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1429/0177 89 001 Page 1 of 10
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Cook County Recorder 75.50

**TRANSFER AND CONVEYANCE OF PROCEEDS
AND SECURITY AGREEMENT**

THIS TRANSFER AND CONVEYANCE OF PROCEEDS AND SECURITY AGREEMENT (the "Agreement") made this 21st. day of December, 2000, by and among Charles Liu, whose address is 1872 Raincloud Dr., Rockford, IL 61108 ("Transferee"), and Paul Petkus (Name of Claimant/Plaintiff), whose address is 3553 Maeison Street, Lansing, Illinois ("Transferor").

RECITALS

WHEREAS, Transferor has a claim against and/or is a plaintiff in an action or suit now pending before the Circuit Court of Cook County, located in the state of Illinois, against Illinois Central Railroad Co., et al (the "Defendant") (Whether a claim or an action or suit, the "Litigation") is defending such Litigation, arising out of an act of negligence, accident or other incident occurring on or about October 4, 1999, in which the Defendant caused Transferor to suffer serious damages. A brief description of the case details which led Transferor to seek funds from Transferee is attached and identified as Schedule C.

WHEREAS, Transferor does not have sufficient funds to await the outcome of the Litigation, has no assets against which to borrow, and has tried to obtain funds from other sources and has been unable to do so.

WHEREAS, an undetermined amount of time will be required for Transferor to seek compensation from the Defendant(s) through continued legal action and/or negotiations to otherwise persuade or prevail upon the Defendant(s) to pay the Transferor an amount appropriate and necessary to compensate Transferor for the injuries incurred and/or damages suffered; and

WHEREAS, in order to afford Transferor sufficient funds to proceed with the Litigation, Transferee has agreed to accept certain proceeds which may arise from settlement or verdict resulting from the Litigation.

WHEREAS, Transferor desires to pursue litigation to such time that a fair and favorable settlement/judgement can be obtained.

WHEREAS, Transferee has made its own determination to make this advance and has not relied on any advice from Transferor's counsel regarding the merits, value, risk, or legitimacy of the Litigation.

NOW THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Transferee and Transferor do hereby agree as follows:

Transferor's Initials



1. Transferor unconditionally and irrevocably transfers and conveys to Transferee all of Transferor's control, right, title and interest in the first **\$10,000.00** paid to Transferor from the Proceeds, as hereinafter defined, or other recovery derived from the litigation. Said amount shall, by agreement, increase by the sum of **\$1,500.00** per month beginning on the first day of the month following the date of execution of this agreement, pursuant to the schedule attached hereto as Schedule A. For purposes of this Agreement, "Proceeds" shall be defined as the gross amount of the recovery from the Litigation, less Transferor's attorney's fees of Thirty Three (33 %), the actual costs of the Litigation advanced by Transferor's legal counsel on Transferor's behalf, and any other prior superior assignments, liens, encumbrances or security interests of any kind or nature in or relating to the Proceeds as provided for in Schedule B hereto, if any.
2. Transferor hereby grants to Transferee a security interest in the Proceeds of the Litigation in the sum of **\$10,000.00**, plus any and all increases pursuant to Schedule A hereto in order to secure the conveyance, subject to the terms and conditions of this Agreement.
3. This agreement is expressly intended to transfer, convey and relinquish control over only a specified portion of the Proceeds which may flow from, and as a result of the Litigation referred to above. This agreement is not an assignment, nor a purchase of any right, chose in action, cause of action, or claim which Transferor may have or possess as against any responsible party, respondent or defendant referred to herein. No control, input, influence, right or involvement of any kind as concerns any claim, right, or interest of Transferor in the Litigation is contemplated by any party to this Agreement.
4. This agreement, and the obligation to pay over the Proceeds specified herein is totally contingent, speculative and without recourse on the part of Transferee, except for the security interest in the Litigation, and any successor claim(s), and/or litigation(s) arising out of the same facts, or arising out of the conduct of the Litigation. If there is no recovery of Proceeds by Transferor as specified herein, then Transferee shall receive NOTHING.
5. Transferor shall, and does hereby require and direct its attorney(s) to execute this Agreement. By execution hereof, Transferor's attorney(s) acknowledges receipt of, and actual notice of this Agreement and agrees to disburse the Proceeds as set forth hereinabove.
6. All parties to this agreement acknowledge that by execution hereof, Transferor's attorney is solely and merely following Transferor's instructions. Transferor's attorney is making neither representation nor guarantee, inferred, expressed or implied; concerning either merits or value of the claim(s) or litigation matter(s) referred to herein to ANY PARTY. Further, all parties to this agreement acknowledge that Transferor's attorney assumes no affirmative duties herein other than the ministerial obligations of disbursement, and conveying information contained herein.



7. If Transferor changes his attorney(s) subsequent to the date of this Agreement, Transferor and Transferor's attorney each shall give immediate written notice, by certified mail return receipt requested, to Transferee at **1872 Raincloud Dr., Rockford, IL 61108**, of the identity, address and phone numbers of Transferor's new attorney(s). Transferor further agrees to require and to direct any new attorney(s) to execute and acknowledge this Agreement.
8. Transferor hereby authorizes her attorney(s) to release to Transferee any information, files, records, documents regarding the Litigation requested by Transferee, who agrees to treat such information as privileged and who shall receive and review these materials solely in the limited capacity necessary for this Agreement.
9. This Agreement constitutes the entire agreement between the parties and there are no representations, warranties, covenants or obligations except as set forth herein. This Agreement supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, written or oral, of the parties hereto, relating to any transaction contemplated by this Agreement. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns. In the event any one or more of the covenants, terms and conditions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity, liability or enforceability of any other covenant, term or condition in this Agreement.
10. Transferor represents and warrants unto Transferee that as of the date of this Agreement that (a) Transferor believes the Litigation to be meritorious and filed in good faith; (b) Transferor has complete right, title and interest in and to the Litigation and full power and authority to make and execute this Agreement; (c) Transferor has not and will not assign or encumber the Proceeds from the Litigation, except as otherwise provided herein; and (d) there is no other assignment, lien, encumbrance or security interest of any kind or nature in or relating to the Proceeds other than is provided for in Schedule B hereto, if any.
11. Transferor intends this agreement to be fully valid and binding as to and upon all heirs, trustees, executors, or any other successor-in-interest who may obtain or assert control over the Litigation by reason of Transferor's death, disability, or decline in health such that someone other than Transferor is, or becomes entitled to make decisions concerning the disposition of the Litigation, or any of the proceeds thereof. Further, by executing this agreement, I intend to exercise any Power of Appointment with which I am empowered to the extent necessary to complete the Transfer that is the subject of this agreement.
12. This Agreement shall be construed and interpreted in accordance with the laws of the state of Illinois and venue for any dispute arising hereunder (including any interpleader action) shall lie in the 17th Judicial District Court for Winnebago County, Illinois. Transferor understands that the "choice of laws", "forum", and "venue" clauses contained herein are critical in nature, and are essential to this Contract, and that they have not been placed in this contract as mere "form" insertions and recitals.



13. Transferor has been advised to have not only their counsel, but also outside counsel review this agreement prior to signing.
14. Transferor has been advised that Transferee is a provider of funds of last resort and that other sources may have more favorable rates and payment schedules.
15. All questions have been answered to Transferor's satisfaction by Transferee.
16. Transferor acknowledges that Transferee will, in the event that Transferor should make a recovery, make a substantial profit from this advance.
17. Transferor acknowledges that this contract has been drafted by both Transferor and Transferee, and is made a part of this entire transaction.
18. Transferor understands that the attached Schedule A, Schedule B, Schedule C, and Schedule D is hereby made a part of this contract.
19. Transferor acknowledges that he/she contacted Transferee, or its affiliate, on **December 5, 2000** and Transferee advised Transferor to take 7 to 10 days to consider whether to enter into this agreement or not. Transferor further acknowledges that he/she took over ten days to consider this agreement before signing it.



WITNESS the following signatures and seals:

TRANSFEROR:

I, PAUL C PETKUS, the undersigned individual (Transferor),
(Transferor)
agree to the foregoing *Transfer and Conveyance of Proceeds and Security Agreement*.

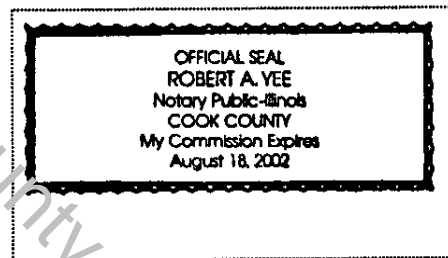
[Signature] 1-17-01
Transferor Date

NOTARY:

I, ROBERT A. YEE, the undersigned notary public, witnessed
(Notary)
PAUL C. PETKUS, sign and acknowledge the foregoing
(Transferor)
Transfer and Conveyance of Proceeds and Security Agreement, this

1/17/01
(Date)

[Signature]
Notary Public



My Commission expires: 8/18/02

SEAL

ATTORNEY FOR TRANSFEROR:

I, _____, the undersigned attorney, with an address of **1109 Glendale Boulevard, Valparaiso, Indiana 46383**, received the foregoing *Transfer and Conveyance of Proceeds and Security Agreement* as attorney for Transferor ("Attorney"). I agree to distribute any Proceeds of the Litigation in accordance with the terms of the Agreement. In the event that I cease representing the Transferor at any time, I will immediately give written notice via certified mail, return receipt requested, to Transferee at **1872 Raincloud Dr., Rockford, IL 61108**. By execution hereof, I am only following the instructions of Transferor. I make no statement, render no opinion, and proffer no guarantee as pertains to the possibility of recovery of some or any Proceeds as a result of the Litigation. By the execution hereof, I assume no duties or obligations to Transferee other than the ministerial duties of disbursement and of furnishing requested information as specifically outlined herein.

ON FILE.
Attorney

Date

Transferor's Initial: [Signature]



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TRANSFeree:

I, **Charles Liu** (Transferee), agree to the foregoing *Transfer and Conveyance of Proceeds and Security Agreement*.

Transferee

Date

11/17/08

Property of Cook County Clerk's Office



SCHEDULE A

Schedule of Increases to Amount of Transferred Proceeds

The amount owed will increase by **\$1,800.00** on the first day of every month. Examples of the monthly payoffs are as follows:

February 1, 2001	\$11,800.00
March 1, 2001	\$13,600.00
April 1, 2001	\$15,400.00
May 1, 2001	\$17,200.00
June 1, 2001	\$19,000.00
July 1, 2001	\$20,800.00
August 1, 2001	\$22,600.00
September 1, 2001	\$24,400.00
October 1, 2001	\$26,200.00
November 1, 2001	\$28,000.00
December 1, 2001	\$29,800.00
January 1, 2002	\$31,600.00

This Schedule shows the monthly payoffs for the first twelve months of the advance. The payoff will continue to increase by **\$1,800.00** per month until paid, based on the terms of this contract.

There is a minimum administrative fee equal to 36% of the principal, if the advance were to be paid within the second month.

Checks are to be made payable to: Charles Liu
1872 Raincloud Drive
Rockford, Illinois 61108

***Note: Date for consideration of payment, is date of check payable to Transferee.**



SCHEDULE B

Name of Transferor's Attorney:

Bryan L. Bradley

Address:

**1109 Glendale Boulevard
Valparaiso, Indiana 46383**

Telephone: (219)-462-2119 Fax: (219)-477-5181

Amount of Attorney's Fee (%)

_____ % Plus Expenses

Current Medical Liens

<u>Provider</u>	<u>Amount (\$)</u>

Other Prior Superior Liens or
Encumbrances as of date of Agreement:

<u>Provider</u>	<u>Amount (\$)</u>

Transferor's Initial: AB



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Capital Settlement Funding Inc. 0010286234 Page 9 of 10

Page 9 of 10

SCHEDULE C

A description of the case details which led Transferor to seek funds from Transferee is as follows:

As stated in the complaint filed in The Circuit Court of Cook County, County Department, Law Division. Filed on October 4, 2000 number 00L 011396

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(815)-229-0611

Transferor's Initial: 



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Capital Settlement Funding Inc.

0010286234

Page 10 of 10

Page 10 of 10

SCHEDULE D

TRANSFEROR'S INFORMATION

NAME: Paul Petkus

TELEPHONE NUMBER: (708) -474-2195

CURRENT ADDRESS: 3553 Maeison Street

CITY: Lansing

STATE: Illinois

ZIP CODE: 60438

DATE OF BIRTH: 08/01/1964

PLACE OF BIRTH: Cook County, Chicago, Illinois

MOTHERS MAIDEN NAME: Cassidy

SSN: 350-68-8349

DRIVER'S LICENSE #: P32268364218

(815)-229-0611

Transferor's Initial: 