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June 2, 2016

Via Overnight Mail

Maria T. Vullo, Esq.
New York State Department of Financial Services
One State Street
New York, NY 10004-1511

Re: Plan of Implementation under New York General Obligations Law § 5-1708-a

Dear Superintendent Vullo:

Please be advised that we represent John T. Bair and his company Milestone Consulting, LLC, a New York Limited Liability Company, ("Milestone").

We are writing on behalf of Milestone and Mr. Bair, pursuant to New York General Obligations Law § 5-1708-a, to seek authorization so that Milestone (License No. LA-1217029) and Mr. Bair (License Nos. LB-922640 and LA-922640), an authorized representative of New York Life Insurance Company, Metropolitan Life Insurance Company, Liberty Life Assurance Company of Boston, The Prudential Insurance Company of America, Pacific Life and Annuity Company, Massachusetts Mutual Life Insurance Company, and First Berkshire Hathaway Life Insurance Company¹, can waive all commissions or other compensation payable as a result of the sale of a policy or contract subject to New York Insurance Law § 4224 to the victims of the October 23, 1983 terrorist attacks against the United States Marines Barracks in Beirut, Lebanon; or, in the alternative, to donate said commission to a 501(c)(3) charitable organization organized for the benefit of victims of terrorist attacks.

As you are aware, New York General Obligations Law § 5-1708-a was recently amended to permit an insurance company, or, like here, a representative of an insurance company to seek such a waiver of commissions related to policies sold to victims of any "premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents, listed on the U.S. Department of State's list of Foreign Terrorist Organizations." This amendment was specifically designed to expand the General Obligations Law to allow the waiver of commissions to include terrorist attacks such as those perpetrated in Beirut, Lebanon on October 23, 1983. Of

¹ The waiver requested here is additionally made so as to include any insurer that Mr. Bair and/or Milestone are appointed to represent subsequent to the date of this request.



note, Mr. Bair worked with State Senator John A. DeFrancisco on the original bill and State Senator Timothy M. Kennedy on its recent amendment.

By way of background, the victims and families of victims of the terrorist attacks in Beirut, Lebanon have commenced a series of lawsuits in the United States District Court for the District of Columbia against the Islamic Republic of Iran and bear the following case numbers: 01-cv-2094, 03-cv-1959, 05-cv-2124, 06-cv-0516, 06-cv-0596, O'Brien: 06-cv-0690, 06-cv-0750, 07-cv-1302, 08-cv-0531, 08-cv-0535, 08-cv-1273, 10-cv-0628, 10-cv-0844, 12-cv-0042, and 12-cv-2069. These plaintiffs are represented by Fay Law Group PLLC, which has invited Mr. Bair and Milestone to provide information regarding structured annuities and in person presentations.

The commissions Mr. Bair and Milestone seek to waive here are just like those Mr. Bair waived in relation to the policies he and his company sold to the victims and families of victims of the September 11, 2001 terrorist attacks, experience that Mr. Bair and Milestone seek to utilize again to assist the victims of the 1983 terrorist attacks in Beirut, Lebanon.

In light of the above, we write on behalf of Mr. Bair and Milestone to provide the following plan of implementation for your approval, so that they, at the direction of the annuitant (i.e. the Policy Holder) in a structured settlement transaction, can deduct from the amount of the premium an amount equal to such waived commission (pursuant to an agreement with each of our respective life companies) or, where such a deduction is not available, to contribute the amount of such waived commission to a charitable organization meeting the requirements found in New York General Obligations Law § 5-1708-a.

Plan of Implementation

- (1) Each claimant will be positively identified as entitled to compensation from the Peterson Fund, a Qualified Settlement fund established pursuant to an order by Judge Forrest in the case of *Peterson, et al. v. Islamic Republic of Iran, et al.*, Case No. 10-cv-4518, Southern District of New York.
- (2) In all instances, the jurisdiction of the transaction of insurance will be deemed as New York.
- (3) At all times Mr. Bair and Milestone will work to offer the insurance contract that is in the "best interest" of the client.
- (4) Mr. Bair and Milestone will generally promote the use of structured settlements and our legal ability to waive or deduct compensation as set forth in this statute by mail, email and word of mouth.



- (5) No other consideration, trip incentive, or value of any kind has been promised in writing or verbally to Mr. Bair, Milestone or any member of Milestone, now or in the future for offering to do this pro bono.
- (6) Mr. Bair and Milestone will bear the full expense of compliance with this program, both internal and external costs.
- (7) Mr. Bair and Milestone are directly appointed with New York Life Insurance Company, Metropolitan Life Insurance Company, Liberty Life Assurance Company of Boston, The Prudential Insurance Company of America, Pacific Life and Annuity Company, Massachusetts Mutual Life Insurance Company, and First Berkshire Hathaway Life Insurance Company, and will only offer structured settlements annuities from these companies.
- (8) Each annuitant will receive a copy of their policy and proof of premium transmittal in accordance with Milestone's internal guidelines.
- (9) At all times a separate escrow account bearing the name "Beirut Marines Pro Bono Escrow" will be utilized for all commissions waived and received.
- (10) Any commissions an Issuer will not agree to deduct and are received in connection with the "Peterson Fund" will be donated to a charitable organization meeting the requirements found in New York General Obligations Law § 5-1708-a.
- (11) Mr. Bair and Milestone will maintain receipts for any commissions donated to a charitable organization meeting the requirements found in New York General Obligations Law § 5-1708-a and will make said receipts available for inspection by the superintendent at any time.
- (12) Mr. Bair and Milestone have retained outside accounting counsel (Dansa and D'Arata LLP) for record keeping for all transaction conducted by Mr. Bair and Milestone in connection with their plan of implementation.
- (13) Mr. Bair and Milestone will file annually, or as frequently as requested by the superintendent an annual report that includes our organizations experience with the program and details associated with the enterprise. The details that will be included, at a minimum, the annuitants last name, our proof of their connection to the case, their award letter from the Peterson Fund, their periodic payment agreement, the amount of the premium collected and submitted on their behalf, whether the commission was deducted or collected, and if collected the name of the 501(c)(3) organization the amount was donated to.



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Please do not hesitate to contact me at if you have any questions or concerns. Thank you for your consideration.

Very truly yours,

LIPPES MATHIAS WEXLER FRIEDMAN LLP

By:

Richard M. Scherer, Jr.

cc: John T. Bair
Milestone Consulting, LLC
Senator Timothy M. Kennedy
Tom Fay (Fay Law Group PLLC)