the Lincoln Defendants' Premium Load Charge billing methodology applies generally to the class, so that injunctive relief is appropriate respecting the class as a whole;

d. whether adjudications concerning the propriety of the Premium Load Charges and Expense Charges would, as a practical matter, be dispositive of interests of other members not parties to the individual adjudications or would substantially impair or impede their ability to protect their interests.

202. A class action is superior to other available methods for the fair and efficient adjudication of this controversy for at least the following reasons:

a. the complexity of the issues involved in this action and the expense of litigating the claims, few, if any, class members could afford to seek legal redress individually for the wrongs that the Lincoln Defendants committed against them, and absent class members have no substantial interest in individually controlling the prosecution of individual actions;

b. when the Lincoln Defendants' liability has been adjudicated, claims of all class members can be determined by the Court;

c. this action will cause an orderly and expeditious administration of the class claims and foster economies of time, effort and expense, and ensure uniformity of the decisions;

d. without a class action, many class members would continue to suffer injury, and defendant's violations of law will continue without redress while defendant continues to reap and retain the substantial proceeds of its wrongful conduct; and

e. this action does not present any undue difficulties that would impede its management by the Court as a class action.

**[RESERVED] DECEPTIVE ILLUSTRATIONS CLASS ACTION ALLEGATIONS
("Deceptive Illustrations Subclass")**

203. Plaintiffs reallege and incorporate all allegations of this Complaint as if fully set forth herein.

204. Plaintiffs reserve the right to amend this amend this Complaint at the expiration of 60 days, to seek claims under the Texas Insurance Code on behalf of the following subclass—referred to herein as the “Deceptive Illustrations Subclass”—which consists of:

All non-excluded Texas owners and former Texas owners of JP Legend 300, and JP LifeWriter Legend 100, 200, and 400 series life insurance policies issued by Jefferson-Pilot Corporation (now Lincoln National Corp. and The Lincoln National Life Insurance Company) who, within the past four years, received illustrations or statements of account demonstrating policy benefits or advantages that were materially inconsistent with the policy benefits or advantage ultimately received, and who as a result, experienced one or more of the following consequences: abridged coverage; the premature lapse, surrender, or forfeiture of policies; payment of “catch-up” sums in order to maintain coverage for the originally represented term; and/or reduction in death benefit amounts.

205. The Deceptive Illustrations Subclass consists of thousands of consumers of life insurance and is therefore so numerous that joinder of all members is impracticable. The identities and addresses of class members can be readily ascertained from business records maintained by the Lincoln Defendants.

206. The claims asserted by Plaintiffs are typical of the claims asserted by the Deceptive Illustrations Subclass.

207. Plaintiffs will fairly and adequately protect the interests of the Deceptive Illustrations Subclass.

208. Plaintiffs have retained attorneys who are knowledgeable and experienced in life insurance matters, as well as class and complex litigation.

209. Plaintiffs request that the Court afford class members with notice and the right to opt-out of any class certified in this action.

210. This action is appropriate as a class action pursuant to Rule 23(b)(3), Rule 23(b)(2), and Rule 23(b)(1) of the Federal Rules of Civil Procedure because common questions of law and fact affecting this class predominate over those questions affecting only individual members. Those common questions include:

e. The construction and interpretation of the form insurance policies at issue in this litigation;

f. whether Plaintiffs and subclass members are entitled to receive damages as a result of their purchase of policies or amendment of policy terms made in reliance upon deceptive illustrations;

g. whether the Lincoln Defendants' deceptive illustration practices apply generally to the class, so that injunctive relief is appropriate respecting the class as a whole;

h. whether inconsistent or varying adjudications with respect to individual class members concerning the propriety of the deceptive illustrations would establish inconsistent standards of conduct; and

i. whether adjudications concerning the propriety of the deceptive illustrations would, as a practical matter, be dispositive of interests of other members not parties to the individual adjudications or would substantially impair or impede their ability to protect their interests.

211. A class action is superior to other available methods for the fair and efficient adjudication of this controversy for at least the following reasons:

a. the complexity of the issues involved in this action and the expense of litigating the claims. Few, if any, class members could afford to seek legal redress individually for the wrongs

that the Lincoln Defendants committed against them, and absent class members have no substantial interest in individually controlling the prosecution of individual actions;

b. when the Lincoln Defendants' liability has been adjudicated, claims of all class members can be determined by the Court;

c. this action will cause an orderly and expeditious administration of the class claims and foster economies of time, effort and expense, and ensure uniformity of the decisions;

d. without a class action, many class members would continue to suffer injury, and defendant's violations of law will continue without redress while defendant continues to reap and retain the substantial proceeds of its wrongful conduct; and

e. this action does not present any undue difficulties that would impede its management by the Court as a class action.

VII.

INVOCATION OF AMERICAN PIPE TOLLING PROVISION

212. Plaintiffs invoke the equitable tolling doctrine first articulated by the U.S. Supreme Court in *American Pipe and Construction Co. et al., Petitioners, v. State of Utah et al.* 414 U.S. 538, 94 S.Ct. 756 (U.S. 1973).

213. Under the *American Pipe* doctrine, as applied here, the commencement of a class action lawsuit in federal court tolls all applicable statute of limitations of all claims that may be asserted by putative class members who would have been parties to the class action had the requirement of Federal Rule of Civil Procedure 23(a)(1) been met. Those putative class members' claims are tolled until class certification is denied, or until those members cease to be part of the putative class.

214. Invocation of the *American Pipe* doctrine is necessary here “[t]o insure effectuation of the purposes of litigative efficiency and economy that the Rule in its present form was designed to serve.” *American Pipe*, 414 U.S. at 544.

VIII. DAMAGES & ATTORNEYS’ FEES

215. At this time, Plaintiffs seek \$96,142.77 in individual damages and \$30,000 in statutorily recoverable attorneys’ fees. Plaintiffs calculated their individual damages as follows:

a. First, Plaintiffs seek damages for the \$2,767.12 excess that the Lincoln Defendants charged as part of Plaintiffs’ catch-up payment in October 2016.

b. Second, Plaintiffs seek damages for the excess of premiums charged by the Lincoln Defendants in 2016 and 2017. That excess amounts to \$6,428 each year (or \$12,856 to date), and will be \$64,280 dollars more in ten years.

c. Third, the Lincoln Defendants’ unlawful implementation and collection of Premium Load Charges (f.k.a. “Expense Charges”) from 2002 to 2016 have caused Plaintiffs damages in an amount of \$12,374.47. Since 2002, the Lincoln Defendants have collected \$12,422.47 in Premium Load Charges (f.k.a. “Expense Charges”) from Plaintiffs. However, Plaintiffs have reduced that amount by \$48 to account for monthly Administrative Charges, which from 2002 to 2014 were included once a year as part of the annual Policy Expenses deduction in the month the Policy Expenses deduction was applied. The continued implementation and collection of Premium Load Charges will cause Plaintiffs future damages in an amount no less than \$10,208.10 (assuming a life expectancy of 10 years for Randolph).

d. Fourth, the Lincoln Defendants’ unlawful implementation and collection of inflated COI charges (following the 2016 COI Increase) exceed \$4,050 to date, which are the sum of Plaintiffs’ past COI damages. Plaintiffs’ future damages from the continued implementation and

collection of unlawfully increased COI charges are expected to exceed \$40,500 in the future (assuming a life expectancy of 10 more years).³

e. Fifth, pursuant to the Section 541.152 of the Texas Insurance Code, Plaintiffs seek treble damages on grounds that the Lincoln Defendants’ “knowingly” conducted the unfair or deceptive acts or practices described herein, *supra*, Part V (Second Claim for Relief).

DAMAGE AMT.	DESCRIPTION
\$2,767.12	The excess amount that Lincoln charged for the catch-up payment in 2016 $\$44,000 - ([\$8,155 - \$4,983.24] \times 13 \text{ years}) = \$2,767.12$
\$12,856	The excess amount that Lincoln charged for premiums for 2016 and 2017 $(\$14,583 - \$8,155) \times 2 \text{ years} = \$12,856$
\$12,374.47	The total amount of “Premium Load Charges” and “Expense Charges” improperly deducted from the Policy $\$12,422.47 - \$48 \text{ (monthly “Administrative Charges,” which from 2002 to 2014 were included once per year as part of the annual “Expense Charges” deduction)} = \$12,374.47$
\$10,208.10	The total amount of “Premium Load Charges” Plaintiffs will occur assuming a conservative life expectancy of 10 years. $(\$14,583 \times 0.07 \times 10 \text{ years})$
\$4,050	The excess paid to cover inflated COI charges since the 2016 COI Rate Increase
\$40,500	The excess that Plaintiffs will have to pay if the Lincoln Defendants continue to collect the unlawfully inflated COI charges
\$64,095.18	The amount of additional “treble” damages Plaintiffs are entitled to recover if the Lincoln Defendants are found to have “knowingly” acted in violation of the Texas Insurance Code. $(\$2,767.12 + \$12,856 + \$12,374.47 + \$4,050) \times 2 = \$64,095.18$

³ The future damages model projects damages caused by the future implementation and collection of Premium Load Charges and inflated COI charges are used to quantify Plaintiffs’ claims for injunctive relief.

216. Furthermore, Plaintiffs seek the recovery of all reasonable and necessary attorneys' fees pursuant to Section 38.001 of the Texas Civil Practice and Remedies Code and Section 541.152 of the Texas Insurance Code. To date, Plaintiffs have incurred \$30,000 in reasonable and necessary attorneys' fees. Attorneys' fees may range from \$100,000 to \$200,000 or more if this matter proceeds to trial.

217. **ALTERNATIVE DAMAGES**: In the alternative, Plaintiffs seek damages in excess of \$75,000, which includes the amount Plaintiffs would have saved had Plaintiffs known the Lincoln Defendants would not provide the coverage represented in the October 12, 2016 Illustration. In that event, Plaintiffs' would likely not have paid the \$44,000 catch-up payment or the increased premiums for the 2016 or 2017 year at the increased amount of \$14,583 (a total of \$29,166 for both years).

IX.
REQUEST FOR RELIEF

WHEREFORE, PREMISES CONSIDERED, Stephanie W. Randolph, as Trustee of the Robert M. Randolph 2008 Irrevocable Life Insurance Trust dated April 1, 2008, individually and on behalf of all other similarly situated parties, respectfully requests that Defendants Lincoln National Life Insurance Company and Lincoln National Corporation be cited to appear and answer herein, and that upon final hearing or trial, Plaintiffs have from both Lincoln Defendants the following:

- a. Actual damages in an amount within the jurisdictional limits of this Court;
- b. Consequential damages in an amount within the jurisdictional limits of this Court;
- c. Additionally, treble damages in the amount of two times Plaintiffs' actual damages, payable by Lincoln Defendants, jointly and severally, to Trustee, where such actual damages arose from one or more violations of the Texas Insurance Code by Lincoln;
- d. Reasonable and necessary attorney's fees;

- e. Prejudgment interest at the maximum rate of interest permitted by law;
- f. Costs of suit;
- g. Injunctive relief enjoining the future imposition of unlawfully increased COI Rates; the deceptive practice of incorrectly billing premiums; the use of deceptive illustrations; and the unlawful implementation and collection of Premium Load Charges or other unauthorized expense charges;
- h. Post-judgment interest as provided by law; and
- i. Such other and further relief to which Randolph may be entitled, whether at law or in equity.

X.
DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiffs hereby demand a trial by jury as to all issues so triable.

DATED: November 28, 2017

Respectfully submitted,

CIRCELLI, WALTER & YOUNG, PLLC

By: /s/ George Parker Young

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Exhibit A



JEFFERSON PILOT
FINANCIAL

Jefferson Pilot Life Insurance Company

A Life Insurance Policy Illustration

Flexible Premium Adjustable Life

LifeWriter Legend 300

Designed for

**Bob Randolph
TX**

Presented by

**Western Underwriters
Western Underwriters
TX**

License #:

July 16, 2002



Jefferson Pilot Life Insurance Company

JEFFERSON PILOT
FINANCIAL

Designed for
Bob Randolph
Age:66

Policy Illustration Explanation

LifeWriter Legend 300 - Flexible Premium Adjustable Life

**LifeWriter Legend
300**

This policy allows for flexible premium payments to age 100. There is no maturity date. This policy will remain in force as long as the cash surrender value is sufficient to cover monthly policy expenses. Premium reminder notices will be sent for planned premiums and for premiums required to keep the policy in force.

If the policy is still in force at insured's age 100 and the policy has at least \$1 of cash surrender value, the death benefit will be continued. The death benefit will be the greater of the base policy specified amount plus supplemental coverage rider or the cash surrender value at age 100.

**Underwriting
class:
Male
Preferred Plus**

This illustration assumes the policy is issued with the classification shown at left. The actual underwriting class will be assigned when the application is reviewed in accordance with the Company's underwriting standards. If the policy's actual underwriting class differs from that shown at left, premiums and/or values will vary from those illustrated. If so, you will receive a revised illustration.

**Initial Death
Benefit:
\$380,000**

The death benefit assumed at issue is shown on the left. The actual amount payable at death of the insured may be decreased by loans or withdrawals, or increased by additional insurance benefits. The insurance contract specifies how to determine the benefit.

**Death Benefit
Option:
Option I**

The policy provides an option for a level (Option I) or increasing (Option II) death benefit equal to the specified amount plus the policy's policy value. Any increase in coverage is subject to evidence of insurability.

Premium Outlay

The total premium assumed to be paid each policy year. There is no fixed premium requirement, but there are upper and lower premium limits. The following premiums are based on the illustrated coverage amount at issue; later changes to the policy's benefits, whether illustrated or not, may alter the policy's premium limits.

You may vary the amount and timing of your planned premium payments as long as any minimum premium requirements are met. This may include the termination of premium payments if the policy values are sufficient to pay policy charges.

**First Year
Premium
\$4,983.22**

The premiums you plan to pay are shown in the yearly details of this illustration. Be sure to note when coverage would cease based on guaranteed or non-guaranteed assumptions. You have chosen a first year premium payment of \$4,983.22, payable \$4,983.22 annually.

**Minimum Premium
\$4,983.22**

This policy offers a minimum no-lapse premium (NLP). You are not required to pay this premium, but if it is paid, the policy will not lapse during the guarantee period as long as the no-lapse test has been passed. The no-lapse period is for the first five policy years. An increase in the specified amount will void the no-lapse guarantee. A decrease in specified amount will cause a recalculation of the no-lapse guarantee. The death benefit guarantee, which the NLP provides, is secured by paying the NLP each year.



Jefferson Pilot Life Insurance Company

JEFFERSON PILOT
FINANCIAL

Designed for
Bob Randolph
Age:66

Policy Illustration Explanation (Continued)
LifeWriter Legend 300 - Flexible Premium Adjustable Life

***Non-Guaranteed
Elements***

Many aspects of your life insurance contract are guaranteed, including your minimum interest and maximum charges. However, other aspects of the policy are not guaranteed. For example, the interest rate credited may exceed the guaranteed rate and monthly charges may be less than the maximum guaranteed charges. The non-guaranteed elements can improve the value of your life insurance policy in one of two ways;

- * by increasing your policy's cash value and/or death benefit; or
- * by reducing the out-of-pocket cost of your policy.

Variations in these factors could affect: death benefits, cash values, cash flow taken out of the policy, or total out-of-pocket payments over the lifetime of the policy. The non-guaranteed columns provide snapshots of your policy assuming higher interest and lower charges than those that are guaranteed. Since these elements are not guaranteed, a range of results are illustrated. Some factors in these non-guaranteed elements include death claims, investment earnings and overhead costs. Changes in these factors may affect future performance. The actual policy values may be less or more favorable than these illustrated results. Variations in these factors could affect:

- * death benefits
- * policy values
- * total payments outlay over the lifetime of the policy
- * the date coverage ends

***Interest
Enhancement***

Under current company practice, which may change, an additional 0.75% interest is added to the current interest rate in policy years 11 and later. This interest enhancement is not guaranteed and does not apply to guaranteed basis calculations.



Jefferson Pilot Life Insurance Company

JEFFERSON PILOT
FINANCIAL

Designed for
Bob Randolph
Age:66

Policy Illustration Explanation
LifeWriter Legend 300 - Flexible Premium Adjustable Life

Key terms you will find in this illustration are explained below.

Values

All values illustrated are end of year values. Premium payments, withdrawals and loans are assumed to occur at the beginning of the policy year.

Policy Value

Equal to the sum of premiums paid less monthly deductions and any withdrawals, plus interest earnings.

Cash Value

The policy value less any applicable surrender charge.

Surrender Value

The cash value less any debt (the principle amount of any loan outstanding against this policy, plus any accrued loan interest which has not been paid).

Monthly Deductions

Each month the cost of insurance and cost of any additional benefits provided by rider and the monthly administrative charge will be deducted from your policy. Deductions from the policy value are made every month throughout the life of the policy, regardless of whether or not premiums are paid.

Cost of Insurance

The rates charged are based on the policy year, the attained age of the insured, the insured's underwriting class and the amount at risk.

Non-Guaranteed Assumed Values

Uses a non-guaranteed interest rate, policy expenses and cost of insurance rates. These elements are subject to change and not guaranteed. Actual results may be more or less favorable.

Mid-Point Values

Uses the average of the following: assumed and guaranteed interest; guaranteed policy expenses; and assumed and guaranteed cost of insurance.

Guaranteed Values

Uses guaranteed expense charges and guaranteed cost of insurance charges. The interest is calculated at the guaranteed rate.

Withdrawals

You may withdraw part of your surrender value at any time. The policy will not lapse as long as enough policy value remains to cover the monthly deduction and any minimum premium requirements. Both the policy value and cash value of the policy will be reduced proportionately; the death benefit will be reduced by an amount equal to the reduction in the policy value. The minimum withdrawal is \$500.00 and only one may be made each year. A charge of \$50.00 per withdrawal will be deducted from your policy value.

Loans

Policy loans are available at any time prior to your age 100. Regular policy loans are available for the first 20 policy years at an interest charge of 5.00%, payable in arrears. The policy value is currently being credited 4.00% for a 1.00% net cost.

In policy year 21, all values are available as "preferred loans" with the "zero spread" feature. All loans (new and pre-existing) become "zero spread" loans. Loan interest rates (credited and charged) are guaranteed.



Jefferson Pilot Life Insurance Company

JEFFERSON PILOT
FINANCIAL

Designed for
Bob Randolph
Age:66

Life Insurance Policy Illustration
LifeWriter Legend 300 - Flexible Premium Adjustable Life

Underwriting Class: Preferred Plus
Payment Mode: \$ 4,983.22 Annually
Lump Sum Deposit: \$ 0.00

Initial Death Benefit: \$ 380,000
Initial Death Benefit Option: I
1035 Exchange: \$ 0.00

Modes: (A)Annual (S)Semi-Annual (Q)Quarterly (C)COM Monthly (W)Withdrawal (L)Loan (F)Forceout
(R)Loan Repay (*)Premium DEFRA Adjusted (&)MEC Indicator (+)Premium Modified for TAMRA

Age	Yr	Premium Outlay	Mode	Guaranteed Values @ 4.00%			Non-Guaranteed Assumed Values @ 6.05%		
				Policy Value	Surr Value	Death Benefit	Policy Value	Surr Value	Death Benefit
67	1	4,983	A	0	0	380,000	720	0	380,000
68	2	8,155	A	0	0	380,000	5,692	0	380,000
69	3	8,155	A	0	0	380,000	10,699	2,153	380,000
70	4	8,155	A	0	0	380,000	16,294	8,945	380,000
71	5	8,155	A	0	0	380,000	22,829	16,764	380,000
		78,382							
72	6	8,155	A	0	0	0	29,739	24,936	380,000
73	7	8,155	A	0	0	0	36,910	33,274	380,000
74	8	8,155	A	0	0	0	44,543	41,906	380,000
75	9	8,155	A	0	0	0	52,591	50,767	380,000
76	10	8,155	A	0	0	0	61,185	59,981	380,000
		159,935							
77	11	8,155	A	0	0	0	70,534	69,774	380,000
78	12	8,155	A	0	0	0	80,401	79,941	380,000
79	13	8,155	A	0	0	0	90,638	90,376	380,000
80	14	8,155	A	0	0	0	101,183	101,038	380,000
81	15	8,155	A	0	0	0	112,185	112,109	380,000
82	16	8,155	A	0	0	0	122,448	122,448	380,000
83	17	8,155	A	0	0	0	133,209	133,209	380,000
84	18	8,155	A	0	0	0	144,475	144,475	380,000
85	19	8,155	A	0	0	0	156,217	156,217	380,000
86	20	8,155	A	0	0	0	168,577	168,577	380,000
		159,935							
87	21	8,155	A	0	0	0	181,680	181,680	380,000
88	22	8,155	A	0	0	0	195,668	195,668	380,000
89	23	8,155	A	0	0	0	210,702	210,702	380,000
90	24	8,155	A	0	0	0	226,971	226,971	380,000
91	25	8,155	A	0	0	0	243,078	243,078	380,000

Non-guaranteed benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the company. Actual results may be more or less favorable.

Based on Guaranteed values the illustration lapsed in year 6 month 3.

Premiums are paid at the beginning of the period for the mode noted. Values and benefits are as of the end of the year. Cash from policy is either from policy loans or withdrawals.

Form UL 3000TX

THIS ILLUSTRATION IS NOT A POLICY CONTRACT

Presented by Western Underwriters
July 16, 2002 Version: 1.20.0500

This is page 5 of 8 pages
and is not valid unless all pages are included.



Jefferson Pilot Life Insurance Company

JEFFERSON PILOT
FINANCIAL

Designed for
Bob Randolph
Age:66

Life Insurance Policy Illustration
LifeWriter Legend 300 - Flexible Premium Adjustable Life

Underwriting Class: Preferred Plus
Payment Mode: \$ 4,983.22 Annually
Lump Sum Deposit: \$ 0.00

Initial Death Benefit: \$ 380,000
Initial Death Benefit Option: 1
1035 Exchange: \$ 0.00

Modes: (A)Annual (S)Semi-Annual (Q)Quarterly (C)COM Monthly (W)Withdrawal (L)Loan (F)Forceout
(R)Loan Repay (*)Premium DEFRA Adjusted (&)MEC Indicator (+)Premium Modified for TAMRA

Age	Yr	Premium Outlay	Mode	Guaranteed Values @ 4.00%			Non-Guaranteed Assumed Values @ 6.05%		
				Policy Value	Surr Value	Death Benefit	Policy Value	Surr Value	Death Benefit
92	26	8,155	A	0	0	0	259,643	259,643	380,000
93	27	8,155	A	0	0	0	276,905	276,905	380,000
94	28	8,155	A	0	0	0	295,716	295,716	380,000
95	29	8,155	A	0	0	0	317,011	317,011	380,000
96	30	8,155	A	0	0	0	341,224	341,224	380,000
		241,489							
97	31	8,155	A	0	0	0	369,979	369,979	380,000
98	32	8,155	A	0	0	0	403,438	403,438	403,438
99	33	8,155	A	0	0	0	439,183	439,183	439,183
100	34	8,155	A	0	0	0	477,360	477,360	477,360
101	35	0		0	0	0	509,820	509,820	509,820
102	36	0		0	0	0	544,488	544,488	544,488
103	37	0		0	0	0	581,513	581,513	581,513
104	38	0		0	0	0	621,056	621,056	621,056
105	39	0		0	0	0	663,288	663,288	663,288
106	40	0		0	0	0	708,391	708,391	708,391
		274,110							
107	41	0		0	0	0	756,562	756,562	756,562
108	42	0		0	0	0	808,008	808,008	808,008
109	43	0		0	0	0	862,953	862,953	862,953
110	44	0		0	0	0	921,634	921,634	921,634
		274,110							

Non-guaranteed benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the company. Actual results may be more or less favorable.

Based on Guaranteed values the illustration lapsed in year 6 month 3.

Premiums are paid at the beginning of the period for the mode noted. Values and benefits are as of the end of the year. Cash from policy is either from policy loans or withdrawals.



Jefferson Pilot Life Insurance Company

JEFFERSON PILOT
FINANCIAL

Designed for
Bob Randolph
Age:66

Important Notes
LifeWriter Legend 300 - Flexible Premium Adjustable Life

Tax Efficiency

Interest on your policy value buildup is tax-deferred. Policy loans and withdrawals are not subject to federal income tax if the policy meets certain government requirements.

Definition of Life Insurance

You have selected the Guideline Premium Test for this policy. This selection must be made when you complete your application and cannot be changed.

Guideline Premium Limits

This illustration is designed to comply with the Internal Revenue Code Section 7702 (DEFRA). Under this code provision, there are limitations to the amount of premium the policyowner may pay, in order that the favorable tax benefits under life insurance be granted. Further, the death benefit must be greater than the cash value by a stipulated amount defined in the code. This policy complies with these provisions. These premium limits are:

DEFRA Guideline Single Premium: \$201,283.54
DEFRA Guideline Level Premium: \$23,299.99

TAMRA 7-Pay Premium

Federal tax law also defines in Internal Revenue Code Section 7702A a class of insurance policies ("Modified Endowment Contracts" - MEC). Policies in this class currently receive less favorable tax treatment with respect to distributions (loans and withdrawals) than do policies not in this class (non-MEC). A policy will become a MEC if the premiums paid exceed the MEC premium limitation defined in the code (the "7-Pay Premium"). Once a policy exceeds this limitation, it is always characterized as a MEC. This premium limitation exists for the first 7 policy years, and for the 7 policy years following a material change to the contract. The annual MEC limit for this illustration is:

TAMRA Initial 7-Pay Premium: \$40,376.29

Based on Jefferson Pilot Financial's current understanding of the 1986 IRC as amended, and certain actuarial assumptions, this contract will not be a modified endowment contract (MEC). If additional premiums are paid, other than illustrated, this could cause the total premiums to exceed the TAMRA Initial 7-Pay Premium (see amount above). This could cause the contract to become a MEC. Please consult your insurance representative or tax advisor for more information.

Table of Surrender Charges

The surrender charges are based on the initial specified amount of \$380,000. Additional surrender charges related to any increases in specified amount will begin from the effective date of each increase in coverage. A decrease in specified amount will have no effect on the surrender charges. Surrender charges are shown in whole dollar amounts.

Yr	Amount	Yr	Amount	Yr	Amount	Yr	Amount	Yr	Amount
1	\$10,093	4	\$7,349	7	\$3,637	10	\$1,205	13	\$262
2	9,549	5	6,065	8	2,637	11	760	14	144
3	8,546	6	4,803	9	1,824	12	460	15	76

Interest Rates

The non-guaranteed current values in this illustration are based on an interest rate of 6.05%.



Jefferson Pilot Life Insurance Company

JEFFERSON PILOT
FINANCIALDesigned for
Bob Randolph
Age:66**Policy Illustration Summary**
LifeWriter Legend 300 - Flexible Premium Adjustable Life**Underwriting class:**
Male
Preferred Plus

Initial Death Benefit: \$380,000

First Year Planned Premium Outlay: \$4,983.22

Total Premium Outlay as of Age 100: \$274,110.43

Interest and Cost Scenarios

Summary Year	Guaranteed	Non-guaranteed Midpoint	Non-guaranteed Assumed
Age 70			
Total Premium Paid	29,449	29,449	29,449
Policy Value	0	2,376	16,294
Surr Value	0	0	8,945
Death Benefit	380,000	380,000	380,000
Year 5			
Total Premium Paid	37,605	37,605	37,605
Policy Value	0	2,362	22,829
Surr Value	0	0	16,764
Death Benefit	380,000	380,000	380,000
Year 10			
Total Premium Paid	78,382	78,382	78,382
Policy Value	0	0	61,185
Surr Value	0	0	59,981
Death Benefit	0	0	380,000
Year 20			
Total Premium Paid	159,935	159,935	159,935
Policy Value	0	0	168,577
Surr Value	0	0	168,577
Death Benefit	0	0	380,000
Lapse Year	6	6	44
Year of Last Premium Payment	34	34	34

Guaranteed
4.00% interest rate
and maximum
charges**Midpoint**
5.03% interest rate
and charges
halfway between
current and
guaranteed charges**Assumed**
6.05% interest rate
and
non-guaranteed
charges

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.


Owner/Applicant Signature

7/31/02
Date

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Agent Signature

Date

This policy must have state insurance department approval before it may be sold. Please check with your agent.

TP8056.00

Form UL 3000TX

THIS ILLUSTRATION IS NOT A POLICY CONTRACTPresented by Western Underwriters
July 16, 2002 Version: 1.20.0500This is page 8 of 8 pages
and is not valid unless all pages are included.



Please check appropriate underwriting company:

- Jefferson-Pilot Life Insurance Company**, PO Box 21008, Greensboro, NC 27420-1008
 - For Group Insurance (Benefit Partners) Program, PO Box 2616, Omaha, NE 68103-2616
- Jefferson Pilot Financial Insurance Company**, PO Box 515, Concord, NH 03302-0515
 - For Group Insurance (Benefit Partners) Program, PO Box 2616, Omaha, NE 68103-2616
- Alexander Hamilton Life Insurance Company**, PO Box 26071, Greensboro, NC 27420-6071

**T E X A S
NOTICE AND CONSENT FOR
HIV - RELATED TESTING**

To evaluate your insurability, the Insurer named above (the Insurer) has requested that you provide a sample of your blood, oral fluid extracted from cheek and gum tissue, or urine for testing and analysis to determine the presence of human immunodeficiency virus (HIV) antibodies. By signing and dating this form you agree that this test may be done and that underwriting decisions will be based on the test result. A series of three tests will be performed by a licensed laboratory through a medically accepted procedure.

Pre-Testing Considerations

Many public health organizations have recommended that before taking an HIV-related test a person seek counseling to become informed concerning the implications of such a test. You may wish to consider counseling, at your expense, prior to being tested.

Meaning of Positive Test Result

The test is not a test for AIDS. It is a test for antibodies to the HIV virus, the causative agent for AIDS, and shows whether you have been exposed to the virus. A positive test result does not mean that you have AIDS but that you are at significantly increased risk of developing problems with your immune system. The test for HIV antibodies is very sensitive. Errors are rare, but they do occur. Your private physician, a public health clinic, or an AIDS information organization in your city might provide you with further information on the medical implications of a positive test.

Positive HIV antibody test results will adversely affect your application for insurance. This means that your application may be declined, that an increased premium may be charged, or that other policy changes may be necessary.

Confidentiality of Test Results

All test results are required to be treated confidentially. They will be reported by the laboratory to the Insurer. The test results may be disclosed as required by law or may be disclosed to employees of the Insurer who have the responsibility to make underwriting decisions on behalf of the Insurer or to outside legal counsel who needs such information to effectively represent the Insurer in regard to your application. The results may be disclosed to a reinsurer, if the reinsurer is involved in the underwriting process. The test may be released to an insurance medical information exchange under procedures that are designed to assure confidentiality, including the use of general codes that also cover results of tests for other diseases or conditions not related to AIDS, or for the preparation of statistical reports that do not disclose the identity of any particular person.

Notification of Test Result

If your test results are negative, no routine notification will be sent to you. If your test results are reported by the laboratory to the Insurer as being positive, you will receive written notification of such results from a physician you have designated or, in the absence of such designation, from the Texas Department of Health. Because a trained person should deliver the information so that you can understand clearly what the test result means, please list your private physician so that the Insurer can have him or her tell you the test result and explain its meaning.

Name of physician for reporting a positive test result: _____

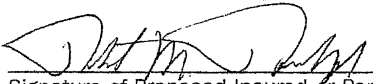
Address: _____

In the event the test is positive and you are denied coverage because of the fact and you request the reason for the denial, the insurer may require you to name a physician at that time in order to receive the information.

If the test indicates a positive result, but you do not designate a private physician, the test results will be provided to you by a representative of the Texas Department of Health.

Consent

I have read and I understand this Notice and Consent for HIV-Related Testing. I voluntarily consent to the withdrawal of blood , oral fluid extracted from cheek and gum tissue, or urine from me, the testing of that sample, and the disclosure of the test results as described above. I have read the information on this form about what a test result means. I understand that I have the right to request and receive a copy of this authorization. A photocopy of this form will be as valid as the original.



Signature of Proposed Insured or Parent/Guardian

7-31-02

Date Signed

Robert M. Randolph P.O. Box 67 Marathon, TX 79842

Name and address of Proposed Insured (Please Print)

Exhibit B



JEFFERSON PILOT
FINANCIAL

APPLICATION FOR LIFE INSURANCE

**JEFFERSON-PILOT LIFE
INSURANCE COMPANY**

**JEFFERSON PILOT FINANCIAL
INSURANCE COMPANY**

**ALEXANDER HAMILTON LIFE
INSURANCE COMPANY**

**BJF-8313
(STANDARD VERSION)**

2/01



**JEFFERSON PILOT
FINANCIAL**

Please check appropriate underwriting company:

- Jefferson-Pilot Life Insurance Company, PO Box 21008, Greensboro, NC 27420-1008
- Jefferson Pilot Financial Insurance Company, PO Box 515, Concord, NH 03302-0515
- Alexander Hamilton Life Insurance Company, PO Box 26071, Greensboro, NC 27420-6071

APPLICATION FOR LIFE INSURANCE — PART I

I. PROPOSED INSURED			
1. Name of Proposed Insured <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female (First, Middle, Last)		2. Date of Birth (mm/dd/yy)	3. Place of Birth (State, Country)
ROBERT MCGEHEE RANDOLPH		06/15/36	TEXAS USA
		4. Social Security Number 452-50-6417	5. Driver License # & State of Issue TX 03225690
6. Home Address (Street, City, State, Zip Code) P.O. BOX 67 MARATHON, TX 79842			7. Years At This Address 1
8. Employer		9. Business Address (Street, City, State, Zip Code)	
10. Occupation/Duties RETIRED		11. Home Telephone 915-386-4325	12. Business Telephone
		13. Citizen of (Country) US	
II. COVERAGE INFORMATION			
14. Plan of Insurance (if Variable, Complete Supplement) Lifewriter Legend 300		15. Amount of Insurance: \$ 380,000.00	
16. Death Benefit Option <input checked="" type="checkbox"/> Level <input type="checkbox"/> Increasing <input type="checkbox"/> Other (if Available)			
17. Additional Benefits:			
<input type="checkbox"/> Disability Waiver of Premium		<input type="checkbox"/> Spouse Rider - Amount \$ _____	
<input type="checkbox"/> Accidental Death Benefit - Amount \$ _____ (Complete Other Insured Supplement)		<input type="checkbox"/> Children's Rider - Amt. \$ ____/Units ____	
<input type="checkbox"/> Guaranteed Insurability - Amount \$ _____ (Complete Other Insured Supplement)		<input type="checkbox"/> Other _____	
<input type="checkbox"/> Waiver of Specified Premium - Amount \$ _____		<input type="checkbox"/> Accelerated Benefit Rider	
<input type="checkbox"/> Accelerated Benefit Rider		<input type="checkbox"/> Additional Specified Amount Rider - Amount \$ _____	
18. Automatic Premium Loan <input type="checkbox"/> Yes (if available) <input type="checkbox"/> No			
III. OWNER INFORMATION (Complete if Different from Proposed Insured)			
19. Owner Name			
20. Owner Address			
21. Owner Social Security Number or Tax ID		22. Relationship to Proposed Insured	23. Trust Date (if no Trust, leave blank)
IV. BENEFICIARY DESIGNATION			
24. Primary Beneficiary(ies): STEPHANIE W. RANDOLPH		25. Relationship(s) to Proposed Insured: WIFE	
26. Contingent Beneficiary(ies):		27. Relationship(s) to Proposed Insured:	
V. BILLING INSTRUCTIONS			
28. Cash with Application \$ 0		Was the Conditional Receipt Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
29. Planned Premium: \$ 8,155		30. Lump Sum: \$	
31. Premiums to be Paid: <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly <input type="checkbox"/> List Bill # _____			
<input type="checkbox"/> DRAFT/PAC <input type="checkbox"/> PDF (Complete Transmittal) <input type="checkbox"/> Other: _____			
32. Premium Bill to be Sent to: <input checked="" type="checkbox"/> Proposed Insured at:			
<input checked="" type="checkbox"/> Home Address <input type="checkbox"/> Business Address			
<input type="checkbox"/> Owner at address listed in #20 <input type="checkbox"/> Other ("Care Of" Name and Mailing Address)			
33. Special Instructions:			



Jefferson-Pilot Life Insurance Company, PO Box 21008, Greensboro, NC 27420-1008
Jefferson Pilot Financial Insurance Company, PO Box 515, Concord, NH 03302-0515
Alexander Hamilton Life Insurance Company, PO Box 26071, Greensboro, NC 27420-6071

APPLICATION FOR LIFE INSURANCE

GENERAL INSTRUCTIONS FOR COMPLETING THE APPLICATION

Please follow these instructions carefully. If you have any questions, please contact your Marketing Department for assistance before completing this application. Thank you for the opportunity to underwrite your business.

Completing the Application

- Answer all questions on each page, and record each answer in complete detail using black or blue ink.
- While completion of Section IX is not required if a full paramedical or medical examination is necessary, answering all medical questions (including the full name, address and phone number for each physician consulted) will enable the underwriter to promptly begin the underwriting process. Please complete Section IX if a full paramedical or medical exam is over 90 days old but less than 180 days old.
- **DO NOT USE WHITEOUT.** If you need to change an answer put a line through the mistake and have the change initialed by the Owner. If a health question is changed, draw a line through the mistake and have the change initialed by the Proposed Insured.
- The **LICENSED AGENT OR BROKER** must complete, sign and date the **AGENT'S REPORT**.
- If applying for a **Survivorship policy**, complete a separate application for each individual proposed for coverage.

Authority

No agent, broker or medical examiner has the authority to make or modify any Company contract or to waive any of the Company's requirements.

Conditional Receipt

If you accept money with the application, you must give the Applicant a copy of the receipt.

- **Advance Payments May Not Be Accepted if:**
 1. The Life insurance applied for plus existing insurance with all Jefferson Pilot Financial affiliated insurance companies exceeds \$1,000,000 on any one life including optional benefit riders.
 2. Any Proposed Insured's age is less than 15 days or in excess of 70 years.
 3. Either of the Health Questions at the beginning of the Conditional Receipt is answered YES or LEFT BLANK.
- **If the Advance Payment Rules allow money to be accepted, please follow these guidelines:**
 1. Accept advance payment only in the form of a currently dated check made payable to the applicable Jefferson Pilot Financial company.
 2. Enter the full amount accepted on page 1, question 28 of the Application for Life Insurance.
 3. Have the Proposed Insured(s), Owner and Licensed Agent or Broker sign and date the receipt.
 4. Detach the receipt and give it to the Owner.
 5. Submit the advance payment with the application.

VI. PERSONAL FINANCE

34. Annual Earned Income: \$ _____ 35. Annual Unearned Income: \$ 85,000

36. Total Assets: \$ _____ 37. Total Liabilities: \$ _____ 38. Net Worth: \$ 2,675,000

39. In the last 5 years have you ever filed for bankruptcy? Yes, If "Yes", COMPLETE the Financial Supplement. No

VII. LIFE INSURANCE IN FORCE

40. Have you ever applied for life, health or disability insurance and been declined, postponed or charged an increased premium? Yes No

41. Do you have any applications pending with any other life insurance company now? Yes No

If you answered "Yes" to question 40 and/or 41, please give details here.

42. List all insurance in force. If none, state "None".

Company	Face Amount	Beneficiary	Issue Year	Replacement or Change of Policy?
Principal	380,000	Stephanie Randolph	1986	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Principal	21,000	STEPHANIE RANDOLPH	1952	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
GE Life	300,000	Stephanie Randolph	1994	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Aetna	1,000		1945	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

If this insurance will replace or change any other insurance, COMPLETE and ENCLOSE any required state replacement forms.

VIII. GENERAL RISK INFORMATION

	Yes	No
--	-----	----

43. In the past 3 years, have you smoked a cigarette, cigar or pipe, chewed tobacco or used tobacco or nicotine in any form? If "Yes", last used cigar (form) on 10/99 (month, year). Yes No

44. Do you plan to travel or reside outside the US or Canada within the next 12 months? Yes No

45. In the past 3 years, have you engaged in, or in the future do you plan to engage in, flying in non-commercial aircraft; racing of any kind; skin or scuba diving; parachuting or sky diving; hang gliding; mountain, rock or technical climbing? If "Yes", complete Aviation-Avocation Supplement. Yes No

46. Have you ever been convicted of a felony or misdemeanor (except for a minor traffic violation)? Yes No

47. In the past 5 years, have you been convicted of two or more moving violations, driving under the influence of alcohol or other drugs, or had your driver license suspended or revoked? Yes No

48. Have you ever been told by a medical professional you had human immune deficiency virus (HIV) infection or Acquired Immunodeficiency Syndrome (AIDS), or have you received treatment from a medical professional for AIDS? Yes No

If you answered "Yes" to questions 43-48, please give details here. 43. Proposed insured had 1 or 2 cigars in 1999. Stopped smoking cigarettes in 1967.

IX. MEDICAL INFORMATION

49. Name and address of your personal physician and/or health care facility? (If none, indicate "None".) Dr. Steve Johnson

a. Date and reason last consulted? 2001 (March) - annual physical

b. Treatment or medication prescribed? _____

50. Height 6 ft. 3/4 in. Weight 180 lbs.

a. Has your weight changed by more than 10 pounds during the past 12 months? Yes No

b. If "Yes", how many pounds? _____ Please explain. _____

51. Have you ever had, or been told by a medical professional to seek treatment because of, any of the following:

	Yes	No
--	-----	----

a. Chest pain, high blood pressure, heart attack, heart murmur, disease of the heart or blood vessels? Yes No

b. Cancer, tumor, leukemia, blood disorder, melanoma, or lymphoma? Yes No

c. Diabetes or high blood sugar? Yes No

d. Shortness of breath, asthma, sleep apnea, emphysema, tuberculosis, or other lung disease? Yes No

e. Disease of the nervous system, stroke, seizure, paralysis? Yes No

f. Mental or nervous disorder, depression, anxiety? Yes No

g. Hepatitis, cirrhosis, or other disease of the liver or pancreas? Yes No

h. Ulcer, colitis, or other disorder of the stomach or intestines? Yes No

i. Disease or disorder of the kidneys, bladder or prostate, or a sexually transmitted disease? Yes No

j. Arthritis, disease or injury of the muscles, bones, or joints? Yes No

k. In the past 10 years, any other health impairment, congenital deformity or medically or surgically treated condition not mentioned above? Yes No

IX. MEDICAL INFORMATION (Continued)

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| 52. Have you ever used or experimented with cocaine, marijuana, or other non-prescription stimulants, depressants, or narcotics? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 53. Have you ever been treated, or advised to receive treatment, for use of alcohol or drugs? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 54. In the past 30 days, have you taken any medication or non-prescription drug? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 55. Are you now planning to seek medical advice or treatment for any reason? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

56. Family Record	Age if Living	Present Health	Age at Death	Cause of Death
Father			67	emphysema (SMOKING)
Mother	93	good		
Brothers	70	good	63	
Sisters				↓ Brain tumor

If you answered "Yes" to questions 51 - 55, please give complete details including date of last treatment and name/address of the attending physician.

51 k. ¹⁹⁸⁴ Basal cell removed. No complications. No recurrence. Dr. Scott Miller
 1307 8th Avenue
 #505
 Fort Worth, TX 76104

1997 DIASTASIS RECTI (HERNIA) REPAIRED.

54. Occasional allergy meds - Allegra
 DR. JOHN FERRARA
 TULANE UNIVERSITY
 NEW ORLEANS LA

X. HOME OFFICE ENDORSEMENTS

AGREEMENT AND ACKNOWLEDGEMENT

I, the Owner, declare that my tax identification or social security number as shown is correct. I also certify that I am not subject to backup withholding.

Each of the Undersigned declares that:

1. This Application consists of: a) Part I Application; b) Part II Medical Application, if required; c) any amendments to the application(s) attached thereto; and d) any supplements, all of which are required by the Company for the plan, amount and benefits applied for.
2. Unless otherwise provided by the Conditional Receipt, the Company will have no liability under this application unless and until: a) it has been received and approved by the Company at its Home Office; b) the policy has been issued and delivered to the policyowner; c) the first premium has been paid to and accepted by the Company; and d) at the time of delivery and payment, the facts concerning the insurability of each person proposed for insurance are as stated in this application.
3. No agent, broker or medical examiner has the authority to make or modify any Company contract or to waive any of the Company's requirements.
4. Corrections, additions or changes to this application may be made by the Company. Any such changes will be shown under "Home Office Endorsements". Acceptance of a policy issued with such changes will constitute acceptance of the changes. No change will be made in classification (including age at issue), plan, amount, or benefits unless agreed to in writing by the Applicant.
5. I ACKNOWLEDGE receipt of the Notices on the Medical Information Bureau and Fair Credit Reporting Act.
6. I HAVE READ, or have had read to me, the completed Application for Life Insurance before signing below. All statements and answers in this application are correctly recorded, and are full, complete and true to the best of my knowledge and belief. I UNDERSTAND that any false statements or material misrepresentations shall result in the loss of coverage under the policy.

AUTHORIZATION

Each of the Undersigned declares that:

I authorize any licensed physician, medical practitioner, hospital, clinic or any other medically related facility, insurance company, Medical Information Bureau (MIB), or other organization, institution or person that has any records or knowledge of the proposed insured or the proposed insured's health to give to Jefferson-Pilot Life Insurance Company, Jefferson Pilot Financial Insurance Company, Alexander Hamilton Life Insurance Company, their licensed representatives and/or their reinsurers such information.

I understand that the information obtained may be used by the Company to determine eligibility for insurance, or to administer my coverage. The Company may not give the information to any person or entity except: 1) a reinsurer, or other insurers to whom I have applied or may apply; 2) MIB; or 3) any other person or entity who performs business or legal services in connection with the administration of my insurance coverage. Information may be disclosed as allowed by law or regulation.

Upon written request, I will receive details of the method I must use to exercise my right to access, correct, and amend any information gathered about me or my children which relates to this application.

I agree that a copy of this authorization shall be as valid as the original and this authorization shall be valid for 30 months from the date shown below. I may have a copy upon request.

I elect to be interviewed if an Investigative Consumer Report is prepared.

Signed at Marathon, Texas, this 31st day of July 2002
(city and state) (month) (year)

[Signature]
Signature of Proposed Insured
(Parent or Guardian if under 14 years of age)

Signature of Spouse (If coverage applied for)

Signature of Owner (If other than Proposed Insured)

Signature of Child 14 or older (If coverage applied for)

Signature of Licensed Agent or Broker

Signature of Child 14 or older (If coverage applied for)

AGENT'S REPORT

GENERAL INFORMATION

1. How long and how well have you known the Proposed Insured and Owner?
2. Are you related to the Proposed Insured(s)? Yes No If "Yes", Give details:
3. Did you see all Proposed Insureds on the date of application? Yes No
(If not seen, an examination is required.)
4. Do all Proposed Insureds and Owner read and understand the English Language? Yes No If "No", how was the application completed?
5. Do you know or have any reason to believe that replacement of insurance is involved? Yes No
6. Answer only if Proposed Insured is under age 15.
 - a. Father's Life Insurance: Amount In Force: \$ Amount Applied for: \$
 - b. Mother's Life Insurance: Amount In Force: \$ Amount Applied for: \$
 - c. Are siblings also being insured? Yes No If "No", please explain:

PURPOSE OF THE SALE: (Please indicate the purpose of this sale by choosing **ONE** of the following, under appropriate client type)

- | | | | |
|---|--|---|--|
| 7. Client Type - Individual | | Client Type - Business | |
| <i>Wealth accumulation</i> | <i>Wealth Preservation</i> | <i>Business wealth accumulation</i> | <i>Business wealth transfer</i> |
| <input type="checkbox"/> Retirement planning | <input type="checkbox"/> Estate Planning | <input type="checkbox"/> COLI/BOLI | <input type="checkbox"/> Buy/sell arrangement |
| <input type="checkbox"/> Financial planning | <input type="checkbox"/> Charitable giving | <input type="checkbox"/> Split dollar | <input type="checkbox"/> Business continuation |
| <input type="checkbox"/> Special Needs (e.g. disabled child, aging parents, etc.) | <input type="checkbox"/> Retirement distribution | <input type="checkbox"/> Executive compensation | <input type="checkbox"/> Key man coverage |
| <input type="checkbox"/> Savings | | | |
| <input type="checkbox"/> Other (pls. specify) | <input type="checkbox"/> Other (pls. specify) | <input type="checkbox"/> Other (pls. specify) | <input type="checkbox"/> Other (pls. specify) |

BUSINESS FINANCES (Complete only if this is business insurance)

8. Type of business: Corporation Partnership Sole Proprietorship Other:
 9. Proposed Insured is: Employee Owner of % of business
 10. Total Business Assets: \$ Total Business Liabilities: \$ Total Business Net Worth: \$
 11. Net Income (Profit) for the past 2 years: Last year \$ Previous year \$
 12. Is application signed by authorized officer or partner other than Proposed Insured? Yes No
If "Yes", please explain:
 13. Are applications being submitted on other business associates? Yes No
 14. What insurance does the business maintain on the lives of each corporate officer/key person/partner and the amount of business insurance on each?
- | Name | Title | % of Ownership | Amount In Force | Amount Applied For |
|------|-------|----------------|-----------------|--------------------|
| | | | | |
| | | | | |
| | | | | |

AGENT INFORMATION

15. Agents who participate in this application:

Full Name of Agent entitled to commission:	Agent Number	% Commission Share	Agent's Phone Number:	Agent's Fax Number:
		% ()	()	()
		% ()	()	()
		% ()	()	()
16. Primary Agent's E-Mail Address:
17. In order for us to process completion of the application, please provide the following:
 - 1) Within which Marketing Program are you submitting this application (i.e. CPA, McGladrey etc.)
 - 2) Identify any special compensation instructions (i.e. trail commission schedule)

I declare that I asked the Proposed Insured each question on the application. The answers have been recorded by me exactly as stated and I know nothing affecting the insurability of the Proposed Insured which is not fully recorded in this application.



Please check appropriate underwriting company:

- Jefferson-Pilot Life Insurance Company, PO Box 21008, Greensboro, NC 27420-1008
- Jefferson Pilot Financial Insurance Company, PO Box 515, Concord, NH 03302-0515
- Alexander Hamilton Life Insurance Company, PO Box 26071, Greensboro, NC 27420-6071

CONDITIONAL RECEIPT

This Conditional Receipt provides a **limited amount of life insurance coverage**, for a **limited period of time**, subject to the terms of this receipt. This **Conditional Receipt may not be given if the insuring age of any proposed insured is under 15 days or over 70 years of age (nearest birthday)**.

A. Health Questions

Has any person proposed for insurance:	Yes	No
1. Had or been treated for heart trouble, stroke or cancer within the past twelve (12) months?	<input type="checkbox"/>	<input type="checkbox"/>
2. Been admitted to a hospital or other medical facility or been advised by a medical practitioner that they need to be hospitalized for any reasons other than for normal pregnancy within the past ninety (90) days?	<input type="checkbox"/>	<input type="checkbox"/>

Unless both questions are answered "No", money cannot be accepted and this Conditional Receipt may not be given.

B. Conditions and Limitations

Amount Limitation - \$1,000,000 Total Insurance: The maximum amount of life insurance which may become effective under this Conditional Receipt on any person proposed for insurance shall not exceed \$1,000,000 minus all life insurance provided under other Conditional Receipts and in force policies with the Jefferson Pilot Financial affiliated companies listed above. Life insurance includes any benefits for accidental death.

Conditions:

- A minimum advance payment equal to one month premium for the insurance applied for must be made.
- Any check given in payment must be honored when first presented to the bank.
- All medical examinations and tests required by the Company's initial underwriting requirements must be completed and received at its home office/service office within 60 days from the completion of Part I of the application.
- If any person proposed for insurance dies by suicide or if the application or this receipt contains any material misrepresentations, then the Company's liability under this receipt is limited to a refund of the premium paid.
- Each person proposed for insurance must be a risk insurable on the insurability date in accordance with the Company's rules, limits and standards for the plan and the amount applied for without modification either as to plan, amount, riders, supplemental agreements and/or the rate of premium paid.

Beginning Date: If all conditions in this receipt have been fulfilled exactly, coverage under the policy applied for, subject to the Amount Limitations may begin on the insurability date, which is the latest of (a) the date of completion of Part I of the application, or (b) the date of completion of all medical examinations, tests and other evidence required by the Company, or (c) the policy date, if any, requested in the application.

Termination Date - 90 Day Maximum: Coverage under this receipt, if it has begun, will terminate automatically on the earliest of: (a) 90 days from the date of this receipt, or (b) the date the insurance takes effect under the policy applied for.

If insurance is declined or the policy, if any, as issued is not accepted, any premium paid will be returned to the Owner. If the policy is accepted, any premium paid will be credited to the premiums due under such policy.

I have read the terms of this Conditional Receipt. I understand that the insurance applied for will not be effective unless and until all conditions of this Conditional Receipt are met.

Received from: _____ the sum of \$ _____

Signature of Proposed Insured
 (Parent or Guardian if under 14 years of age)

Date

Signature of Owner (If other than Proposed Insured)

Signature of Licensed Agent or Broker

**All checks must be made payable to Insurance Company checked above.
 Do not make checks payable to the agent or leave the payee blank.**

Exhibit C



JEFFERSON PILOT
FINANCIAL

ROBERT MCGEHEE RANDOLPH

P O BOX 67
MARATHON TX 79842

**Jefferson-Pilot
Life Insurance Company**

Home Office: 100 North Greene Street
P.O. Box 21008
Greensboro, North Carolina 27420

This policy is a legal contract between the policy owner and the Company. **It is important that you read your contract carefully.**

Jefferson-Pilot Life Insurance Company will pay the proceeds of this policy to the beneficiary upon receipt of due proof that the death of the Insured occurred while the policy was in force. This payment and all other rights, options and benefits will be subject to the terms of this policy.

Right to Cancel Policy Within 20 days after you receive this policy, you may have it cancelled by returning it to us, to the agent from whom you bought it, or to any of our agents. The return of this policy will void it from the beginning and we will refund any premiums paid.


Chief Executive Officer


Secretary

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Riders providing supplemental benefits or policy changes, if any, and a copy of the application follow Page 14.

Insured: ROBERT MCGEHEE RANDOLPH

Policy Number: JP5255005

Policy Date: SEPTEMBER 9, 2002

Age and Sex: 66 MALE

Specified Amount: \$380,000

Death Benefit Option: I

**FLEXIBLE PREMIUM
ADJUSTABLE LIFE**

Proceeds payable at death. Flexible premiums payable during lifetime of Insured. Policy values may increase or decrease as determined by declared interest and risk rates. Non-participating.

Insurance Coverage Provisions

Death Benefit The death benefit of the policy is the larger of:

- (a) The death benefit under the Death Benefit Option in effect; or
- (b) The policy value at the beginning of the policy month of death times the Corridor Factor shown in the table on page 4.

The death benefit will be reduced by any indebtedness on the date of death. The policy value at the beginning of the policy month of death used in calculating the death benefit is after subtracting all parts of the monthly deduction for the policy month except for the cost of insurance.

Death Benefit Qualification Test This policy is intended to qualify as life insurance under the Internal Revenue Code. The death benefit provided by this policy is intended to qualify for the Federal income tax exclusion. Two methods of qualifying as life insurance are the Cash Value Accumulation Test and the Guideline Premium Test, as defined in Internal Revenue Code Section 7702. The Death Benefit Qualification Test for this policy is shown on page 4 and cannot be changed. Unless You elected otherwise, the Death Benefit Qualification Test is the Guideline Premium Test.

Death Benefit Options

Option I The death benefit is the Specified Amount on the date of death.

Option II The death benefit is the Specified Amount on the date of death plus the policy value at the beginning of the policy month of death.

If this policy is in force at the attained age 100 of the Insured, the Specified Amount and Death Benefit Option will change automatically as described in the General Provisions under Changes in Insurance Coverage.

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Jefferson-Pilot Life Insurance Company's toll-free telephone for information or to make a complaint at

1-800-487-1485

You may also write to Jefferson-Pilot at:

Jefferson-Pilot Life Insurance Company
P.O. Box 21008
Greensboro, North Carolina 27420-1008

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at

1-800-252-3439

You may write the Texas Department of Insurance

P.O. Box 149104
Austin, TX 78714-9104
FAX #(512) 475-1771

PREMIUM OR CLAIM DISPUTES

Should you have a dispute concerning your premium or about a claim you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Jefferson-Pilot Life Insurance Company para informacion o para someter una queja al

1-800-487-1485

Usted tambien puede escribir a:

Jefferson-Pilot Life Insurance Company
P.O. Box 21008
Greensboro, North Carolina 27420-1008

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas

P.O. Box 149104
Austin, TX 78714-9104
FAX #(512) 475-1771

DISPUTAS SOBRE PRIMAS O RECLAMOS

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

FORM NUMBER	BENEFIT	EFFECTIVE DATE	MONTHLY DEDUCTION	RATE CLASS	YEARS PAYABLE
UL3000	INITIAL SPECIFIED AMOUNT	380,000	SEP 9, 2002	SEE PAGE 8	STD 34 PREF PLUS NON-TOBACCO USER

POLICY SPECIFICATIONS

NOTE: IF YOU PAY THE PLANNED PREMIUM ON TIME, COVERAGE WILL CONTINUE UNTIL SEP 09, 2007 BASED ON GUARANTEED INTEREST AND GUARANTEED COST OF OF INSURANCE RATES SHOWN IN THE POLICY. IF YOU MAKE POLICY LOANS, PARTIAL SURRENDERS, OR CHANGES IN COVERAGE, PREMIUMS PAID OR RIDERS, YOUR COVERAGE MAY TERMINATE BEFORE THE ABOVE DATE.

OWNER ROBERT MCGEHEE RANDOLPH, THE INSURED

BENEFICIARY AS STATED IN APPLICATION UNLESS LATER CHANGED.

INSURED ROBERT MCGEHEE RANDOLPH

POLICY NUMBER JP-5255005 POLICY DATE SEP 09, 2002

AGE AND SEX 66 MALE

SPECIFIED AMOUNT \$380,000

DEATH BENEFIT OPTION I

PLAN OF INSURANCE FLEXIBLE PREMIUM ADJUSTABLE LIFE

INSURED ROBERT MCGEHEE RANDOLPH

POLICY NUMBER JP-5255005

FORM NUMBER UL3000

PLANNED PREMIUM \$4,983.24 ANNUAL

MINIMUM SPECIFIED AMOUNT \$100,000.00

FACTORS USED IN CALCULATION OF POLICY VALUES

MONTHLY ADMINISTRATIVE CHARGE

\$14.00 FOR POLICY MONTHS 1-12
\$4.00 FOR POLICY MONTHS 13 AND LATER

ADMINISTRATIVE CHARGE PER \$1,000 OF SPECIFIED AMOUNT

\$.06 FOR POLICY MONTHS 1-12

NET PREMIUM FACTOR

65% FOR POLICY MONTHS 1-12 OF THE FIRST \$8,056.00 OF GROSS PREMIUM
93% FOR POLICY MONTHS 1-12 OF ANY ADDITIONAL GROSS PREMIUM
93% FOR POLICY MONTHS 13 AND LATER

MORTALITY TABLE USED TO CALCULATE MINIMUM CASH SURRENDER VALUES -
1980 CSO MALE OR FEMALE NONSMOKER OR SMOKER

INTEREST RATE USED TO CALCULATE MINIMUM CASH SURRENDER VALUES - 4.00%

NO LAPSE GUARANTEE FACTORS

NO LAPSE MONTHLY PREMIUM \$415.27

NO LAPSE GUARANTEE PERIOD SEP 9, 2002 TO SEP 9, 2007

NO LAPSE TEST - THE NO LAPSE TEST IS MET

IF (1) MINUS (2) MINUS (3) IS GREATER THAN OR EQUAL TO (4), WHERE:

- (1) IS THE TOTAL GROSS PREMIUMS PAID;
- (2) IS ALL PARTIAL SURRENDERS;
- (3) IS ANY INDEBTEDNESS; AND
- (4) IS THE CUMULATIVE NO LAPSE PREMIUMS DUE.

POLICY NUMBER JP-5255005

FORM NUMBER UL3000

TABLE OF GUARANTEED POLICY VALUES FOR \$ 380,000 INITIAL SPECIFIED AMOUNT
DEATH BENEFIT OPTION I

THE TABLE BELOW SHOWS THE MINIMUM GUARANTEED CASH VALUES OF THE POLICY. THESE VALUES ARE BASED ON 4.00% INTEREST, COST OF INSURANCE RATES SHOWN ON PAGE 11, NO PARTIAL SURRENDERS, AND PAYMENT OF THE PLANNED PREMIUM AS INDICATED ON PAGE 4 TO THE END OF THE POLICY YEAR SHOWN. A CHANGE IN ANY OF THESE ASSUMPTIONS WILL CHANGE THE STATED VALUES.

END OF POLICY YEAR	PLANNED PREMIUM FOR YEAR	CASH SURRENDER OR LOAN VALUE
1	4,983	0
2	4,983	0
3	4,983	0
4	4,983	0
5	4,983	0

EXPIRATION YEAR 6 (AGE 72) THIS IS THE YEAR THE POLICY WILL EXPIRE ASSUMING THE PAYMENT OF THE PLANNED PREMIUM AS SHOWN ON PAGE 4 AND BASED ON THE USE OF GUARANTEED INTEREST AND COST OF INSURANCE RATES.

PLAN OF INSURANCE FLEXIBLE PREMIUM
ADJUSTABLE LIFE

INSURED ROBERT MCGEHEE RANDOLPH
 POLICY NUMBER JP-5255005
 FORM NUMBER UL3000

 TABLE OF SURRENDER CHARGES PER 1,000 OF INITIAL SPECIFIED AMOUNT

POLICY MONTH	SURRENDER CHARGE
1- 12	26.56
13- 24	25.13
25- 36	22.49
37- 48	19.34
49- 60	15.96
61- 72	12.64
73- 84	9.57
85- 96	6.94
97-108	4.80
109-120	3.17
121-132	2.00
133-144	1.21
145-156	0.69
157-168	0.38
169-180	0.20
181 & LATER	0.00

POLICY LOAN INTEREST RATE 5.00%
 POLICY LOAN INTEREST RATE ON PREFERRED LOANS 4.00%
 PARTIAL SURRENDER MINIMUM AMOUNT \$500.00
 PARTIAL SURRENDER FEE \$50.00

PLAN OF INSURANCE FLEXIBLE PREMIUM
 ADJUSTABLE LIFE

POLICY NUMBER JP-5255005

FORM NUMBER UL3000

DEATH BENEFIT QUALIFICATION TEST - GUIDELINE PREMIUM TEST

TABLE OF CORRIDOR FACTORS

ATTAINED AGE	CORRIDOR FACTOR
66	1.19
67	1.18
68	1.17
69	1.16
70	1.15
71	1.13
72	1.11
73	1.09
74	1.07
75	1.05
76	1.05
77	1.05
78	1.05
79	1.05
80	1.05
81	1.05
82	1.05
83	1.05
84	1.05
85	1.05
86	1.05
87	1.05
88	1.05
89	1.05
90	1.05
91	1.04
92	1.03
93	1.02
94	1.01
95	1.00

END OVER

PLAN OF INSURANCE FLEXIBLE PREMIUM
ADJUSTABLE LIFE

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Definitions

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Where all of the terms below appear in the policy, we define them as follows:

We, Our, Us Jefferson-Pilot Life Insurance Company.

You, Your The Owner of the policy.

Home Office Home Office of Jefferson-Pilot Life Insurance Company, PO Box 21008, Greensboro, North Carolina 27420. **The Jefferson-Pilot Home Office Telephone Number is (336) 691-3000.**

Policy Date The date we use to determine policy anniversaries and monetary values.

Age The Insured's age, nearest birthday, on the policy date.

Attained Age The Insured's age as measured from the policy date with allowance for time elapsed.

Indebtedness The principal of a policy loan together with interest due.

Nonparticipating No dividends will be paid on this policy.

Notice, Election, Request Writings satisfactory to us that have been received at our Home Office. We will not be held responsible for any payment or other action we have taken before your writings are recorded at our Home Office.

Irrevocable Beneficiary A beneficiary, named by you as irrevocable, whose written consent is necessary for you to exercise any right specified in this policy.

Monthly Anniversary Day The same day in each month as the policy date.

Cash Surrender Value The policy value as of the date of surrender less the charge, if any, for full surrender, and less any indebtedness.

Proceeds The money we will pay if this policy matures as a death benefit or is surrendered for its cash surrender value.

1. **As a Death Claim** The proceeds will be the amount of insurance as described on page 2.
2. **Upon Surrender** The proceeds will be the cash surrender value.

Owner and Beneficiary

Owner The Owner is shown on page 3 or in a rider attached to this policy. While the Insured is alive, the Owner may exercise every right and option and receive every benefit provided by this policy. These rights, however, are subject to the written consent of any irrevocable beneficiary.

Beneficiary The beneficiary is as stated in the application unless later changed.

Change of Owner or Beneficiary While the Insured is alive, the Owner or beneficiary may be changed. Any change will take effect as of the date the request is signed. The Insured need not be living when the requested change is recorded at our Home Office.

Death of the Owner or Beneficiary If an Owner other than the Insured dies while the Insured is living, all rights and options of the Owner will belong to the Owner's executors or administrators unless otherwise provided. Unless otherwise provided, the interest of any beneficiary, including any irrevocable beneficiary, who dies before the Insured, will belong to the Owner.

General Provisions

The Contract This policy is issued in consideration of the application and payment of the initial premium. This policy, the attached copy of the application and/or endorsements, and any attached riders form the entire contract. Statements in the application are, in the absence of fraud, considered to be representations and not warranties. No statement will be used to void this policy or be used to deny a claim unless it is contained in the application.

Policy Changes Only one of our authorized officers can change the terms of this policy. A change must be in writing.

Incontestability We will not contest this policy after it has been in force during the Insured's lifetime for 2 years from the effective date.

An increase in the Specified Amount will not be contested after it has been in force during the Insured's lifetime for 2 years from its effective date.

Suicide If the Insured, while sane or insane, commits suicide within 2 years from the effective date, the amount payable will be no more than the sum of the premiums paid less any indebtedness and any partial surrenders.

If the Insured, while sane or insane, commits suicide within 2 years from the effective date of an increase in the Specified Amount, the amount payable under such increase will be the sum of the monthly deductions for such increase.

Assignment You may assign this policy. We are not bound by an assignment unless we receive notice of it at our Home Office. Policy rights and benefits are subject to any assignment. We are not obliged to see that an assignment is valid or sufficient.

Misstatement of Age or Sex If the age or sex of the Insured has been misstated, the amount of death benefit will be adjusted to the amount which would have been provided by the most recent cost of insurance deduction at the true age and sex. The policy value will not be affected.

Compliance with the Internal Revenue Code This policy is intended to qualify as life insurance under the Internal Revenue Code. The death benefit provided by this policy is intended to qualify for the Federal income tax exclusion. If at any time the premium paid under the policy exceeds the amount allowable for such qualification, we will refund the premium to you with interest within sixty days after the end of the policy year in which the premium was received. If, for any reason, we do not refund the excess premium within sixty days after the end of such policy year, the excess premium will be held in a separate deposit fund and credited with interest until refunded to you. The interest rate used on any refund or credited to the separate deposit fund created by this provision will be the current rate of interest we are paying on this policy.

We also reserve the right to refuse to make any change in the Specified Amount or the Death Benefit Option or any other change if such change would cause this policy to fail to qualify as life insurance under the Internal Revenue Code.

Modified Endowment This policy will be allowed to become a modified endowment contract under the Internal Revenue Code only with your consent. Otherwise, if at any time the premiums paid under the policy exceed the limit for avoiding modified endowment contract status, the excess premium will be refunded to you with interest within sixty days after the end of the policy year in which the premium was received. If, for any reason, we do not refund the excess premium within sixty days after the end of such policy year, the excess premium will be held in a separate deposit fund and credited with interest until refunded to you. The interest rate used on any refund or credited to the separate deposit fund created by this provision will be the current rate of interest we are paying on this policy.

Changes in Insurance Coverage Upon request, the insurance coverage may be changed at any time after the first policy year and prior to the attained age 86 of the Insured. Changes that result in a decrease in the amount payable at death may be made prior to the attained age 100 of the Insured. The changes which can be made are:

1. increase in the Specified Amount,
2. decrease in the Specified Amount,
3. change in the existing Death Benefit Option.

If a change would result in an increase in the amount payable at death, such change will be subject to satisfactory evidence of insurability. The Specified Amount may not be decreased below the minimum shown on page 4. A decrease in the Specified Amount will apply first against insurance with the most recent effective date, with the Initial Specified Amount being last to be decreased. A change will be effective on the monthly anniversary day on or next following the date of approval by us of the request for the change, unless another date acceptable to us is requested.

If the policy is in force at the attained age 100 of the Insured, the Specified Amount will automatically be set equal to the greater of the Specified Amount or the cash surrender value, and the Death Benefit Option will be set to Option I. The Death Benefit Option may not be changed after that date and no further premium payments may be made. Monthly deductions for all policy months after that date will not apply.

Settlement Payment or settlement under this policy will be made at our Home Office. At the time of settlement, any policy indebtedness will be deducted. At the time of settlement, we reserve the right to require surrender of this policy.

Deferment Except for the purpose of paying premiums to us, payment of cash values or making a policy loan may be deferred. The deferral may not be more than 6 months from the date you request the cash value or loan.

Premium Payment The initial premium is due on the policy date and is payable on or before delivery of this policy. Thereafter, premiums may be paid at any time and in any amount, subject to the following conditions, unless otherwise agreed to in writing by us.

The amount of each premium must be at least \$25.

We reserve the right to limit the amount of premiums that we will accept in any policy year to an amount equal to the guideline level premium determined for your policy under the Internal Revenue Code unless a larger amount is necessary to prevent the termination of the policy on or before the end of the policy year.

Your premiums are payable in United States currency. They are payable at our Home Office, at one of our authorized collection offices, or to an agent authorized to collect premiums in exchange for a receipt signed by one of our officers.

No Lapse Guarantee The no lapse monthly premium, the no lapse guarantee period and the no lapse test are shown on page 4. The no lapse monthly premium is due on each monthly anniversary day during the no lapse guarantee period. This policy will not terminate according to the grace period provision during the no lapse guarantee period if the no lapse guarantee provision is in effect and the no lapse test is met.

The no lapse guarantee provision will cease to be in effect on the earliest of the following dates:

1. the expiration of the no lapse guarantee period;
2. the effective date of an increase in Specified Amount;
3. the effective date of a change in Death Benefit Option;
4. the effective date of an added or increased benefit;
5. the policy terminates and is reinstated; or
6. the continued payment of the no lapse monthly premium would result in the policy failing to qualify as life insurance under the Internal Revenue Code.

Grace Period If on a monthly anniversary day the cash surrender value is less than the monthly deduction due, a grace period of 60 days from that date will be allowed for the payment of the minimum amount needed to continue the policy. If the no lapse guarantee provision is in effect and the no lapse test has been met, the grace period will not begin and the policy will not be subject to termination under this provision.

We will notify you and any assignee of the minimum amount due at least 30 days before the end of the grace period. If the amount specified is not paid within the grace period, the policy will terminate without value at the end of such period. If the Insured dies within the grace period, the amount needed to continue the policy to the end of the policy month of death will be deducted from the amount otherwise payable.

Reinstatement Application to reinstate this policy may be made within 5 years after the date of termination provided the policy has not been surrendered for its cash surrender value.

In addition to the application, reinstatement will require all of the following:

1. You must furnish evidence of insurability satisfactory to us;
2. You must pay an amount sufficient to keep the policy in force for at least 2 months;
3. You must pay or reinstate any indebtedness.

Reinstatement will be effective on the date we approve the application unless another date acceptable to us is requested.

We will not contest this policy for misrepresentations made in the applications for reinstatement after the policy has been in force during the lifetime of the Insured for 2 years from the date of the last reinstatement.

The no lapse guarantee provision will not be in effect upon reinstatement.

Premium Refund at Death Any premium paid after the beginning of the policy month of death will be refunded as part of the proceeds, unless you request otherwise prior to such payment.

Nonforfeiture Provisions

Policy Value On each monthly anniversary day, the policy value will be (1) plus (2) plus (3) plus (4) minus (5), where

- (1) is the policy value as of the preceding monthly anniversary day minus the monthly deduction for the month ending on the monthly anniversary day.
- (2) is one month's interest on (1).
- (3) is all net premiums received since the preceding monthly anniversary day.
- (4) is interest on (3) from the date the premium is received to the end of the policy month.
- (5) is the reduction in policy value caused by any partial surrender since the preceding monthly anniversary day.

On any day other than a monthly anniversary day, the policy value will be (1) minus (5) where

- (1) is the policy value as of the preceding monthly anniversary day minus the monthly deduction for the current policy month, with
- (5) defined as above.

In addition, on surrender we will refund any premium received since the preceding monthly anniversary day.

The policy value on the policy date, after payment of the initial premium, will be the net premium.

Net Premium Each net premium will be computed by multiplying each gross premium by the guaranteed net premium factor shown on page 4. A higher net premium factor may be applied as determined by us.

Interest Rate The guaranteed interest rate credited in the calculations described above is shown on page 4. Interest in excess of the guaranteed rate may be applied as determined by us. Such interest is referred to in this policy as excess interest. The excess interest rate to be credited for the prior policy month will be determined on the monthly anniversary day. No excess interest will be credited on any policy value held as security for a policy loan.

Monthly Deduction The monthly deduction for a policy month will be computed as (1) plus (2) where

- (1) is the cost of insurance and the cost of additional benefits provided by rider for the policy month.
- (2) is the sum of all administrative charges for the policy and any attached riders shown on page 4 as being due for the policy month.

If there is an increase in the Specified Amount, additional charges may be in effect for the increase. If there is an additional charge in effect for an increase in Specified Amount, a new schedule of charges will be provided after such increase.

Cost of Insurance The cost of insurance is determined on a monthly basis as the cost of insurance rate for the month multiplied by the number of thousands of net amount at risk for the month. The net amount at risk for a month is computed as (1) minus (2) where

- (1) is the death benefit for the month before reduction for any indebtedness, discounted to the beginning of the month at the guaranteed interest rate.
- (2) is the policy value at the beginning of the month.

For months in which Death Benefit Option I is in effect, for the purpose of allocating the cost of insurance between different parts of the Specified Amount, the policy value will be considered as part of the Initial Specified Amount. If such value exceeds the Initial Specified Amount, any excess will be considered part of the earliest addition to the Specified Amount. This allocation will continue in order of all additions to the Specified Amount until all value is allocated.

Cost of Insurance Rates The monthly cost of insurance rates are determined by us. Rates will be based on our expectation of future mortality, interest, expenses, and lapses. Any change in the monthly cost of insurance rates used will be on a uniform basis for Insureds of the same rate class. Rates will never be larger than the maximum rates shown on page 11. The maximum rates are based on the mortality table shown on page 4.

Continuation of Insurance This policy and all riders will continue in force according to the terms as long as the cash surrender value is sufficient to cover the monthly deduction. If such value is not sufficient, the policy will terminate according to the grace period provision. If premiums are discontinued on any date, the value on that date will be used to provide insurance under this provision.

Basis of Values Minimum policy values are based on the mortality assumptions and interest rates shown on page 4. The values for this policy are at least equal to the minimum required by law. A detailed statement of the method used to determine policy values and reserves has been filed with the state where this policy is delivered.

Nonforfeiture Provisions (Continued)

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Surrender and Surrender Value Upon request, you may surrender this policy and take its cash surrender value. Surrender within 31 days after a policy anniversary date will be treated as a surrender on that date.

Partial Surrender Upon request, you may make a partial surrender of this policy. The partial surrender may be for any amount equal to or greater than the Partial Surrender Minimum Amount shown on page 4, not to exceed the cash surrender value less \$500.

When a partial surrender is made:

1. the policy value will be reduced by the amount of the partial surrender, plus the Partial Surrender Fee shown on page 4;
2. the death benefit will be reduced by the amount at least equal to the reduction in value. Such a reduction may be produced without changing the Specified Amount. If not, we will reduce the Specified Amount so that the reduction in death benefit is equal to the reduction in value. A partial surrender cannot be allowed if it would reduce the Specified Amount below the minimum shown on page 4.

Surrender Charges The charge for full surrender will be the amount shown on Page 4 for the number of completed policy months preceding surrender. There will be a partial charge if there is a decrease in the Specified Amount while there is a surrender charge in effect. If there is an increase in the Specified Amount, an additional surrender charge may be in effect for the increase. If there is an additional surrender charge in effect for an increase in Specified Amount, a new schedule of surrender charges will be provided after such increase.

Surrender charges are computed based on the number of thousands of Specified Amount. The partial charge for a decrease in Specified Amount will be based on the per thousand charge for the number of thousands of the decrease. A decrease in Specified Amount will apply first against insurance with the most recent effective date.

A new schedule of surrender charges will be provided after a change in such charges.

Annual Report

We will provide you an Annual Report. This report will show the activity of the policy for the past year. It will list premiums paid, expenses charged, monthly deductions, interest credited, and partial surrenders. It will show the then current death benefit and values and the loan balance outstanding. It will also provide a projection of future values of the policy using the then current values and both guaranteed and current rates of interest and mortality.

Upon request, we will provide, without charge, an illustration showing projected policy values based on guaranteed as well as current mortality and interest factors. The first illustration in any policy year will be furnished free of charge. Any illustration after the first in any policy year may be obtained for a fee of \$10.00.

Policy Loans

When Available A loan may be obtained by request when this policy has a loan value. This policy will be the sole security for the loan.

Amount Available The loan value at any time is the then current policy value if the policy were surrendered on the date of determination.

The maximum additional loan at any time is the loan value at that time less:

1. any existing loan;
2. accrued interest on any existing loan; and
3. interest on the total outstanding loan to the end of the policy year.

Loan Interest Interest on a policy loan is due and payable on each policy anniversary. Interest not paid when due will be added to the loan and bear interest at the same rate.

The effective annual policy loan interest rate is shown on page 4.

Loan Repayments You may repay all or part of a loan at any time while this policy is in force. Each partial repayment must be at least \$25.

Every payment to us on this policy will be considered a premium payment unless clearly marked for loan repayment or for payment of loan interest.

Preferred Loan Amounts Beginning with the earlier of the attained age 100 of the Insured or the 21st policy year, all loan balances will be considered to be preferred loan amounts.

Maximum Loan Amount If the indebtedness at any time equals or exceeds the loan value, this policy will terminate without value 31 days after notice has been mailed to your last known address and to that of any assignee of record.

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Settlement Options

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Instead of payment in one sum, all or part of the proceeds may be applied under one or more of the settlement options shown below. The right to elect and payments under a settlement option are subject to the conditions stated in this provision.

You may make, change or revoke an election at any time while the Insured is alive. Following the death of the Insured, the beneficiary may elect an option if you have not elected one or if proceeds are payable in one sum. A beneficiary may make a change in payment under a settlement option only if you provided for it in your election.

A change of beneficiary automatically cancels a previous election of a settlement option.

If this policy is assigned, the assignee's portion of proceeds will be paid in one sum. Any balance of proceeds may be applied under settlement options.

Proceeds placed under a settlement option for the benefit of any beneficiary must be at least \$2,500 and payments to any payee must be at least \$25.

If proceeds are payable to an executor, administrator, trustee, corporation, partnership or association, payment will be in one sum unless we agree to payment under a settlement option.

Options

1. Income for a Fixed Period Monthly installments will be paid for a period agreed upon.

2. Life Income Monthly installments will be paid as elected under a, b or c:

- a. **Life Only** Installments will be paid for as long as the payee lives.
- b. **Guaranteed Period** Installments will be paid during the guaranteed period. After that, installments will be paid for as long as the payee lives.
- c. **Installment Refund** Installments will be paid until the sum of payments equals all proceeds retained. After that, installments will be paid for as long as the payee lives.

The amount of each installment is determined by the payee's sex and age nearest birthday when payments begin.

3. Interest For a period agreed upon, proceeds will be held by us and will earn interest at a rate we declare annually. This rate will be at least the rate shown on page 14.

During the period agreed upon:

- a. Interest will be paid monthly to the payee; or
- b. Interest can be allowed to accumulate.

At any time during the period agreed upon, proceeds may be placed under one of the other settlement options.

4. Income of Fixed Amount Monthly installments will be paid in an amount agreed upon until proceeds and interest are exhausted.

5. Annuity Settlement Option Instead of any other settlement option, the proceeds may be used to provide an income based on our Single Premium Immediate Annuity rates and rules in effect on the date the proceeds are payable. The amount of each installment will be adjusted to make it payable at the beginning of the payment period.

The amount of each installment provided by the proceeds will be 103% of the installment which normally would be paid under our Single Premium Immediate Annuity.

The amount of each installment based on our Single Premium Immediate Annuity is determined by the payee's sex and age nearest birthday when installments begin.

When Installment Payments Begin Interest under option 3 will be paid at the end of each payment period. Payments under other options are made at the beginning of each payment period. Payment periods begin on the date proceeds become due and payable.

Guaranteed and Excess Interest Payments are calculated at the guaranteed interest rate as shown on page 14. When we declare more than that rate, the excess will be paid as part of each payment under options 1, 3 and 4 and during the guaranteed and refund periods under option 2.

Protection Against Creditors Funds held and payments made under settlement options shall not be assigned and, to the extent permitted by law, shall not be subject to levy, attachment or other judicial process.

Other Conditions and Provisions Before payments begin under a settlement option, this policy must be exchanged for a supplementary contract expressing the terms of settlement.

Unless otherwise provided in the supplementary contract, the present value of any payments due after the death of the last surviving payee will be paid to that payee's estate.

Any indebtedness will decrease the amount placed under a settlement option unless the indebtedness is paid before installment payments begin.

Settlement Option Tables

Monthly Installments per \$1,000 of Proceeds

Guaranteed Basis of Calculation for Settlement Option Installments

Options 1, 3 and 4: 3% interest compounded annually.

Options 2 and 5: 3% interest compounded annually and the Progressive Annuity Table.

Option 1 - Income for Fixed Period

No. of Years	Monthly Instm't	No. of Years	Monthly Instm't	No. of Years	Monthly Instm't	No. of Years	Monthly Instm't	No. of Years	Monthly Instm't	No. of Years	Monthly Instm't
1	84.47	6	15.14	11	8.86	16	6.53	21	5.32	26	4.59
2	42.86	7	13.16	12	8.24	17	6.23	22	5.15	27	4.47
3	28.99	8	11.68	13	7.71	18	5.96	23	4.99	28	4.37
4	22.06	9	10.53	14	7.26	19	5.73	24	4.84	29	4.27
5	17.91	10	9.61	15	6.87	20	5.51	25	4.71	30	4.18

Option 2 - Life Income

Age of Payee		Life	Guaranteed Period				Instm't	Age of Payee		Life	Guaranteed Period				Instm't
Male	Female	Only	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	Refund	Male	Female	Only	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	Refund
15 & under	19 & under	2.96	2.98	2.97	2.96	2.95	2.95	51	55	4.55	4.54	4.50	4.42	4.31	4.33
16	20	2.98	3.00	2.99	2.98	2.97	2.97	52	56	4.65	4.64	4.59	4.51	4.38	4.41
17	21	3.00	3.01	3.00	2.99	2.98	2.99	53	57	4.76	4.74	4.69	4.59	4.44	4.45
18	22	3.01	3.03	3.02	3.01	3.00	3.01	54	58	4.87	4.85	4.79	4.68	4.51	4.52
19	23	3.03	3.05	3.04	3.03	3.02	3.02	55	59	4.99	4.97	4.90	4.77	4.58	4.67
20	24	3.06	3.07	3.06	3.05	3.04	3.05	56	60	5.12	5.09	5.01	4.86	4.65	4.75
21	25	3.08	3.10	3.09	3.08	3.07	3.07	57	61	5.25	5.23	5.13	4.96	4.72	4.85
22	26	3.10	3.12	3.11	3.10	3.09	3.09	58	62	5.40	5.37	5.25	5.06	4.79	4.97
23	27	3.12	3.14	3.13	3.12	3.11	3.11	59	63	5.56	5.52	5.39	5.16	4.85	5.08
24	28	3.15	3.17	3.16	3.15	3.14	3.13	60	64	5.72	5.68	5.52	5.27	4.92	5.20
25	29	3.18	3.19	3.18	3.17	3.16	3.16	61	65	5.90	5.84	5.67	5.37	4.99	5.32
26	30	3.20	3.22	3.21	3.20	3.19	3.18	62	66	6.09	6.02	5.82	5.48	5.05	5.45
27	31	3.23	3.25	3.24	3.23	3.22	3.21	63	67	6.29	6.21	5.97	5.59	5.11	5.55
28	32	3.26	3.27	3.26	3.25	3.24	3.24	64	68	6.51	6.41	6.13	5.69	5.16	5.74
29	33	3.29	3.30	3.29	3.28	3.27	3.26	65	69	6.74	6.63	6.30	5.80	5.21	5.89
30	34	3.32	3.34	3.33	3.32	3.31	3.29	66	70	6.99	6.86	6.48	5.90	5.26	6.05
31	35	3.36	3.37	3.36	3.35	3.34	3.33	67	71	7.26	7.10	6.66	6.01	5.31	6.22
32	36	3.39	3.40	3.39	3.38	3.37	3.36	68	72	7.55	7.36	6.84	6.11	5.34	6.41
33	37	3.43	3.44	3.43	3.42	3.41	3.39	69	73	7.86	7.64	7.03	6.20	5.38	6.61
34	38	3.47	3.48	3.47	3.46	3.44	3.43	70	74	8.19	7.93	7.22	6.29	5.41	6.81
35	39	3.51	3.52	3.51	3.50	3.48	3.46	71	75	8.55	8.24	7.41	6.38	5.43	7.03
36	40	3.55	3.56	3.55	3.54	3.52	3.50	72	76	8.94	8.57	7.60	6.46	5.45	7.25
37	41	3.60	3.60	3.59	3.58	3.56	3.54	73	77	9.36	8.91	7.79	6.53	5.47	7.51
38	42	3.65	3.65	3.64	3.62	3.60	3.58	74	78	9.82	9.28	7.98	6.59	5.48	7.77
39	43	3.70	3.70	3.69	3.67	3.65	3.63	75	79	10.31	9.66	8.17	6.65	5.49	8.05
40	44	3.75	3.75	3.74	3.72	3.69	3.67	76	80	10.85	10.06	8.35	6.70	5.50	8.33
41	45	3.80	3.80	3.79	3.77	3.74	3.72	77	81	11.43	10.48	8.52	6.74	5.50	8.67
42	46	3.86	3.86	3.85	3.82	3.79	3.77	78	82	12.06	10.92	8.68	6.77	5.51	9.01
43	47	3.92	3.92	3.90	3.88	3.84	3.82	79	83	12.76	11.38	8.83	6.80	5.51	9.37
44	48	3.99	3.98	3.97	3.94	3.89	3.87	80	84	13.50	11.83	8.96	6.82	5.51	9.75
45	49	4.05	4.05	4.03	4.00	3.95	3.93	81	85 & over	14.31	12.32	9.08	6.83	5.51	10.17
46	50	4.13	4.12	4.10	4.06	4.00	3.99	82		15.20	12.80	9.19	6.85	5.51	10.62
47	51	4.20	4.19	4.17	4.13	4.06	4.05	83		16.18	13.28	9.28	6.85	5.51	11.08
48	52	4.28	4.27	4.25	4.20	4.12	4.12	84		17.24	13.76	9.36	6.86	5.51	11.60
49	53	4.36	4.36	4.33	4.27	4.18	4.18	85 & over		18.38	14.25	9.42	6.86	5.51	12.17
50	54	4.46	4.44	4.41	4.35	4.25	4.26								

Option 3 - Interest Installments

Monthly	2.47
Quarterly	7.42
Semiannually	14.89
Annually	30.00

Option 4 - Income of Fixed Amount

Monthly Instm't	Years	Months	Monthly Instm't	Years	Months	Monthly Instm't	Years	Months
5.00	22	10	10.00	9	6	30.00	2	10
6.00	17	10	12.50	7	4	33.33	2	7
6.67	15	6	15.00	6	0	35.00	2	5
7.00	14	7	16.67	5	4	40.00	2	4
7.50	13	5	17.50	5	1	45.00	1	10
8.00	12	5	20.00	4	5	50.00	1	8
9.00	10	9	25.00	3	6			

At the end of the periods shown in Option 4 there is often a small remaining balance which will also be

Amendment to the Policy Provisions

Rider forming a part of the policy to which attached.

The provision entitled Changes in Insurance Coverage in the General Provisions of this policy amended by adding the following:

After attained age 100, this policy may not qualify as life insurance and may be subject to tax consequences. A tax advisor should be consulted prior to continuing this policy after attained age 100.



Secretary



JEFFERSON PILOT
FINANCIAL

Please check appropriate underwriting company:

- Jefferson-Pilot Life Insurance Company, PO Box 21008, Greensboro, NC 27420-1008
- Jefferson Pilot Financial Insurance Company, PO Box 515, Concord, NH 03302-0515

AMENDMENT TO APPLICATION FOR INSURANCE

Policy No. JP5255005

The undersigned hereby amends his or her application for insurance dated July 31, 2002 on the life of ROBERT M RANDOLPH.

We are authorized to make the following alterations in or additions to the application and to issue a policy as may be necessary to conform to said application as modified herein. I hereby accept the policy as issued.

I UNDERSTAND THAT THE STATEMENTS AND REPRESENTATIONS MADE ON A MEDICAL APPLICATION FORM FOR FIRST COLONY LIFE INSURANCE COMPANY WERE COMPLETE AND TRUE. IN ADDITION, I UNDERSTAND THAT THIS MEDICAL FORM DATED JUNE 10, 2002 SHALL BECOME A PART OF MY ORIGINAL APPLICATION FOR A POLICY ISSUED BY JEFFERSON PILOT FINANCIAL INSURANCE COMPANY.

Dated at _____ this _____ day of _____ 20_____

Signature of Proposed Insured
(Parent or Guardian if under 14 years of age)

Signature of Proposed Insured
(Parent or Guardian if under 14 years of age)

Signature of Owner (if other than Proposed Insured)

Signature of Owner (if other than Proposed Insured)

Signature of Witness

Signature of Spouse (if coverage applied for)



APPLICATION FOR LIFE INSURANCE — PART I

I. PROPOSED INSURED			
1. Name of Proposed Insured <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female (First, Middle, Last)	2. Date of Birth (mm/dd/yy)	3. Place of Birth (State, Country)	4. Social Security Number 452-50-6417
ROBERT MCGEEHEE RANDOLPH	06/15/36	TEXAS USA	5. Driver License # & State of Issue TX 03225690
6. Home Address (Street, City, State, Zip Code) P.O. BOX 67 MARATHON, TX 79842			7. Years At This Address 1
8. Employer	9. Business Address (Street, City, State, Zip Code)		
10. Occupation/Duties RETIRED	11. Home Telephone 915-386-4325	12. Business Telephone	13. Citizen of (Country) US
II. COVERAGE INFORMATION			
14. Plan of Insurance (If Variable, Complete Supplement) Lifewriter Legend 300		15. Amount of Insurance: \$ 380,000.00	
16. Death Benefit Option <input checked="" type="checkbox"/> Level <input type="checkbox"/> Increasing <input type="checkbox"/> Other (if Available)			
17. Additional Benefits: <input type="checkbox"/> Disability Waiver of Premium <input type="checkbox"/> Spouse Rider - Amount \$ _____ <input type="checkbox"/> Accidental Death Benefit - Amount \$ _____ (Complete Other Insured Supplement) <input type="checkbox"/> Guaranteed Insurability - Amount \$ _____ <input type="checkbox"/> Children's Rider - Amt. \$ ____/Units ____ <input type="checkbox"/> Waiver of Specified Premium - Amount \$ _____ (Complete Other Insured Supplement) <input type="checkbox"/> Accelerated Benefit Rider <input type="checkbox"/> Other _____ <input type="checkbox"/> Additional Specified Amount Rider - Amount \$ _____			
18. Automatic Premium Loan <input type="checkbox"/> Yes (if available) <input type="checkbox"/> No			
III. OWNER INFORMATION (Complete if Different from Proposed Insured)			
19. Owner Name			
20. Owner Address			
21. Owner Social Security Number or Tax ID	22. Relationship to Proposed Insured	23. Trust Date (if no Trust, leave blank)	
IV. BENEFICIARY DESIGNATION			
24. Primary Beneficiary(ies): STEPHANIE W. RANDOLPH		25. Relationship(s) to Proposed Insured: WIFE	
26. Contingent Beneficiary(ies):		27. Relationship(s) to Proposed Insured:	
V. BILLING INSTRUCTIONS			
28. Cash with Application \$ 0		Was the Conditional Receipt Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
29. Planned Premium: \$ 8,155		30. Lump Sum: \$	
31. Premiums to be Paid: <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly <input type="checkbox"/> List Bill # _____ <input type="checkbox"/> DRAFT/PAC <input type="checkbox"/> PDF (Complete Transmittal) <input type="checkbox"/> Other: _____			
32. Premium Bill to be Sent to: <input checked="" type="checkbox"/> Proposed Insured at: <input checked="" type="checkbox"/> Home Address <input type="checkbox"/> Business Address <input type="checkbox"/> Owner at address listed in #20 <input type="checkbox"/> Other ("Care Of" Name and Mailing Address)			
33. Special Instructions:			

NEW BUSINESS RECEIVED
10/27/17 11:48

VI. PERSONAL FINANCE

34. Annual Earned Income: \$ _____ 35. Annual Unearned Income: \$ 85,000
 36. Total Assets: \$ _____ 37. Total Liabilities: \$ _____ 38. Net Worth: \$ 2,675,000
 39. In the last 5 years have you ever filed for bankruptcy? Yes, If "Yes", COMPLETE the Financial Supplement. No

VII. LIFE INSURANCE IN FORCE

40. Have you ever applied for life, health or disability insurance and been declined, postponed or charged an increased premium? Yes No
 41. Do you have any applications pending with any other life insurance company now? Yes No

If you answered "Yes" to question 40 and/or 41, please give details here.

42. List all insurance in force. If none, state "None".

Company	Face Amount	Beneficiary	Issue Year	Replacement or Change of Policy?
Principal	380,000	Stephanie Randolph	1986	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Principal	21,000	STEPHANIE RANDOLPH	1952	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
GE Life	300,000	Stephanie Randolph	1994	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Aetna	1,000		1943	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

If this insurance will replace or change any other insurance, COMPLETE and ENCLOSE any required state replacement forms.

VIII. GENERAL RISK INFORMATION

	Yes	No
43. In the past 3 years, have you smoked a cigarette, cigar or pipe, chewed tobacco or used tobacco or nicotine in any form? If "Yes", last used <u>cigar</u> (form) on <u>10/99</u> (month, year).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
44. Do you plan to travel or reside outside the US or Canada within the next 12 months?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
45. In the past 3 years, have you engaged in, or in the future do you plan to engage in, flying in non-commercial aircraft; racing of any kind; skin or scuba diving; parachuting or sky diving; hang gliding; mountain, rock or technical climbing? If "Yes", complete Aviation-Avocation Supplement.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
46. Have you ever been convicted of a felony or misdemeanor (except for a minor traffic violation)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
47. In the past 5 years, have you been convicted of two or more moving violations, driving under the influence of alcohol or other drugs, or had your driver license suspended or revoked?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
48. Have you ever been told by a medical professional you had human immune deficiency virus (HIV) infection or Acquired Immunodeficiency Syndrome (AIDS), or have you received treatment from a medical professional for AIDS?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If you answered "Yes" to questions 43-48, please give details here.

43. Proposed insured had 1 or 2 cigars in 1999. Stopped smoking cigarettes in 1967.

IX. MEDICAL INFORMATION

49. Name and address of your personal physician and/or health care facility? (If none, indicate "None".) Dr. Steve Johnson

a. Date and reason last consulted? 2001 (March) - annual physical
 b. Treatment or medication prescribed? _____

50. Height 6 ft. 3/4 in. Weight 180 lbs.

a. Has your weight changed by more than 10 pounds during the past 12 months? Yes No
 b. If "Yes", how many pounds? _____ Please explain. _____

51. Have you ever had, or been told by a medical professional to seek treatment because of, any of the following:

	Yes	No
a. Chest pain, high blood pressure, heart attack, heart murmur, disease of the heart or blood vessels?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Cancer, tumor, leukemia, blood disorder, melanoma, or lymphoma?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Diabetes or high blood sugar?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Shortness of breath, asthma, sleep apnea, emphysema, tuberculosis, or other lung disease?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Disease of the nervous system, stroke, seizure, paralysis?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Mental or nervous disorder, depression, anxiety?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Hepatitis, cirrhosis, or other disease of the liver or pancreas?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Ulcer, colitis, or other disorder of the stomach or intestines?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. Disease or disorder of the kidneys, bladder or prostate, or a sexually transmitted disease?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Arthritis, disease or injury of the muscles, bones, or joints?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
k. In the past 10 years, any other health impairment, congenital deformity or medically or surgically treated condition not mentioned above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

IX. MEDICAL INFORMATION (Continued)

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| 52. Have you ever used or experimented with cocaine, marijuana, or other non-prescription stimulants, depressants, or narcotics? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 53. Have you ever been treated, or advised to receive treatment, for use of alcohol or drugs? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 54. In the past 30 days, have you taken any medication or non-prescription drug? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 55. Are you now planning to seek medical advice or treatment for any reason? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

56. Family Record	Age if Living	Present Health	Age at Death	Cause of Death
Father			67	emphysema (SMOKING)
Mother	93	Good		
Brothers	70	Good	63	↓ Brain tumor
Sisters				

If you answered "Yes" to questions 51 - 55, please give complete details including date of last treatment and name/address of the attending physician.

51k. ¹⁹⁹⁴ Basal cell removed. No complications. No recurrence. Dr. Scott Miller
 1307 8th Avenue
 #505
 Fort Worth, TX 76104

1997 DIASTASIS RECTI (HERNIA) REPAIRED.

54. Occasional allergy meds - Allegra
 DR. JOHN FERRARA
 TULANE UNIVERSITY
 NEW ORLEANS LA

NEW BUSINESS RECEIVED
 2007 AUG - 7 A 11:48

X. HOME OFFICE ENDORSEMENTS

I, the Owner, declare that my tax identification or social security number as shown is correct. I also certify that I am not subject to backup withholding.

Each of the Undersigned declares that:

1. This Application consists of: a) Part I Application; b) Part II Medical Application, if required; c) any amendments to the application(s) attached thereto; and d) any supplements, all of which are required by the Company for the plan, amount and benefits applied for.
2. Unless otherwise provided by the Conditional Receipt, the Company will have no liability under this application unless and until: a) it has been received and approved by the Company at its Home Office; b) the policy has been issued and delivered to the policyowner; c) the first premium has been paid to and accepted by the Company; and d) at the time of delivery and payment, the facts concerning the insurability of each person proposed for insurance are as stated in this application.
3. No agent, broker or medical examiner has the authority to make or modify any Company contract or to waive any of the Company's requirements.
4. Corrections, additions or changes to this application may be made by the Company. Any such changes will be shown under "Home Office Endorsements". Acceptance of a policy issued with such changes will constitute acceptance of the changes. No change will be made in classification (including age at issue), plan, amount, or benefits unless agreed to in writing by the Applicant.
5. I ACKNOWLEDGE receipt of the Notices on the Medical Information Bureau and Fair Credit Reporting Act.
6. I HAVE READ, or have had read to me, the completed Application for Life Insurance before signing below. All statements and answers in this application are correctly recorded, and are full, complete and true to the best of my knowledge and belief. I UNDERSTAND that any false statements or material misrepresentations shall result in the loss of coverage under the policy.

AUTHORIZATION

Each of the Undersigned declares that:

I authorize any licensed physician, medical practitioner, hospital, clinic or any other medically related facility, insurance company, Medical Information Bureau (MIB), or other organization, institution or person that has any records or knowledge of the proposed insured or the proposed insured's health to give to Jefferson-Pilot Life Insurance Company, Jefferson Pilot Financial Insurance Company, Alexander Hamilton Life Insurance Company, their licensed representatives and/or their reinsurers such information.

I understand that the information obtained may be used by the Company to determine eligibility for insurance, or to administer my coverage. The Company may not give the information to any person or entity except: 1) a reinsurer, or other insurers to whom I have applied or may apply; 2) MIB; or 3) any other person or entity who performs business or legal services in connection with the administration of my insurance coverage. Information may be disclosed as allowed by law or regulation.

Upon written request, I will receive details of the method I must use to exercise my right to access, correct, and amend any information gathered about me or my children which relates to this application.

I agree that a copy of this authorization shall be as valid as the original and this authorization shall be valid for 30 months from the date shown below. I may have a copy upon request.

I elect to be interviewed if an Investigative Consumer Report is prepared.

Signed at Marathon, Texas, this 31st day of July, 2002
(city and state) (month) (year)

[Signature]
Signature of Proposed Insured
(Parent or Guardian if under 14 years of age)

Signature of Spouse (If coverage applied for)

Signature of Owner (If other than Proposed Insured)

Signature of Child 14 or older (If coverage applied for)

[Signature]
Signature of Licensed Agent or Broker

Signature of Child 14 or older (If coverage applied for)

NEW BUSINESS RECEIVED
2002 JUL 7 11:48 AM

Affiliated Life Insurance Companies of GE Financial Assurance
 First Colony Life Insurance Company (FCL) • General Electric Capital Assurance Company (GECA) • GE Life and Annuity Assurance Company (GE Life & Annuity)
 700 Main Street • Lynchburg, VA 24504

Professional health care provider (care provider) means persons licensed as: medical physicians; chiropractors; physical therapists; psychologists; and drug, alcohol, or mental health counselors. **Professional health care treatment facility (treatment facility)** includes: hospitals; clinics; drug or alcohol treatment or consultation facilities; nursing homes; mental health facilities; ambulatory care centers; and facilities or offices staffed or run by care providers.

1. Proposed Insured

Please print all answers

a. Full Name: ROBERT M. RANDOLPH b. Date of Birth (Mo. Day Yr.): 6/15/36 c. Social Security Number: 452-50-6417 d. Height: 6 ft. 00 3/4 in. e. Weight: 180 lbs.

2. Primary Care Provider (If none, state NONE)

Name and Address (For the past 5 years, give dates and reasons consulted and any treatments or medications prescribed in DETAILS.)
Dr. Steve Johnson, 1651 W. MAGAHOCA #200, FLOWER, TX 76104 2001: ANNUAL CPX

3. Medical Questions (Explain "Yes" Answers in DETAILS.)

a. In the past 10 years, have you had, been treated for, or been medically advised to be treated for, any of the following?

	Yes	No		Yes	No		Yes	No		Yes	No
(1) Alcoholism or Drug Use	<input type="radio"/>	<input checked="" type="radio"/>	(13) Depression	<input type="radio"/>	<input checked="" type="radio"/>	(24) Lupus (SLE)/Scleroderma	<input type="radio"/>	<input checked="" type="radio"/>	(36) Shortness of Breath	<input type="radio"/>	<input checked="" type="radio"/>
(2) Angina	<input type="radio"/>	<input checked="" type="radio"/>	(14) Diabetes	<input type="radio"/>	<input checked="" type="radio"/>	(25) Mental Illness	<input type="radio"/>	<input checked="" type="radio"/>	(37) Skin Disorder	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(3) Asthma	<input type="radio"/>	<input checked="" type="radio"/>	(15) Dizziness/Fainting	<input type="radio"/>	<input checked="" type="radio"/>	(26) Muscular Dystrophy	<input type="radio"/>	<input checked="" type="radio"/>	(38) Sleep Apnea	<input type="radio"/>	<input checked="" type="radio"/>
(4) Blood Disorder	<input type="radio"/>	<input checked="" type="radio"/>	(16) Gastrointestinal Bleeding	<input type="radio"/>	<input checked="" type="radio"/>	(27) Neurologic Disorder	<input type="radio"/>	<input checked="" type="radio"/>	(39) Stroke	<input type="radio"/>	<input checked="" type="radio"/>
(5) Bronchitis	<input type="radio"/>	<input checked="" type="radio"/>	(17) Headaches	<input type="radio"/>	<input checked="" type="radio"/>	(28) Palpitations/Arrhythmia	<input type="radio"/>	<input checked="" type="radio"/>	(40) Sugar, Protein, or Blood in Urine	<input type="radio"/>	<input checked="" type="radio"/>
(6) Cancer	<input type="radio"/>	<input checked="" type="radio"/>	(18) Heart Attack	<input type="radio"/>	<input checked="" type="radio"/>	(29) Pancreatitis	<input type="radio"/>	<input checked="" type="radio"/>	(41) Suicide Attempt	<input type="radio"/>	<input checked="" type="radio"/>
(7) Chest Pain	<input type="radio"/>	<input checked="" type="radio"/>	(19) Heart Murmur	<input type="radio"/>	<input checked="" type="radio"/>	(30) Paralysis	<input type="radio"/>	<input checked="" type="radio"/>	(42) Thyroid Disorder	<input type="radio"/>	<input checked="" type="radio"/>
(8) Cirrhosis	<input type="radio"/>	<input checked="" type="radio"/>	(20) Hepatitis	<input type="radio"/>	<input checked="" type="radio"/>	(31) Peripheral Vascular Disease	<input type="radio"/>	<input checked="" type="radio"/>	(43) Tuberculosis	<input type="radio"/>	<input checked="" type="radio"/>
(9) Clotting Disorder	<input type="radio"/>	<input checked="" type="radio"/>	(21) High Blood Pressure	<input type="radio"/>	<input checked="" type="radio"/>	(32) Pituitary Disorder	<input type="radio"/>	<input checked="" type="radio"/>	(44) Tumor, Mass or Lump	<input type="radio"/>	<input checked="" type="radio"/>
(10) Colitis/Ileitis	<input type="radio"/>	<input checked="" type="radio"/>	(22) Human Immunodeficiency Virus (HIV) Infection	<input type="radio"/>	<input checked="" type="radio"/>	(33) Prostate Disorder	<input type="radio"/>	<input checked="" type="radio"/>	(45) Ulcer/Gastritis	<input type="radio"/>	<input checked="" type="radio"/>
(11) Coughing Up of Blood	<input type="radio"/>	<input checked="" type="radio"/>	(23) Kidney Disorder	<input type="radio"/>	<input checked="" type="radio"/>	(34) Rheumatoid Arthritis	<input type="radio"/>	<input checked="" type="radio"/>			
(12) Chronic Lung Disorder	<input type="radio"/>	<input checked="" type="radio"/>				(35) Seizures/Convulsions	<input type="radio"/>	<input checked="" type="radio"/>			

b. For reasons other than those given in answering Question 3.a., in the past 5 years have you:

- (1) consulted with or received treatment from a care provider or treatment facility? Yes No
- (2) had an EKG, X-ray, or other diagnostic test, other than an AIDS-related test? Yes No
- (3) been advised to have any diagnostic test, other than an AIDS-related test, hospitalization or surgery that was not completed? Yes No
- (4) had medication prescribed for a physical or mental disorder? Yes No

c. In the past 6 months, has your weight changed more than 15 pounds? Yes No

d. Other than as prescribed by a physician, have you ever used marijuana, narcotics, stimulants, sedatives, hallucinogens, or any prescription drugs? Yes No
 If "Yes," also give name, form, amount, frequency and length of use, and date last used in DETAILS.

e. (1) Mark the **one** item that best describes your history of alcoholic beverage use.

- Never Used Totally Stopped Use Now

(2) If you have "Totally Stopped," indicate number of years since you totally stopped and give date and reason in DETAILS.

(3) If you "Use Now," answer the following.

(a) How often do you drink alcoholic beverages? Occasionally 3 or less days per week 4 or more days per week

(b) When you drink, how many drinks do you consume per day? 3 or less 4-6 7 or more

Yes No

f. Is there a history of diabetes, cancer, high blood pressure, heart or kidney disease, alcoholism, mental illness, or suicide in your family? Yes No

Father	Age if Alive:	Age at Death: <u>67</u>	Cause: <u>EMPHYSEMA</u>	Siblings	No. Alive	Age(s)	No. Dead: <u>1</u>	Age(s): <u>63</u>
Mother	Age if Alive: <u>93</u>	Age at Death:	Cause:	<u>1-0</u>	<u>0</u>	<u>0</u>	Cause(s):	<u>BRAIN TUMOR</u>

4. DETAILS (For explanations and requested information. Identify applicable item number and letter. If additional space is needed, use an overflow form.)

state condition and give diagnoses, dates, durations, treatments, tests, medications prescribed and names and addresses of all care providers and treatment facilities.
 37.) 1995. BRONCHIAL REMOVED. REC. COMP. W/O RECALL. DR. SCOTT MILLER, 1307 8TH AVE #505, FLOW, TX
 1.) 2002. MEDS FOR ANGERIES RR. AUGRA, SYRUP. DR. JAMES PAUSKA, MIDLAND, TX 76104
 BROTHER DIED OF BRAIN TUMOR AT 63

I represent that the statements and answers given in the application are true, complete, and correctly recorded to the best of my knowledge and belief. I agree that: I will notify the Insurer if any statement or answer given in the application changes prior to policy delivery; and (2) **except as provided in the Temporary Insurance Application and Agreement, if any, insurance will not begin unless all persons proposed for insurance are living and insurable as set forth in the application at the time a policy is delivered to the Owner and the first modal premium is paid.**

Robert M. Randolph 6/10/2002 [Signature]
 nature of Proposed Insured Date Signature of Examiner
 m No. GEFA-504 4/2001

**JEFFERSON-PILOT
LIFE INSURANCE COMPANY**

**Home Office: 100 North Greene Street
P.O. Box 21008
Greensboro, North Carolina 27420**

When writing the Home Office, please give the policy number, Insured's full name and your address.

Important Information

This policy is a valuable asset. Read it carefully and file it with your other valuable papers.

If you need any of the following services, contact our nearest representative or our Home Office:

1. Information about this policy.
2. Preparation of claims papers, or other notices, elections or requests.
3. Examination of any proposal that you lapse or surrender this policy - this is for your own protection.
4. Additional life insurance service.

**FLEXIBLE PREMIUM
ADJUSTABLE LIFE**

Proceeds payable at death. Flexible premiums payable during lifetime of Insured. Policy values may increase or decrease as determined by declared interest and risk rates. Non-participating.

Exhibit D

Lincoln Financial Group®

The Lincoln National Life Insurance Company
PO Box 21008
Greensboro NC 27420-1008

40

09-09-2014 000030 1221253023

ROBERT M RANDOLPH 2008
IRREVOCABLE LIFE INS TRUST
STEPHANIE W RANDOLPH, TRUSTEE
2218 LAKE COUNTRY DRIVE
WEATHERFORD TX 76087

Issuing Company:
The Lincoln National Life Insurance Company

RE: Your Annual Statement
Policy#: JP5255005
Insured: ROBERT MCGEHEE RANDOLPH

Dear Policyowner:

Your Universal Life Insurance Policy is an important asset in your financial plan and plays a large part in your financial security.

When your policy was issued, assumptions were made about how it would perform, based on:

- Premiums Paid - Past and Future
- Cost of Insurance
- Interest Rates

Those assumptions may now be different than they were when you purchased your policy.

You recently received an annual statement from Lincoln showing a policy expiration date of June 2024. This projected policy expiration date was calculated based on current policy assumptions, including planned future premium payments.

The projected expiration date is based upon the policy benefits and transactions processed as of your most recent Policy Anniversary Date. Since then, if you have made premium payments, taken a loan or withdrawal (partial surrender), or made other policy changes, the projected expiration date may no longer be accurate.

We encourage you to closely review this information and if you have any questions please contact your Lincoln representative or our Customer Care Representatives toll-free at 800-487-1485, Monday through Friday from 8:00 a.m. - 6:00 p.m. (ET). Our toll-free fax number is 800-819-1987.

Thank you for allowing us to service your insurance needs.

Life Client Solutions

MS*1221253023 000030 0001 000000 ILCCITZZ



*May be issued as a certificate in some states
Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.
The Lincoln National Life Insurance Company is domiciled in Fort Wayne, IN.
Policy Number: JP5255005 Co: 201
Underfunded Letter

Exhibit E



Financial Group®

The Lincoln National Life Insurance Company
PO Box 21008
Greensboro NC 27420-1008

09-09-2015 000201 1221253022

ROBERT M RANDOLPH 2008
IRREVOCABLE LIFE INS TRUST
STEPHANIE W RANDOLPH, TRUSTEE
2218 LAKE COUNTRY DRIVE
WEATHERFORD TX 76087

Issuing Company:
The Lincoln National Life Insurance Company

RE: Your Annual Statement
Policy#: JP5255005
Insured: ROBERT MCGEHEE RANDOLPH

Dear Policyowner:

We're writing to provide you with important information to help you stay informed regarding your life insurance policy. Certain assumptions were made when this policy was issued which may impact how it performs. These assumptions included:

- Premiums Paid - Past and Future
- Cost of Insurance
- Interest Rates

Now may be a good time to review these assumptions with your Lincoln Financial Advisor. We recognize the importance of this policy, which plays a large part in your financial security, and realize those assumptions may need to be reevaluated.

You recently received an annual statement from Lincoln showing a policy expiration date of June 2023. This projected policy expiration date was calculated based on current policy assumptions, including planned future premium amounts.

We encourage you to contact your Lincoln advisor for an updated Illustration at least ninety (90) days before the projected expiration date. Paying additional premiums or reducing the death benefit may be beneficial for your specific situation. (Illustrations cannot be provided after a policy has entered a Grace or Lapse status).

Lincoln Financial Group helps provide solutions that empower our customers to take charge of their financial lives with confidence and optimism. If you have questions please call us at 800-487-1485 and we will be happy to assist you. Our Customer Care Representatives are available Monday through Friday between the hours of 8:00 a.m. and 6:00 p.m. (EST).

For additional information about Lincoln Financial Group, visit our website at www.LincolnFinancial.com.

Sincerely,

Life Client Solutions

*May be issued as a certificate in some states
Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.
The Lincoln National Life Insurance Company is domiciled in Fort Wayne, IN.
Policy Number: JP5255005 Co: 201 Underfunded Letter

MS+1221253022 000201 0001 000000 11CC117Z

Trust Designation (Submit more pages as necessary.) This information is required in order to assist us in identifying and contacting your beneficiary(ies) in the event of a claim / distribution and ensure benefits are paid out appropriately. State regulations may require benefits be paid to the State if the beneficiary cannot be located in a timely manner.

If the beneficiary is a Trust, complete the following, listing all Trustees.

Primary Beneficiary Contingent Beneficiary Second Contingent

Full Legal Name(s): Robert M. Randolph 2008 Irrevocable Life Insurance Trust

Name of Trustee(s): Stephanie W. Randolph

Trust Mailing Address: 2218 Lake Country Drive

City: Weatherford State: TX Zip: 76087

Social Security Number/EIN*: 26-6307455 Date of Trust**: 4/1/08

Daytime Telephone Number: _____

Email Address: _____

Percentage of Proceeds: 100 %

* The submission of a completed IRS Form W-9 may be required. Employer Identification Number for Trusts or Entities

** The date the trust was established.

Custodian Designation (Submit more pages as necessary.)

If the beneficiary is a custodian on behalf of a minor, complete the following if applicable.

Note: Minor Beneficiaries—Any payment due to a minor beneficiary shall be made to the legally appointed guardian of the minor, unless otherwise permitted by law. If you are designating a minor beneficiary, we suggest you contact your legal advisor to consider doing so under the UNIFORM GIFTS TO MINORS ACT (UGMA), or UNIFORM TRANSFERS TO MINORS ACT (UTMA), whichever may be in effect in your state.

Name of Custodian (First, Middle, Last): _____

Custodian's Mailing Address: _____

City: _____ State: _____ Zip: _____

Daytime Telephone Number: _____

Email Address: _____

As Custodian for:

Name of Minor (First, Middle, Last): _____

under the UTMA/UGMA of the State of: _____

Minor's Mailing Address: _____

City: _____ State: _____ Zip: _____

Social Security Number: _____ Date of Birth: _____

Daytime Telephone Number: _____

Authorizations and Signatures

I certify that the information provided on this form is complete and correct:

Owner's Signature	Date
Robert M. Randolph	
Name (print or type)	Title*
Owner's Signature**	Date
Name (print or type)	Title*
Irrevocable Beneficiary Signature (if applicable)	Date
Name (print or type)	Title*
Witness Signature*** (Massachusetts Only)	Date
Name (print or type)	Title*

* Required for a corporation, partnership, or trust
 ** See addendum for multiple owner policies
 *** A witness signature of a disinterested party is required in the state of Massachusetts.

Signature Requirements

Owner	Signature(s) Required
Individual(s)	Signature of the Policyowner(s)
Power of Attorney (POA)	Signature of POA with title. We require a copy of the POA document to be on file with Lincoln. If the POA is more than 3 years old, we require an affidavit that the POA is still current to accompany the request. Signature Example: John Doe, Attorney-in-Fact for Jane Doe.
Conservator or Guardian	Signature of Conservator or Guardian with title. We require Letter(s) of Conservatorship or Letters of Guardianship of the Estate to be on file with Lincoln.
Custodian of Minor	Signature of Custodian with title. We require a court order, or other documentation evidencing an appointment as Custodian under a state Uniform Transfers [Gifts] to Minors Act, to be on file with Lincoln.
Corporation, Bank or Financial Institution	Signature of one officer with title, and a corporate resolution which names all officers authorized to sign on behalf of the corporation; or two officer's signatures, with title, without corporate resolution.
Pension Plan	Signature of the Pension Plan Administrator and a copy of Plan documents naming the Administrator.
Trust	Signature of all trustee(s) with title along with the completed Certification of Trustee Powers form.
Partnership or LLC	Signature of one general/managing partner with title and a copy of the Partnership agreement for Partnerships OR one managing member's signature with title and a copy of the operating agreement for LLCs.
Signed by an "X"	Signature notarized, if the signor is unable to sign and must sign with an "X".
Stamped signatures	We will not knowingly accept a stamped signature.
All other interested parties	Contact customer service to verify signature(s) needed.
Titles	If you are signing the form in any capacity other than as an individual an appropriate title is required.

Exhibit F



The Lincoln National Life Insurance Company
P.O. Box 21008
Greensboro, NC 27420-1008

November 26, 2014

Douglas Frazier
3100 W 7th St Ste 300
Ft Worth, TX 76107

Issuing Company: The Lincoln National
Life Insurance Company
Policy: JP5255005
Insured: Robert McGehee Randolph

Dear Valued Customer:

This letter is in response to your inquiry regarding the current status of this policy; specifically that current policy performance is not in line with the original illustrations. The original illustration that was signed by the owner of the policy specified the first year premium at \$4,983.24; afterwards, effective for the second policy year the premium was to be increased to \$8,155.00 and continuing for the maturity of the policy.

Per our review of policy activity, there is no record of any requests from the client or the agent to change the specified premium for the second policy year. In 2002, we did not have the ability to code for future premium billing changes; this ability was not available until 2010. The policy owner or agent would have needed to contact us to have the premium billing amount changed for the second annual premium.

Subsequent Statements of Account and multiple inforce illustrations produced by Lincoln have demonstrated that the policy is not performing as provided in the sales illustration. This is attributable to premiums not paid as originally specified.

It is noted on the sales illustration that it is not a policy contract. It provides a projection of future policy performance based on premiums paid as specified in the illustration as well as no changes to the policy benefits and values.

We apologize for any frustration or confusion you have experienced as a result of your policy not meeting original expectations. Lincoln is prepared to work with you and your agent going forward to help maintain this policy through any available adjustments to policy benefits or changes to the premium structure.

We are committed to providing you with quality customer service. If you have any questions or comments, please contact Customer Service at 800-487-1485 between the hours of 8:00 a.m. and 6:00 p.m. Eastern Time, Monday through Friday, or contact your financial representative.

Sincerely,

Karen W Goergen, ACS, PCS, ALMI
Written Communications
Life Client Solutions

*Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. www.LincolnFinancial.com
The Lincoln National Life Insurance Company's Home Office is located in Fort Wayne, IN.*

Exhibit G

Mr. Robert M. Randolph
2218 Lake Country Drive
Weatherford, TX 76087

December 14, 2016

Sent Via Certified Mail
Return Receipt Requested

The Lincoln National Life Insurance Company
P.O. Box 7247-0439
Philadelphia, PA 19170-0439

Re: Life Insurance Policy Number JP5255005

To Whom It May Concern:

Enclosed please find a check in the amount of Fifty-Eight Thousand Five Hundred and Eighty-Three dollars (\$58,583.00) to be applied to life insurance policy number JP5255005 (the "Policy"). The breakdown of this payment is based on a charge by the company and discussed further below. This policy is currently held by the Robert M. Randolph 2008 Irrevocable Life Insurance Trust ("the Trust"). This payment is the precise amount you have required to keep the above-referenced policy in effect on my life to age 98, for the full death benefit of \$380,000. As set forth below, neither the Trust nor I, as the original owner of the policy and the insured, agrees that Lincoln National Life Insurance Company ("Lincoln National") is entitled to charge this amount (as broken down below), but in order to avoid the threatened risks of cancellation, benefit reduction or shortening of the full term of the policy this payment is made to you.

Since the Policy's inception in September, 2002, the annual billed amount of premium for the Policy (which has been annually billed to and paid by the insured or the Trust for the past 14 years) has been Four Thousand Nine Hundred Eighty-Three dollars and twenty-four cents (\$4,983.24). When the Policy was issued on September 9, 2002, Lincoln National (and its predecessor Jefferson Pilot) applied a first-year, partial-year discount, and in subsequent years the company failed to

adjust this premium upward (page 5 of the illustration provided to me at the time of issuance reflected an annual premium of \$8155 insuring me to age 100, that policy term being a clear requirement in my application). Lincoln National now claims that it did not invoice the premium appropriately after year one, and that the billing error was not caught until recently. In fact, this issue was caught not by Lincoln but by me when I noticed in small print on a 2014 report that the policy was not projected to run for as long as I was promised it would. Lincoln National is now charging a "catch up" payment of \$44,000 be made in order to keep the policy in effect for the full death benefit for the full expected term (now shortened to my reaching age 98).

In addition, separately, this year Lincoln National notified me and the Trust that it intends to *increase* the amount of the annual Policy premium to Fourteen Thousand Five Hundred and Eighty-Three dollars (\$14,583.00) (an increase of approximately 78.8% from the original annual premium amount of \$8,155.00, the same amount that Lincoln National now claims was the premium due last year). Lincoln National claims that this premium increase is necessary to "prolong the life" of the policy as originally promised to me (though now only to age 98), although nothing in the Policy agreement allows Lincoln National to increase the annual premium so drastically or for the reasons Lincoln National has given for the increase.

In order to avoid any risk of lapse in the policy or further shortening of the effective term of the Policy to less than my age 98, the Trustee and I have decided to pay the charged annual premium of Fourteen Thousand Five Hundred and Eighty-Three dollars (\$14,583.00), plus an additional Forty-Four Thousand dollars (\$44,000) for the claimed shortfall in premiums Lincoln National failed to bill for since year one of Policy inception, reserving all rights to seek return of all or portions of same. This payment shall not be construed as acceptance, ratification, or waiver of Lincoln's breaches of contract and other violations of law. In no way does the payment constitute waiver of applicable limitations, estoppel or other legal and equitable reasons that Lincoln National is not entitled to charge the increased premium and catch-up payment. Neither the enclosed payment nor this letter shall act to waive or modify any of the Trust's and my rights or remedies under the Policy, under the Texas Insurance Code, Texas law or equity. The Trust and I expressly reserve all rights and remedies against Lincoln National, including

the right to claim these payments as damages or seek recoupment of these payments for Lincoln National's improper actions.

Very truly yours,

Robert M. Randolph

cc: Stephanie W. Randolph, Trustee
Doug Frazier, Western Companies
Laura McCoy, Western Companies
Nowlin G. Randolph

Exhibit H



The Lincoln National Life Insurance Company
PO Box 26070
Greensboro, NC 27420

September 6, 2016

ROBERT M RANDOLPH 2008
STEPHANIE W RANDOLPH, TRUSTEE
IRREVOCABLE LIFE INS TRUST
2218 LAKE COUNTRY DRIVE
WEATHERFORD, TX 76087

Re: **IMPORTANT NOTIFICATION**
Policy Number: JP5255005
Insured: ROBERT MCGEHEE RANDOLPH

Dear ROBERT M RANDOLPH 2008,

We are writing to provide you with important information regarding your life insurance policy.

As described in your policy, each month the company deducts certain charges from the policy value, including a charge for cost of insurance. For additional details about these charges, please refer to your annual statement of account.

Beginning 10/09/2016 your policy's cost of insurance (COI) rates will increase.

We are operating in a challenging and changing environment as we continue to face nearly a decade of persistently low interest rates, including recent historic lows, and volatile financial markets. Prudent management of our business and monitoring of the external environment have been crucial to Lincoln's 110-year track record of helping people secure their financial futures, and remains so today. This includes making fair and responsible adjustments as necessary and appropriate to ensure we are providing value to our customers while operating responsibly for the long-term.

You have options and we can help.

The best way to learn how these COI changes will impact policy performance and to make an informed decision on managing your policy is to request an inforce illustration. See the Frequently Asked Questions (FAQ) section on the following page for more information.

We encourage you to contact your advisor to discuss options tailored to your financial needs. Life insurance plays an important role in helping secure your financial future, and your advisor is your advocate in analyzing your specific situation and assisting you in preparing for the future.

Financial Representative(s):

DOUGLAS FRAZIER

3100 W 7TH ST STE 300
FT WORTH, TX 76107

Sincerely,

Your Life Customer Service Team





The Lincoln National Life Insurance Company
PO Box 26070
Greensboro, NC 27420

Frequently Asked Questions

1. Why are Cost of Insurance (COI) rates changing on my policy and what does that mean?

Cost of Insurance (COI) rates are based on certain cost factors, including mortality, interest, expenses and lapses. Our future expectations for these cost factors have changed; therefore policy COI rates have been adjusted to appropriately reflect those future expectations.

2. Are cost of insurance rates going up for all policies?

All policyholders holding the impacted products will have some form of COI adjustment. While the majority of the rate changes are increases, some adjustments will be decreases, depending on future expectations of policy cost factors.

3. How much are the COI rates changing?

The amount of the COI rate change depends upon the product, underwriting class and duration. In no instance will the revised COI rates exceed the guaranteed maximum COI rates indicated in the policy. The best way to learn how these COI changes will impact policy performance is to request an inforce illustration.

An illustration is an example of how your policy might perform under certain conditions.

4. Under an EFT systematic (bank draft) payment arrangement, will premium payments automatically adjust as a result of this change?

No, these are flexible premium products, and therefore you need to notify us if you decide to change your systematic premium payments. A new EFT form is not required to change the premium amount, unless the bank account is changing. You may call, email, or write to us to make an adjustment.

5. Will this impact any policy guarantees?

No. The policy guarantees under your policy will remain the same as prior to the change.

6. If I have a COI increase, what are my options other than paying additional premiums?

Some options include:

- Continue to pay the current planned periodic premium. If the policy has sufficient cash value, it can be maintained at the current specified amount. At some point premiums may need to be increased in order to keep the policy in force (subject to IRS limits)
- Continue to pay the current planned periodic premium for a potentially shorter coverage period and/or reduced policy cash value
- Reduce the specified amount (subject to any minimum amount or IRS rules) to the level supported by your current premium
- Surrender the policy or Exchange for another product subject to underwriting

7. Are these COI rate changes permanent?

The changes are based upon our current expectations of future cost factors. As a prudent business practice, we evaluate these expectations on an ongoing basis and it is possible our expectations will change and we will adjust the rates in the future.



8. I don't know who my advisor is. Where can I go to get my questions answered?

In the event you do not know who your advisor is or do not currently have an advisor, please feel free to contact us.

9. How may I contact Lincoln for additional information or to request an illustration?

- Send inquiries using the attached form and the return envelope provided to the following address:

Include your policy number, full name, and daytime telephone number along with the specific details related to your question or request.

Lincoln National Life Insurance Company
PO BOX 26070
Greensboro, NC 27420-6070

- Email us at customersupport@lfg.com. Please include your policy number, full name, and daytime telephone number along with the specific details of your request.
- Call us at [844-324-0297](tel:844-324-0297)



The Lincoln National Life Insurance Company

Policy Request Form

General Information (Please type or print clearly. This section must be completed.)

Policy/Certificate No.: JP5255005 Send email requests to customersupport@lfg.com

Owner Information (If Business Entity or Trust, list full legal name; Submit more pages as necessary.)

Full Legal Name (First, Middle, Last): _____

Owner's Mailing Address: _____

City: _____ State: _____ Zip: _____

Social Security Number/EIN*: _____ Date of Birth**: _____

Daytime Telephone Number: _____ Check here if new address

Email Address: _____

Insured Information (If different from Owner)

Full Legal Name (First, Middle, Last): _____

Change Billing Information

Discontinue my automatic premium payments (After further review of your policy, you may resume your bank draft)

Illustrations

If you would like to receive a policy illustration, please check one or more of the boxes below:

Illustration will be mailed to the address above unless an email is provided.

- As Is (Projection with current premium)
- Premium Search (Premium needed to carry policy to maturity)
- Reduction/Solve (Decrease needed to carry policy to maturity and continue paying current premium)

Surrender/Tax

Consult your tax advisor for additional information, if needed.

Check the boxes if applicable:

- Request Surrender form
- Request Cost Basis (Taxable gain based on policy values)

* The submission of a completed IRS Form W-9 may be required. Employer Identification Number for Trusts or Entities.

**The date the trust was established



Authorization and Signatures

To ensure that this document has been signed properly, please refer to the Signature Requirements table.

I certify that the information on this form is complete and correct. (Submit more pages as necessary.)

Owner's/Trustee's/Officer's Signature _____
 Title*

 Name (print or type) _____
 Date*

Owner's/Trustee's/Officer's Signature** _____
 Title*

 Name (print or type) _____
 Date*

Assignee/Irrevocable Beneficiary Signature (if applicable) _____
 Title*

 Name (print or type) _____
 Date*

* Record the "Date" for all signatures. Include the "Title" for corporations, partnerships, or trusts.

**For multiple owner policies, provide additional signatures on a separate page.

Signature Requirements

Owner	Signature(s) Required
Individual(s)	Signature of the Policyowner(s)
Power of Attorney (POA)	Signature of POA with title. We require a copy of the POA document to be on file with Lincoln. If the POA is more than 3 years old, we require an affidavit that the POA is still current to accompany the request. Signature Example: John Doe, Attorney-in-Fact for Jane Doe.
Conservator or Guardian	Signature of Conservator or Guardian with title. We require Letter(s) of Conservatorship or Letters of Guardianship of the Estate to be on file with Lincoln.
Custodian of Minor	Signature of Custodian with title. We require a court order, or other documentation evidencing an appointment as Custodian under a state Uniform Transfers [Gifts] to Minors Act, to be on file with Lincoln.
Corporation, Bank or Financial Institution	Signature of one officer with title, and a corporate resolution which names all officers authorized to sign on behalf of the corporation; or two officer's signatures, with title, without corporate resolution.
Pension Plan	Signature of the Pension Plan Administrator and a copy of Plan documents naming the Administrator.
Trust	Signature of all trustee(s) with title along with the completed Certification of Trustee Powers form.
Partnership or LLC	Signature of one general/managing partner with title and a copy of the Partnership agreement for Partnerships OR one managing member's signature with title and a copy of the operating agreement for LLCs.
Signed by an "X"	Signature notarized, if the signor is unable to sign and must sign with an "X".
Stamped signatures	We will not knowingly accept a stamped signature.
All other interested parties	Contact customer service to verify signature(s) needed.
Titles	If you are signing the form in any capacity other than as an individual an appropriate title is required.

Exhibit I

Subject: Illustration - Policy # JP5255005
From: Laura McCoy (Laura@western-companies.com)
To: rrandolphranch@sbcglobal.net;
Cc: doug@western-companies.com;
Date: Wednesday, October 12, 2016 2:15 PM

Mr. Randolph,

Attached is an illustration showing the annual premium that would keep your policy in force to age 97 with an immediate lump sum payment of \$43,968 plus the new annual premium of \$14,583 (We requested \$44,000; however, because of system restraints this is the closest we have gotten. You may choose to pay \$44,000 if you wish). If you choose to go this route, we will stipulate with Lincoln that the annual premium statement will be \$14,583 thereafter.

Please review and let us know how you would like to proceed.

All the best,

Laura

LAURA MCCOY | WESTERN COMMERCE GROUP

3100 West 7th Street, Suite 300, Fort Worth, Texas 76107

Office: 817.877.9980 | Cell: 817.863.3061

laura@western-companies.com

Attachments

- 20161012144408500.pdf (118.83KB)

7.9% INCREASE IN PREMIUM

The Lincoln National Life Insurance Company

Designed for

Robert M Randolph

Issue Age: 66, Attained Age: 80

In-Force Life Insurance Policy Illustration

JPF Legend 300 - Flexible Premium Adjustable Life

Underwriting Class: Preferred Plus

Death Benefit: \$ 380,000

Payment Mode: \$ 14,583.17 Annually

Death Benefit Option: I

Lump Sum Deposit: \$ 58,551.00

1035 Exchange: \$ 0.00

Modes: (A)Annual (S)Semi-Annual (Q)Quarterly (C)COM Monthly (W)Withdrawal (L)Loan (F)Forceout

(R)Loan Repay (*)Premium DEFRA Adjusted (&)MEC Indicator (+)Premium Modified for TAMRA

Age	Yr	Premium Outlay	Mode	Guaranteed Values @ 4.00%			Non-Guaranteed Assumed Values @ 4.00%		
				Policy Value	Surr Value	Death Benefit	Policy Value	Surr Value	Death Benefit
81	15	58,551	A	57,757	57,681	380,000	77,422	77,346	380,000
82	16	14,583	A	38,379	38,379	380,000	86,739	86,739	380,000
83	17	14,583	A	11,741	11,741	380,000	95,764	95,764	380,000
84	18	14,583	A	0	0	0	104,419	104,419	380,000
85	19	14,583	A	0	0	0	112,505	112,505	380,000
							120,037	120,037	380,000
86	20	14,583	A	0	0	0	126,988	126,988	380,000
87	21	14,583	A	0	0	0	133,528	133,528	380,000
88	22	14,583	A	0	0	0	139,703	139,703	380,000
89	23	14,583	A	0	0	0	145,604	145,604	380,000
90	24	14,583	A	0	0	0			
		259,565							
91	25	14,583	A	0	0	0	147,299	147,299	380,000
92	26	14,583	A	0	0	0	144,032	144,032	380,000
93	27	14,583	A	0	0	0	134,610	134,610	380,000
94	28	14,583	A	0	0	0	118,429	118,429	380,000
95	29	14,583	A	0	0	0	94,667	94,667	380,000
96	30	14,583	A	0	0	0	56,279	56,279	380,000
97	31	14,583	A	0	0	0	1	1	380,000
98	32	0		0	0	0	0	0	0
		361,647							

Handwritten calculations:
 222,499
 249,911
 42,962
 47,848
 291,875
 304,422

Non-guaranteed benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the company. Actual results may be more or less favorable.

Based on Guaranteed values the illustration lapsed in year 18 month 7.

Based on Non-Guaranteed assumed values the illustration lapsed in year 32 month 1.

Premiums are paid at the beginning of the period for the mode noted. Values and benefits are as of the end of the year. Cash from policy is either from policy loans or withdrawals.

Form UL 3000TX

THIS ILLUSTRATION IS NOT A POLICY CONTRACT

Presented by Melissa Wooten-Carter October 12, 2016

This is page 6 of 8 pages

Version: 2.90.0.2000 DB: 29040.00041 SYS: 2.90.061

and is not valid unless all pages are included.

Exhibit J

The Lincoln National Life Insurance Company
PO Box 21008
Greensboro NC 27420-1008
1-800-487-1485
www.LincolnFinancial.com

Agency: 7F701

100000
000326 LFPRI1MD1

ROBERT M RANDOLPH 2008
IRREVOCABLE LIFE INS TRUST
STEPHANIE W RANDOLPH, TRUSTEE
2218 LAKE COUNTRY DRIVE
WEATHERFORD TX 76087

Thank you for choosing Lincoln National Life Insurance Company to fill your life insurance needs. It is our goal to keep you informed about your policy benefits and values.

The enclosed statement reflects the status of your insurance policy as of 09-09-2017.

In addition to providing valuable life insurance protection, your policy allows you to accumulate cash values on a tax deferred basis. Because your universal life policy is flexible, you have, within limitations, the option of increasing your premiums or making additional payments at any time. Competitive interest rates are credited on accumulated cash values.

The attached statement includes projections of the policy expiration dates. One projection assumes the continued payment of the planned premium, while the other assumes that no additional premiums are received. Projections are shown using current (not guaranteed) and guaranteed interest and cost of insurance rate assumptions. We, or your agent, can provide you with a more detailed illustration, including projected cash values, if you wish.

Thank you for selecting Lincoln National. We will continually strive to maintain your trust and confidence. Should anyone suggest that you cancel or replace this policy, or if you need assistance with your insurance program, please contact your Lincoln National agent or the servicing office shown at the bottom of your statement.

Customer Service
Toll Free 1-800-487-1485

00000326 LFPRI1MD1 00000923

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LINCOLN NATIONAL LIFE INS CO STATEMENT OF ACCOUNT

Case 4:17-cv-00949-A Document 1-10 Filed 11/28/17 Page 3 of 4 PageID 155

The Lincoln National Life Insurance Company
 PO Box 21008
 Greensboro NC 27420-1008
 1-800-487-1485
 www.LincolnFinancial.com

beginning 09-09-2016 ending 09-09-2017

Agency: 7F701

Policy Number: JP5255005	Coverage Type: FLEXIBLE PREMIUM ADJUSTABLE LIFE (L300G)
Policy Date: 09-09-2002	Death Benefit Option: LEVEL
Insured: ROBERT MCGEHEE RANDOLPH	Planned Frequency: ANNUAL
Date of Birth: 06-15-1936	Planned Premium: \$14,583.00
Issue Age: 66	Specified Amount: \$380,000.00
Sex: M	Net Death Benefit: \$380,000.00
Owner: ROBERT M RANDOLPH 2008	Policy Values as of:
IRREVOCABLE LIFE INS TRUST	09-09-2016 09-09-2017
STEPHANIE W RANDOLPH, TRUSTEE	Net Policy Value: \$27,419.42 \$76,974.05
2218 LAKE COUNTRY DRIVE	Surrender Value: \$27,275.02 \$76,898.05
WEATHERFORD TX 76087	Loan Balance: \$.00 \$.00

The Net Death Benefit is the death benefit after any outstanding Loan Balance is deducted.

PROJECTED POLICY EXPIRY DATES EXCLUDE ANY PREMIUMS APPLIED AFTER THE POLICY ANNIVERSARY AND ARE BASED ON THE FOLLOWING ASSUMPTIONS

Interest and Cost of Insurance

	Current #		Guaranteed	
	Planned Premiums Paid	April 2032	June 2020	
No Further Premiums Paid	May 2024	October 2019		

If Current Interest and Cost of Insurance rates change, your policy expiration dates may change. If you have questions, please contact the Company or your Lincoln National representative.

Projections assume loan interest is added to any Loan Balance.

IMPORTANT POLICY OWNER NOTICE: You should consider requesting more detailed information about your policy to understand how it may perform in the future. You should not consider replacement of your policy or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by calling 800-487-1485, or writing to Lincoln National Life Insurance Company at PO Box 21008, Greensboro, NC 27420, or contacting your agent. If you do not receive a current illustration of your policy within 30 days from your request, you should contact your state insurance department.

Notice: A change in the cost of insurance rates has taken place since your last annual statement. Your future policy values will be affected. If you would like additional details regarding this change, please contact the Customer Care Center at 844-324-0297. When prompted, please enter special handling code 2442 to be directed to a customer service representative.

Agency: 7F701
 Agent: 2068832 DOUGLAS S FRAZIER
 3100 W 7TH ST STE 300
 FT WORTH TX 76107

THANK YOU FOR ALLOWING US TO BE OF SERVICE

00000326 LFPR1MD1 00000924



SUMMARY OF POLICY ACTIVITY

Date	Type of Transaction	Amount	Balance
09-09-2016	Beginning Balance		\$ 27,419.42
10-09-2016	Interest Credited	\$ 88.40	\$ 27,507.82
10-09-2016	Cost of Insurance Charge	\$ - 413.33	\$ 27,094.49
10-09-2016	Administrative Charge	\$ - 4.00	\$ 27,090.49
11-09-2016	Interest Credited	\$ 86.35	\$ 27,176.84
11-09-2016	Cost of Insurance Charge	\$ - 708.58	\$ 26,468.26
11-09-2016	Administrative Charge	\$ - 4.00	\$ 26,464.26
12-09-2016	Interest Credited	\$ 84.30	\$ 26,548.56
12-09-2016	Cost of Insurance Charge	\$ - 709.85	\$ 25,838.71
12-09-2016	Administrative Charge	\$ - 4.00	\$ 25,834.71
12-19-2016	Premium Received	\$ 58,583.00	\$ 84,417.71
12-19-2016	Premium Load Charge	\$ - 4,100.81	\$ 80,316.90
01-09-2017	Interest Credited	\$ 201.08	\$ 80,517.98
01-09-2017	Cost of Insurance Charge	\$ - 711.11	\$ 79,806.87
01-09-2017	Administrative Charge	\$ - 4.00	\$ 79,802.87
02-09-2017	Interest Credited	\$ 259.27	\$ 80,062.14
02-09-2017	Cost of Insurance Charge	\$ - 602.37	\$ 79,459.77
02-09-2017	Administrative Charge	\$ - 4.00	\$ 79,455.77
03-09-2017	Interest Credited	\$ 258.13	\$ 79,713.90
03-09-2017	Cost of Insurance Charge	\$ - 603.07	\$ 79,110.83
03-09-2017	Administrative Charge	\$ - 4.00	\$ 79,106.83
04-09-2017	Interest Credited	\$ 256.99	\$ 79,363.82
04-09-2017	Cost of Insurance Charge	\$ - 603.77	\$ 78,760.05
04-09-2017	Administrative Charge	\$ - 4.00	\$ 78,756.05
05-09-2017	Interest Credited	\$ 255.83	\$ 79,011.88
05-09-2017	Cost of Insurance Charge	\$ - 604.48	\$ 78,407.40
05-09-2017	Administrative Charge	\$ - 4.00	\$ 78,403.40
06-09-2017	Interest Credited	\$ 254.68	\$ 78,658.08
06-09-2017	Cost of Insurance Charge	\$ - 605.19	\$ 78,052.89
06-09-2017	Administrative Charge	\$ - 4.00	\$ 78,048.89
07-09-2017	Interest Credited	\$ 253.52	\$ 78,302.41
07-09-2017	Cost of Insurance Charge	\$ - 605.91	\$ 77,696.50
07-09-2017	Administrative Charge	\$ - 4.00	\$ 77,692.50
08-09-2017	Interest Credited	\$ 252.35	\$ 77,944.85
08-09-2017	Cost of Insurance Charge	\$ - 606.62	\$ 77,338.23
08-09-2017	Administrative Charge	\$ - 4.00	\$ 77,334.23
09-09-2017	Interest Credited	\$ 251.17	\$ 77,585.40
09-09-2017	Cost of Insurance Charge	\$ - 607.35	\$ 76,978.05
09-09-2017	Administrative Charge	\$ - 4.00	\$ 76,974.05
09-09-2017	Ending Balance		\$ 76,974.05

00000326 LFPRI1MD1 00000925 E



Exhibit K

The Lincoln National Life Insurance Company
PO Box 21008
Greensboro NC 27420-1008
1-800-487-1485
www.LincolnFinancial.com

Agency: 7F701

100000
000449 LFPB7UD1

ROBERT M RANDOLPH 2008
IRREVOCABLE LIFE INS TRUST
STEPHANIE W RANDOLPH, TRUSTEE
2218 LAKE COUNTRY DRIVE
WEATHERFORD TX 76087

Thank you for choosing Lincoln National Life Insurance Company to fill your life insurance needs. It is our goal to keep you informed about your policy benefits and values.

The enclosed statement reflects the status of your insurance policy as of 09-09-2017.

In addition to providing valuable life insurance protection, your policy allows you to accumulate cash values on a tax deferred basis. Because your universal life policy is flexible, you have, within limitations, the option of increasing your premiums or making additional payments at any time. Competitive interest rates are credited on accumulated cash values.

The attached statement includes projections of the policy expiration dates. One projection assumes the continued payment of the planned premium, while the other assumes that no additional premiums are received. Projections are shown using current (not guaranteed) and guaranteed interest and cost of insurance rate assumptions. We, or your agent, can provide you with a more detailed illustration, including projected cash values, if you wish.

Thank you for selecting Lincoln National. We will continually strive to maintain your trust and confidence. Should anyone suggest that you cancel or replace this policy, or if you need assistance with your insurance program, please contact your Lincoln National agent or the servicing office shown at the bottom of your statement.

Customer Service
Toll Free 1-800-487-1485

00000449 LFPB7UD1 00001270

S



LINCOLN NATIONAL LIFE INS CO STATEMENT OF ACCOUNT

The Lincoln National Life Insurance Company
 PO Box 21008
 Greensboro NC 27420-1008
 1-800-487-1485
 www.LincolnFinancial.com

beginning 09-09-2016 ending 09-09-2017

Agency: 7F701

Policy Number: JP5255005 Coverage Type: FLEXIBLE PREMIUM ADJUSTABLE LIFE (L300G)
 Policy Date: 09-09-2002 Death Benefit Option: LEVEL Planned Frequency: ANNUAL
 Insured: ROBERT MCGEHEE RANDOLPH Planned Premium: \$14,583.00
 Date of Birth: 06-15-1936 Specified Amount: \$380,000.00
 Issue Age: 66 Net Death Benefit: \$380,000.00
 Sex: M
 Owner: ROBERT M RANDOLPH 2008 Policy Values as of: 09-09-2016 09-09-2017
 IRREVOCABLE LIFE INS TRUST
 STEPHANIE W RANDOLPH, TRUSTEE Net Policy Value: \$27,419.42 \$90,540.67
 2218 LAKE COUNTRY DRIVE Surrender Value: \$27,275.02 \$90,464.67
 WEATHERFORD TX 76087 Loan Balance: \$.00 \$.00

The Net Death Benefit is the death benefit after any outstanding Loan Balance is deducted.

PROJECTED POLICY EXPIRY DATES EXCLUDE ANY PREMIUMS APPLIED AFTER THE
 POLICY ANNIVERSARY AND ARE BASED ON THE FOLLOWING ASSUMPTIONS

Interest and Cost of Insurance

	Current #		Guaranteed	
	Planned Premiums Paid	July	2033	February
No Further Premiums Paid	July	2025	March	2020

If Current Interest and Cost of Insurance rates change, your policy expiration dates may change. If you have questions, please contact the Company or your Lincoln National representative.

Projections assume loan interest is added to any Loan Balance.

IMPORTANT POLICY OWNER NOTICE: You should consider requesting more detailed information about your policy to understand how it may perform in the future. You should not consider replacement of your policy or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by calling 800-487-1485, or writing to Lincoln National Life Insurance Company at PO Box 21008, Greensboro, NC 27420, or contacting your agent. If you do not receive a current illustration of your policy within 30 days from your request, you should contact your state insurance department.

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Agency: 7F701
 Agent: 2068832 DOUGLAS S FRAZIER
 3100 W 7TH ST STE 300
 FT WORTH TX 76107

THANK YOU FOR ALLOWING US TO BE OF SERVICE

00000449 LFPB7UD1 00001271



SUMMARY OF POLICY ACTIVITY

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03-09-2017	Cost of Insurance Charge	\$ - 603.07	\$ 79,110.83
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04-09-2017	Interest Credited	\$ 256.99	\$ 79,363.82
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07-09-2017	Cost of Insurance Charge	\$ - 605.91	\$ 77,696.50
07-09-2017	Administrative Charge	\$ - 4.00	\$ 77,692.50
08-09-2017	Interest Credited	\$ 252.35	\$ 77,944.85
08-09-2017	Cost of Insurance Charge	\$ - 606.62	\$ 77,338.23
08-09-2017	Administrative Charge	\$ - 4.00	\$ 77,334.23

00000449 LFPB7UD1 00001272 E



Lincoln Financial Group® Privacy Practices Notice

The Lincoln Financial Group companies* are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. We do not sell your personal information to third parties. This Notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. You do not need to take any action because of this Notice, but you do have certain rights as described below.

Information We May Collect And Use

We collect personal information about you to help us identify you as our customer or our former customer; to process your requests and transactions; to offer investment or insurance services to you; to pay your claim; to analyze in order to enhance our products and services; or to tell you about our products or services we believe you may want and use; and as otherwise permitted by law. The type of personal information we collect depends on the products or services you request and may include the following:

- **Information from you:** When you submit your application or other forms, you give us information such as your name, address, Social Security number; and your financial, health, and employment history.
- **Information about your transactions:** We maintain information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; and your payment and claims history.
- **Information from outside our family of companies:** If you are purchasing insurance products, we may collect information from consumer reporting agencies such as your credit history; credit scores; and driving and employment records. With your authorization, we may also collect information, such as medical information from other individuals or businesses.
- **Information from your employer:** If your employer purchases group products from us, we may obtain information about you from your employer in order to enroll you in the plan.

How We Use Your Personal Information

We may share your personal information within our companies and with certain service providers. They use this information to process transactions you have requested; provide customer service; to analyze in order to enhance our products and services; and inform you of products or services we offer that you may find useful. Our service providers may or may not be affiliated with us. They include financial service providers (for example, third party administrators; broker-dealers; insurance agents and brokers, registered representatives; reinsurers and other financial services companies with whom we have joint marketing agreements). Our service providers also include non-financial companies and individuals (for example, consultants; vendors; and companies that perform marketing services on our behalf). Information we obtain from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law.

When you apply for one of our products, we may share information about your application with credit bureaus. We also may provide information to group policy owners, regulatory authorities and law enforcement officials, and to other non-affiliated or affiliated parties as permitted by law. In the event of a sale of all or part of our businesses, we may share customer information as part of the sale. **We do not sell or share your information with outside marketers who may want to offer you their own products and services; nor do we share information we receive about you from a consumer reporting agency. You do not need to take any action for this benefit.**

Exhibit L

November 28, 2017

Lincoln National Life Insurance Co.
Attn: Jeffrey L Smith
100 North Greene St.
Greensboro, NC 27401

Via Certified Mail, Return Receipt Requested

Lincoln National Corp.
150 North Radnor-Chester Road
Radnor, PA 19087

Via Certified Mail, Return Receipt Requested

RE: Notice of Class Claims under the Texas Insurance Code and Demand for Relief

The undersigned and this firm represent Robert M. Randolph (“Randolph”) and Stephanie W. Randolph, As Trustee of the Robert M. Randolph 2008 Irrevocable Life Insurance Trust dated April 1, 2008 (the “Trust”), and all other universal life insurance policyholders similarly situated.

Lincoln National Corporation (“Lincoln National”), acting through and/or in conjunction with its wholly owned subsidiary, Lincoln National Life Insurance Company (“Lincoln”), knowingly engaged in acts or practices that constitute “unfair methods of competition” or “unfair or deceptive acts or practices” in the business of insurance with respect to its administration certain universal life insurance policies issued and/or delivered in the state of Texas.

Pursuant to Tex. Ins. Code § 541.255, this letter is intended to serve as notice of the Randolph and Trustee’s specific complaint, presented on their own behalf and on behalf of all others similarly situated. This letter is also intended to serve as a formal demand for relief by Randolph and Stephanie W. Randolph, as Trustee, and other policyholders similarly situated.

I.

BASIS FOR RECOVERY

In 2002, Jefferson-Pilot Life Insurance Company (“Jefferson-Pilot”) issued and delivered a Legend 300 flexible premium adjustable life insurance policy insuring the life of Robert McGehee Randolph, with the policy number JP525505 (the “Policy”). Thereafter, Jefferson-Pilot was acquired by Lincoln National Corporation (“Lincoln National”), and Jefferson-Pilot merged into Lincoln National’s wholly owned subsidiary, Lincoln National Life Insurance Company (“Lincoln”). Pursuant to the merger, Lincoln assumed all of Jefferson-Pilot’s obligations as the insurer under the Policy and other Jefferson-Pilot universal life insurance policies. In 2008, Randolph transferred his interest under the Policy to be held in the Trust for the benefit of his wife, with his three children as alternative beneficiaries.

Acting in conjunction with Lincoln National, Lincoln subjected Randolph, and later Trustee, to unlawful cost of insurance (“COI”) rate increases, unauthorized “Premium Load Charges” (f.k.a.

the “Expense Charges” deduction), the deliberate billing of incorrect premiums, and deceptive policy illustrations, all engineered with the ultimate aim of (1) unlawfully inducing the surrender or premature lapse of Lincoln policies using a device called “shock premiums,” or (2) extracting excessive payments from policyholders to which Lincoln was not entitled under the policies (“hostage premiums”). On information and belief, Lincoln engaged in these same wrongful practices with hundreds if not thousands of other Texas policyholders. Such practices constitute “unfair methods of competition” or “unfair or deceptive acts or practices” in the business of insurance, as defined under Chapter 541 of the Texas Insurance Code.

Billing of Deliberately Incorrect Premium Invoices

When Randolph agreed to purchase the Jefferson-Pilot policy at issue, he was very clear that he wanted to purchase death benefits of \$380,000, with that amount remaining the death benefit for the life of the policy, through his death, and that he wanted to be insured into age 100 and beyond. Accordingly, he was provided an illustration by Jefferson-Pilot (enclosed herewith) that showed exactly that scenario, with the policy continuing on his life past age 100, a death benefit of \$380,000, and the premium amount being “-0-“ premium after he attained age 100 (for ten ensuing years). Though retaining the right to adjust the premium based on very limited factors set forth in the contract of insurance, at the inception of the Policy Jefferson-Pilot specified to Randolph that to meet his two main goals (death benefit of at least \$380,000 and term past age 100), after an initial year of discounted premium of \$4,983.24, he would pay an annual premium in the amount of \$8,155. Despite explicit instructions provided in and with the Policy Application and accompanying materials to charge the premium required to maintain the death benefit of \$380,000 for a term exceeding Randolph attaining age 100, first Jefferson-Pilot and then Lincoln incorrectly billed the annual premium for over fifteen years.

Each year Lincoln invoiced first Randolph, and then the Trustee, annual premiums of \$4,983.22, and each year the invoiced amount of premium was paid as billed. With each year of incorrectly billed premium amount, Jefferson-Pilot, and then Lincoln, shortened the term of the policy, shrinking the insurance to violate the cardinal two goals that had been the central basis for Randolph’s purchase of the insurance.

Randolph, age 81, though currently in good health, now has a medical history that makes him uninsurable for purposes of life insurance.

After Lincoln changed the format of its invoicing and Annual Statement in 2014, several questions were raised about what Lincoln (and its predecessor Jefferson-Pilot) had been invoicing as premium on the policy and the effect on the policy term and amount. My clients, both through Doug Frazier and directly, raised Lincoln’s premium invoicing errors beginning in late 2014, and several more times since (including having Mr. Frazier speak with Lincoln’s chief legal counsel and its director of compliance in 2015), Lincoln continued to incorrectly invoice the Randolph and Trustee. Shockingly, Lincoln refused to take any responsibility, informing my clients that even with the inflated catch-up premiums they were now quoting, Randolph could only maintain insurance to 97 (three years short of the age 100 trigger and meaning ten more years of insurance under the policy).

To boot, the catch-up payment was also excessively calculated by \$2,767.12. If the full premium was \$8,155, but the premium incorrectly billed was \$4,983.24, that leaves an annual difference of \$3,171.76. Therefore, to properly calculate the catch-up amount, Lincoln should have multiplied \$3,171.76 by 13 years (2003–2015), which would amount to \$41,232.88. But that is not the catch-up amount Lincoln charged. Instead, Lincoln charged \$43,968, which Randolph rounded up to \$44,000 and paid. This means Lincoln added \$2,767.12 to the catch-up amount without apparent justification.

To avoid the policy lapsing, Trustee simply paid the \$44,000 catch-up payment and increased premium in the amount of \$14,583. However, even then, Lincoln continued to incorrectly invoice Randolph and Trustee (most recently in September of 2017). To my clients' dismay, Lincoln again shortened the term of Randolph's coverage in September of 2017, from 97 to 95.

Even though the Incorrect Annual Premium Invoices were entirely Lincoln's (and its predecessor Jefferson-Pilot's) fault, my clients never sought a windfall. From the time the billing errors were discovered, Randolph and Trustee simply sought to reach consensus on the required amount of a one-time catch-up premium payment by my clients to keep the policy in force, with the originally agreed-to term (at least 100 years of age for the insured Randolph) and death benefit (\$380,000). Lincoln, however, would take steps to make it impossible to determine the proper amount of this catch-up premium amount, instead providing misleading information and illustrations showing a catch-up premium that only kept the term of the policy in force into age 97. And even those illustrations, it turns out, were deceptive. To my clients' dismay, Lincoln again shortened the term of Randolph's coverage in September of 2017, from 97 to 95.

On information and belief, Lincoln has engaged in the same deliberate practice of billing incorrect premiums with hundreds if not thousands of other Texas policyholders, resulting in substantially higher "hostage premiums" to prolong their coverage, and for many hundreds if not thousands of other policyholders, caused the surrender or lapse of their policies.

Deceptive Illustrations

As mentioned, the coverage term of the Policy shortened as a result of the repeated billing of incorrect premiums. In an abundance of caution, Randolph, acting on the Trust's behalf, solicited, through Frazier, payment options from Lincoln to keep the Policy in force through the originally agreed upon age of 100 for the originally agreed death benefit of \$380,000. In response, Lincoln sent my clients, through Frazier, a series of illustrations. One particular illustration, sent on October 12, 2016, demonstrated that the \$44,000 catch-up payment and increased annual premiums of \$14,583 would keep the Policy in force until age 97 (notably, 13 years short of the agreed upon term). Under the duress of the Policy lapsing, and in reliance upon the October 12, 2016 illustration, Trustee made the \$44,000 catch-up payment and the annual premium payment for the 2016 year at the increased rate of \$14,583. Randolph, acting on Trustee's behalf, sent a check for \$58,583 with a letter expressly noting that the check was for payment of the catch-up and the first-year at the increased premium and that he was paying in order to "prolong the life of the policy."

However, on September 18, 2017, Randolph received Lincolns' Statement of Account that materially deviated from the coverage it represented it would provide per the Illustration sent eleven months earlier, on October 12, 2016. To my clients' dismay, the September 18, 2017 Statement of Account showed that even with the catch-up payment, and all future planned premiums properly paid at the increased amount of \$14,583, the term of Randolph's coverage would extend only to April 2032, at which time Randolph would be 95 years old. That is, less than a year after sending an illustration indicating that coverage would extend into age 97, Lincoln shaved two critical years off Randolph's coverage. Notably, the October 12, 2016 Illustration contains no mention of the Premium Load Charges, discussed below.

On information and belief, Lincoln has engaged in the same deliberate practice of presenting deceptive illustrations on which thousands of other Texas policyholders have relied to their detriment.

Unlawful Cost of Insurance Rate Increases

In September 2016, Lincoln announced a COI rate increase for policies that have been in force for up to eighteen years. This increase was in excess of 91% for my clients, and on information and belief, even higher for others. Lincoln based the COI increases on impermissible considerations; failed to apply the changes uniformly to policyholders in the same underwriting class; and wrongfully refused to provide some policyholders with illustrations when requested. The COI Rate Increase resulted in the unlawful implementation and collection of significantly higher premiums for thousands of policyholders, and for many hundreds if not thousands of others, resulted in Lincoln's other goal: the surrender or lapse of their policies.

On information and belief, the COI Rate Increase resulted in the unlawful implementation and collection of significantly higher premiums for thousands of other Texas policyholders, and for many hundreds if not thousands of others, caused the surrender or lapse of their policies.

Unauthorized Premium Load Charges

From 2002 to 2014, the Summaries of Policy Activity delivered as part of my clients' Statements of Account listed an annual deduction for what the statements reference as "Expense Charges"—a deduction applied separately from the cost of insurance charges. Later, beginning in 2015, Plaintiffs' annual Statements of Account began showing an annual deduction for what the statements referenced as the "Premium Load Charge."

Although the terms "Premium Load Charge" and "Expense Charges" appear in the annual Statements of Account, it appears nowhere in the Policy, Policy Application, or the incorporated Illustrations. Trustee, acting by and through Randolph, reached out to Lincoln directly to inquire about the deduction (what it was, what it was used for, on what authority Lincoln deducted it). However, those efforts were to no avail. On information and belief, the "Premium Load Charge" is, plainly stated, Lincoln's illegal practice of implementing and collecting an unauthorized windfall from policyholders. The practice is even more culpable when considered in conjunction with the increase in premiums due to the COI Rate Increase in 2016 and/or the need to "catch up" due to the deliberate billing of incorrect premiums. Because the "Premium Load Charge" is

calculated at a fixed rate of the amount of premiums paid, an increase in the size of the premiums creates a corresponding increase in the size of the Premium Load Charge. In effect, Lincoln has created an exponential windfall from its own windfall.

In sum, since 2002, Plaintiffs have paid over \$12,374.47 in “Premium Load Charges” and “Expense Charges” (not including the monthly \$4.00 Administrative Charge that Lincoln was contractually entitled to deduct, and which Lincoln did deduct as part of the annual “Expense Charges” deduction in the month it applied the Policy Charges deduction). Lincoln treats the Premium Load Charges (f.k.a. “Policy Expenses” deductions) as annual deductions from Policy’s cash value—thereby reducing the amount of insurance paid and the term of that insurance. That is, like the COI charges, Plaintiffs receive no benefit from the sums deducted as “Premium Load Charges” (formerly deducted as “Expense Charges”). As a result of the unlawful implementation and collection of annual deductions for “Expense Charges” and “Premium Load Charges,” Randolph’s coverage under the Policy has been shortened.

On information and belief, Lincoln’s unlawfully implemented and collected the unauthorized “Premium Load Charges” and “Expense Charges” from thousands of other Texas policyholders, and for many hundreds if not thousands of others, caused the surrender or lapse of their policies.

II. CLAIMS AGAINST LINCOLN AND LINCOLN NATIONAL

Lincoln National, acting in conjunction with and/or through Lincoln, violated one or more provisions of the Texas Insurance Code, Chapter 541, Subchapter B, by knowingly engaging in acts or practices that constitute “unfair methods of competition” or “unfair or deceptive acts or practices” in the business of insurance. Accordingly, this letter is being sent pursuant to the requirements of TEX. INS. CODE § 541.154, notifying Lincoln and Lincoln National of Randolph and Trustee’s specific complaint and demanding payment of the amount of actual damages and expenses, including attorney fees reasonably incurred by my clients and other policyholders similarly situated.

III. DEMAND

As a result of Lincoln and Lincoln National’s aforementioned violations of the Texas Insurance Code, my clients have suffered actual damages in the amount of \$32,047.59. The amount of damages reflects the excess charge for the catch-up amount (\$2,767.12); the amount of unauthorized “Premium Load Charges” and “Expense Charges” deducted from 2002 to 2017 (a total of \$12,422.47 less \$48 in “Administrative Charges,” which from 2002 to 2014 were included once per year as part of the annual “Expense Charges” deduction); the amount charged in excess of \$8,155 for the annual premiums on December 16, 2016 and September 9, 2017 (\$12,856 total); and the excess of COI charges implemented and collected above the amount permitted under the policies (\$4,050 total).

To date, my clients have incurred reasonable and necessary attorneys’ fees in the amount of \$30,000. My clients seek recovery of these fees pursuant to Chapter 38 of the Texas Civil Practice

and Remedies Code and Chapter 541 of the Texas Insurance Code. Please note that the amount of attorneys' fees incurred to date is subject to increase depending on the duration of this dispute and the work involved. Attorneys' fees may range from \$100,000 to \$200,000 if this matter is not resolved promptly.

Robert M. Randolph, as insured, and Stephanie W. Randolph, on behalf of the Trust, hereby demand that Lincoln and Lincoln National remit the amount of \$62,047.59 to Trustee on or before January 29, 2017. Please send this payment to our firm's address listed below, and make the check or money order payable to "Stephanie W. Randolph, as Trustee of the Robert M. Randolph 2008 Irrevocable Life Insurance Trust."

In addition to payment of all actual damages accrued, as well as reasonable and necessary attorneys' fees incurred, Robert M. Randolph and Stephanie W. Randolph, on behalf of the Trust, further demand that Lincoln and Lincoln National guarantee the following terms:

1. Insure Randolph for the full death benefit of \$380,000 until Randolph attains the age of at least 110 years (June 2046) provided Trustee makes payment of the \$8,155 annual premiums each year for the next 18 years, with the last premium paid on or before September 9, 2036;
2. Impose no further cost of insurance rate increases for the remaining life of the Policy; and
3. Not charge any further Premium Load Charges or any other charge, fee, or expense not specifically identified and defined in the Policy or Policy Application.

Contemporaneously with the sending of this demand, my clients are filing a class action lawsuit seeking relief on their own behalf and on behalf of all other policyholders similarly situated. If Lincoln or Lincoln National fails to remit payment of \$62,047.59 on or before Monday, January 29, 2017, my clients will continue to pursue their individual and class claims against Lincoln and Lincoln National, in which they seek at least the above-identified amount in individual damages and recoverable attorneys' fees, and may also seek \$64,095.18 in treble damages pursuant to Section 541.152 of the Texas Insurance Code. My clients also seek the recovery of damages to remedy harm suffered by others similarly situated. Lincoln and Lincoln National should expect the damages amount to increase in proportion to the number of class members that join the lawsuit. Likewise, if Lincoln and Lincoln National fail to agree to the stipulated terms of my clients' legally binding guarantee on or before Monday, January 29, 2017, my clients will continue pursuing both individual and class claims for injunctive relief to the same effect.

This letter is sent without waiver of any of Robert M. Randolph's rights, the Trust's rights, the rights of Stephanie W. Randolph (acting in her capacity as Trustee or in her individual capacity), or the rights of any party named herein, in his or her representative capacity of all others similarly situated.

Please contact me at your earliest convenience so that we may resolve this matter amicably.

Sincerely,

/s/


George Parker Young
Circelli, Walter & Young, PLLC
gpy@cwylaw.com

CC:

Kent Sullivan
Its: Texas Insurance Commissioner
Texas Department of Insurance
333 Guadalupe, Austin, TX 78701
P.O. Box 149104, Austin, TX 78714

Via Certified Mail, Return Receipt Requested

Corporation Service Company
R.A. for The Lincoln National Life Ins. Co.
211 East 7th Street, Suite 620
Austin TX 78701 -3218

Via Certified Mail, Return Receipt Requested

Wendy Chase
100 North Greene St.
Greensboro, NC 27401

Via E-Mail to wendy.chase@lfg.com

Exhibit M

November 28, 2017

Corporation Service Company
R.A. for The Lincoln National Life Ins. Co.
211 East 7th Street, Suite 620
Austin TX 78701 -3218

Via Certified Mail, Return Receipt Requested

Lincoln National Life Insurance Co.
Attn: Jeffrey L Smith
100 North Greene St.
Greensboro, NC 27401

Via Certified Mail, Return Receipt Requested

Lincoln National Corp.
150 North Radnor-Chester Road
Radnor, PA 19087

Via Certified Mail, Return Receipt Requested

**RE: Notice of Claims under the Texas Insurance Code and Demand for Relief
Policy No. JP525505, insuring the life of Robert McGehee Randolph**

To Whom It May Concern:

The undersigned and this firm represent Robert M. Randolph (“Randolph”) and Stephanie W. Randolph, as Trustee of the Robert M. Randolph 2008 Irrevocable Life Insurance Trust dated April 1, 2008 (“Trustee” and the “Trust”) regarding a Legend 300 flexible premium adjustable life insurance policy insuring the life of Randolph, with the policy number JP525505 (the “Policy”).

Lincoln National Corporation (“Lincoln National”), acting through and/or in conjunction with its wholly owned subsidiary, Lincoln National Life Insurance Company (“Lincoln”), knowingly engaged in acts or practices that constitute “unfair methods of competition” or “unfair or deceptive acts or practices” in the business of insurance with respect to its administration of the Policy.

Pursuant to Tex. Ins. Code § 541.154, this letter is also intended to serve as notice of the Trust’s specific complaint and the amount of actual damages and expenses, including attorneys’ fees reasonably incurred in asserting my clients’ claims.

**I.
BASIS FOR RECOVERY**

The Policy was originally issued and delivered by Jefferson-Pilot Life Insurance Company (“Jefferson-Pilot”) to Randolph, after which time Jefferson-Pilot merged into Lincoln National Life Insurance Company (“Lincoln”), with Lincoln assuming all of Jefferson-Pilot’s obligations under the Policy as the insurer. In 2008, Randolph transferred his interest under the Policy to be held in the Trust for the benefit of his wife and three children.

Acting in conjunction with Lincoln National, Lincoln subjected Randolph, and later the Trust, to unlawful cost of insurance (“COI”) rate increases, unauthorized “Premium Load Charges” (f.k.a. the “Expense Charges”), the deliberate billing of incorrect premiums, and deceptive policy illustrations, all engineered with the ultimate aim of either (1) unlawfully inducing the surrender or premature lapse of Lincoln policies using a device called “shock premiums,” or (2) extracting excessive payments from policyholders to which Lincoln was not entitled under the policies (“hostage premiums”). These practices constitute “unfair methods of competition” or “unfair or deceptive acts or practices” in the business of insurance, as defined under Chapter 541 of the Texas Insurance Code.

Billing of Deliberately Incorrect Premium Invoices

When Randolph agreed to purchase the Jefferson-Pilot policy at issue, he was very clear that he wanted to purchase death benefits of \$380,000, with that amount remaining the death benefit for the life of the policy, through his death, and that he wanted to be insured into age 100 and beyond. Accordingly, on July 16, 2002, he was provided an illustration by Jefferson-Pilot (enclosed herewith) that showed exactly that scenario, with the policy continuing on his life past age 100, a death benefit of \$380,000, and the premium amount being “-0-” premium after he attained age 100 (for ten ensuing years). Though retaining the right to adjust the premium based on very limited factors set forth in the contract of insurance, at the inception of the Policy Jefferson-Pilot specified to Randolph that to meet his two main goals (death benefit of at least \$380,000 and term past age 100), after an initial year of discounted premium of \$4,983.24, he would pay an annual premium in the amount of \$8,155. Despite explicit instructions provided in and with the Policy Application and accompanying materials to charge the premium required to maintain the death benefit of \$380,000 for a term exceeding Randolph attaining age 100, first Jefferson-Pilot and then Lincoln incorrectly billed the annual premium for over fifteen years.

Each year Lincoln invoiced first Randolph, and then the Trustee, an annual premium of \$4,983.22 (which was the initial discounted year’s premium), and each year the invoiced amount of premium was paid as billed. With each year of incorrectly billed premium amount, Jefferson-Pilot, and then Lincoln, shortened the term of the policy, shrinking the insurance to violate the cardinal two goals that had been the central basis for Randolph’s purchasing the insurance in the first place.

Randolph, age 81, though currently in good health, now has a medical history that makes him uninsurable for purposes of life insurance.

After Lincoln changed the format of its invoicing and Annual Statement in 2014, several questions were raised about what Lincoln (and its predecessor Jefferson-Pilot) had been invoicing as premium on the policy and the effect on the policy term and amount. My clients, both through Mr. Frazier and directly, raised Lincoln’s premium invoicing errors beginning in late 2014, and several more times since (including having Mr. Frazier speak with Lincoln’s chief legal counsel and its director of compliance in 2015). Lincoln continued to incorrectly invoice Randolph and Trustee. Shockingly, Lincoln refused to take any responsibility, informing my clients that even with the inflated catch-up premiums they were now quoting, Randolph could only maintain

insurance to 97 (three years short of the age 100 trigger and meaning ten more years of insurance under the policy).

To boot, the catch-up payment was also excessively calculated by \$2,767.12. If the full premium was \$8,155, but the premium incorrectly billed was \$4,983.24, that leaves an annual difference of \$3,171.76. Therefore, to properly calculate the catch-up amount, Lincoln should have multiplied \$3,171.76 by 13 years (2003–2015), which would amount to \$41,232.88. But that is not the catch-up amount Lincoln charged. Instead, Lincoln charged \$43,968, which Randolph rounded up to \$44,000 and paid. This means Lincoln added \$2,767.12 to the catch-up amount without apparent justification.

To avoid the policy lapsing, Trustee simply paid the \$44,000 catch-up payment and increased premium of \$14,583 for the 2016 year. However, even then, Lincoln continued to incorrectly invoice Trustee (most recently in September of 2017).

Even though the Incorrect Annual Premium Invoices were entirely Lincoln's (and its predecessor Jefferson-Pilot's) fault, my clients never sought a windfall. From the time the billing errors were discovered, Randolph and Trustee simply sought to reach consensus on the required amount of a one-time catch-up premium payment by Trustee to keep the policy in force, with the originally agreed-to term (at least 100 years of age for the insured Randolph) and death death benefit (\$380,000). Lincoln, however, would take steps to make it impossible to determine the proper amount of this catch-up premium amount, instead providing misleading information and illustrations showing a catch-up premium that only kept the term of the policy in force into age 97. And even those illustrations, it turns out, were deceptive. To my clients' dismay, Lincoln again shortened the term of Randolph's coverage in September of 2017, from 97 to 95.

Deceptive Illustrations

As mentioned, the coverage term of the Policy shortened as a result of the repeated billing of incorrect premiums. In an abundance of caution, Randolph, acting on the Trustee's behalf, solicited, through Frazier, payment options from Lincoln to keep the Policy in force through the originally agreed upon age of 100 for the originally agreed death benefit of \$380,000. In response, Lincoln sent my clients, through Frazier, a series of illustrations. One particular illustration, sent on October 12, 2016, demonstrated that the \$44,000 catch-up payment and increased annual premiums of \$14,583 would keep the Policy in force until age 97 (notably, 13 years short of the agreed upon term). Under the duress of the Policy lapsing, and in reliance upon the October 12, 2016 illustration, my clients made the \$44,000 catch-up payment and the annual premium payment for the 2016 year at the increased rate of \$14,583. Randolph sent a Trust check for \$58,583 with a letter expressly noting that the check was for payment of the catch-up and the first-year at the increased premium and that he was paying in order to "prolong the life of the policy."

However, on September 18, 2017, Randolph received Lincoln's Statement of Account that materially deviated from the coverage it represented it would provide per the Illustration sent eleven months earlier, on October 12, 2016. To the Plaintiffs' dismay, the September 18, 2017 Statement of Account showed that even with the catch-up payment, and all future planned premiums properly paid at the increased amount of \$14,583, the term of Randolph's coverage

would extend only to April 2032, at which time Randolph would be 95 years old. That is, less than a year after sending an illustration indicating that coverage would extend into age 97, Lincoln shaved two critical years off Randolph's coverage.

Notably, the October 12, 2016 Illustration contains no mention of the "Premium Load Charges," discussed below.

Unauthorized Premium Load Charges (f.k.a., the "Expense Charges" deduction)

From 2002 to 2014, the Summaries of Policy Activity delivered as part of my clients' Statements of Account listed an annual deduction for what the statements reference as "Expense Charges"—a deduction applied separately from the cost of insurance charges. Later, beginning with the 2016 Statement of Account (which covers the period beginning September 9, 2015 and ending on September 9, 2016), Plaintiffs' annual Statements of Account began showing an annual deduction for what the statements referenced as the "Premium Load Charge."

Although that terms "Premium Load Charge" and "Expense Charges" appear in the annual Statements of Account, it appears nowhere in the Policy, Policy Application, or the incorporated Illustrations. Trustee, acting by and through Randolph, reached out to Lincoln directly to inquire about the deduction (what it was, what it was used for, on what authority Lincoln deducted it). However, those efforts were to no avail. On information and belief, the "Premium Load Charge" is, plainly stated, Lincoln's illegal practice of implementing and collecting an unauthorized windfall from policyholders. The practice is even more culpable when considered in conjunction with the increase in premiums due to the COI Rate Increase in 2016 and/or the need to "catch up" due to the deliberate billing of incorrect premiums. Because the "Premium Load Charge" is calculated at a fixed rate of the amount of premiums paid, an increase in the size of the premiums creates a corresponding increase in the size of the Premium Load Charge. In effect, Lincoln has created an exponential windfall from its own windfall.

In sum, since 2002, Plaintiffs have paid over \$12,374.47 in "Premium Load Charges" and "Expense Charges" (not including the monthly \$4.00 Administrative Charge that Lincoln was contractually entitled to deduct, and which Lincoln did deduct as part of the annual "Expense Charges" deduction in the month it applied the Policy Charges deduction). Lincoln treats the Premium Load Charges (f.k.a. "Policy Expenses" deductions) as annual deductions from Policy's cash value—thereby reducing the amount of insurance paid and the term of that insurance. That is, like the COI charges, Plaintiffs receive no benefit from the sums deducted as "Premium Load Charges" (formerly deducted as "Expense Charges"). As a result of the unlawful implementation and collection of annual deductions for "Expense Charges" and "Premium Load Charges," Randolph's coverage under the Policy has been shortened.

Unlawful Cost of Insurance Rate Increases

The Policy gives Lincoln limited discretion to determine the COI rate based on its expectation of future mortality, interest, expenses and lapses. In September 2016, Lincoln announced a COI rate increase for policies that have been in force for up to eighteen years. This increase was in excess of 91% for the Trust. Randolph and Trustee contend that Lincoln based the COI increases on

impermissible considerations. The COI Rate Increase resulted in the unlawful implementation and collection of significantly higher premiums for the Trust.

II.
CLAIMS AGAINST LINCOLN AND LINCOLN NATIONAL

Lincoln National, acting in conjunction with and through Lincoln, violated one or more provisions of the Texas Insurance Code, Chapter 541, Subchapter B, by knowingly engaging in acts or practices that constitute “unfair methods of competition” or “unfair or deceptive acts or practices” in the business of insurance. Accordingly, this letter is being sent pursuant to the requirements of TEX. INS. CODE § 541.154, notifying Lincoln and Lincoln National of Randolph and Trustee’s specific complaint and the amount of actual damages and expenses, including attorneys’ fees reasonably incurred.

III.
DEMAND

As a result of Lincoln and Lincoln National’s aforementioned violations of the Texas Insurance Code, my clients have suffered actual damages in the amount of \$32,047.59. The amount of damages reflects the excess charge for the catch-up amount (\$2,767.12); the amount of unauthorized “Premium Load Charges” and “Expense Charges” deducted from 2002 to 2017 (a total of \$12,422.47 less \$48 in “Administrative Charges,” which from 2002 to 2014 were included once per year as part of the annual “Expense Charges” deduction); the amount charged in excess of \$8,155 for the annual premiums on December 16, 2016 and September 9, 2017 (\$12,856 total); and the excess of COI charges implemented and collected above the amount permitted under the policies (\$4,050 total).

To date, my clients have incurred reasonable and necessary attorneys’ fees in the amount of \$30,000. My clients seek recovery of these fees pursuant to Chapter 38 of the Texas Civil Practice and Remedies Code and Chapter 541 of the Texas Insurance Code. Please note that the amount of attorneys’ fees incurred to date is subject to increase depending on the duration of this dispute and the work involved. Attorneys’ fees may range from \$100,000 to \$200,000 if this matter is not resolved promptly.

Robert M. Randolph, as insured, and Stephanie W. Randolph, on behalf of the Trust, hereby demand that Lincoln and Lincoln National remit the amount of \$62,047.59 to Trustee on or before January 29, 2017. Please send this payment to our firm’s address listed below, and make the check or money order payable to “Stephanie W. Randolph, as Trustee of the Robert M. Randolph 2008 Irrevocable Life Insurance Trust.”

In addition to payment of all actual damages accrued, as well as reasonable and necessary attorneys’ fees incurred, Plaintiffs further demand that Lincoln and Lincoln National guarantee the following terms:

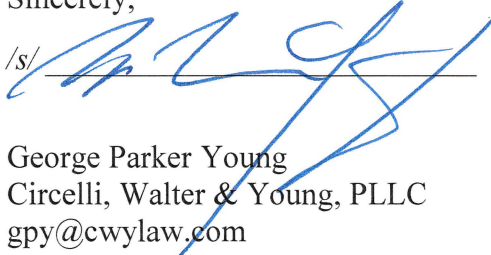
1. Insure Randolph for the full death benefit of \$380,000 until Randolph attains the age of at least 110 years (June 2046) provided Trustee makes payment of the \$8,155 annual premiums each year for the next 18 years, with the last premium paid on or before September 9, 2036.
2. Impose no further cost of insurance rate increases for the remaining life of the Policy; and
3. Not charge any further Premium Load Charges or any other charge, fee, or expense not specifically identified and defined in the Policy or Policy Application.

A lawsuit will be filed contemporaneously with the sending of this demand. If Lincoln or Lincoln National fails to remit payment of \$62,047.59 on or before Monday, January 29, 2017, my clients will continue to pursue that amount in their lawsuit against Lincoln and Lincoln National, in which they seek at least the above-stated amount in actual damages and recoverable attorneys' fees, in addition to \$64,095.18 in treble damages recoverable under Section 541.152 of the Texas Insurance Code (a minimum of \$116,142.77 total). Likewise, if Lincoln and Lincoln National fail to agree to the stipulated terms of a legally binding guarantee on or before Monday, January 29, 2017, my clients will continue to pursue their legal claims against Lincoln and Lincoln National seeking injunctive relief to the same effect.

This letter is sent without waiver of any of Robert M. Randolph's rights, the Trust's rights or the rights of Stephanie W. Randolph, acting in her capacity as Trustee or in her individual capacity.

Please contact me at your earliest convenience so that we may resolve this matter amicably.

Sincerely,

/s/ 

George Parker Young
Circelli, Walter & Young, PLLC
gpy@cwylaw.com

JS 44 (Rev. 06/17)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

<p>I. (a) PLAINTIFFS Robert M. Randolph and Stephanie W. Randolph, as Trustee of the Robert M. Randolph 2008 Irrevocable Life Insurance Trust Dated April 1, 2008, Individually and on Behalf of All Others Similarly Situated</p> <p>(b) County of Residence of First Listed Plaintiff <u>Parker County, Texas</u> <i>(EXCEPT IN U.S. PLAINTIFF CASES)</i></p> <p>(c) Attorneys (Firm Name, Address, and Telephone Number) Circelli, Walter, & Young, P.L.L.C. 500 E. 4th Street, Suite 250 Fort Worth, Texas 76102 817-697-4942</p>	<p>DEFENDANTS Lincoln National Corporation and Lincoln National Life Insurance Company</p> <p>County of Residence of First Listed Defendant <u>Delaware County, Pennsylvania</u> <i>(IN U.S. PLAINTIFF CASES ONLY)</i></p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.</p> <p>Attorneys (If Known)</p>
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<p>II. BASIS OF JURISDICTION (Place an "X" in One Box Only)</p> <p><input type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p>III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:33%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td style="text-align: center;"><input checked="" type="checkbox"/> 1</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> <td style="text-align: center;"><input checked="" type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
	PTF	DEF		PTF	DEF																				
Citizen of This State	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. NATURE OF SUIT (Place an "X" in One Box Only) Click here for: [Nature of Suit Code Descriptions](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input checked="" type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<p>PERSONAL INJURY</p> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<p>PERSONAL INJURY</p> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <p>PERSONAL PROPERTY</p> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157
			PROPERTY RIGHTS	
			<input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act
			LABOR	FEDERAL TAX SUITS
		<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act	<input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	IMMIGRATION	
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<p>Habeas Corpus:</p> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <p>Other:</p> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	<input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding
 2 Removed from State Court
 3 Remanded from Appellate Court
 4 Reinstated or Reopened
 5 Transferred from Another District (specify)
 6 Multidistrict Litigation - Transfer
 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332(a)(1),(d)

Brief description of cause: Statutory and common-law claims arising from breaches of insurance policies and attendant deception of policyholders

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. **DEMAND \$** \$126,142.77 CHECK YES only if demanded in complaint: **JURY DEMAND:** Yes No

VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE The Honorable Gerald J. Rappert DOCKET NUMBER 16-cv-06605-GJP

DATE November 28, 2017 SIGNATURE OF ATTORNEY OF RECORD 

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
- United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
- Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
- PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Life Insurance Policyholders Accuse Lincoln National of Incorrect Billing, Unauthorized Charges](#)
