



To:	Stephen E Raynes, Esquire	From:	Beth Zimmerman
Fax	Attorney: (215) 988-0618	Pages:	Including Coversheet 11
Firm:	Raynes McCarty	Date:	July 27, 2012
Re:	Sebastian Ryan Paden	CC:	

COMMENTS...

- Your client is the **SELLER**.
- Please have your client initial each page and date and sign the Purchase Agreement where indicated [p. 7 of 10, p. 8 of 10, and p.10of 10].
- Your client's signature should be notarized [p.7 of 10].
- Your own signature is required on Exhibit A of the document [p. 8 of 10].
- Be sure that your client completes the Funding Instruction Sheet [p. 10 of 10].
- If the Funding Instruction Sheet is left blank we shall forward the check via regular mail to your office.

Please fax a signed copy to our office [856-252-1294]

Forward the ORIGINAL documents to our office:

**1221 North Church Street
Suite 103
Moorestown, NJ 08057**



PURCHASE AGREEMENT

This is a Purchase Agreement (this "Agreement"). The date of this Agreement is July 27, 2012. My name is Sebastian Ryan Paden. My address is 342 South Wayne Street Lewistown, PA 17044 and my social security number is 188-74-3427. My date of birth is July 29, 1993. Under this Agreement, I am the Seller ("Seller" or "I") and US Claims ("USC"), whose address is 1221 N. Church Street, Suite 103, Moorestown, NJ 08057, is the Buyer ("Buyer").

A. I have a Sexual Assault claim arising from an accident/incident which occurred on or about 2004-2009 ("my Claim") against or involving Pennsylvania State University and/or all proper defendants. I have hired Stephen E Raynes, Esquire of Raynes McCarty ("my Attorney"), whose address is 1845 Walnut Street 20th Floor Philadelphia, PA 19103 to represent me in my Claim. I anticipate that my Claim will result in proceeds of a verdict, award or settlement of my Claim in the future. The entire amount of the final verdict, award or settlement, less legal fees, superior liens existing on the date of this Agreement, costs and disbursements payable to my Attorney under the existing fee agreement between me and my Attorney is called the "Proceeds".

B. I desire to sell and assign to USC an Interest in the Proceeds. USC desires to purchase the Interest, on the terms and under the conditions set forth in this Agreement.

USC AND I AGREE AS FOLLOWS:

1. PURCHASE OF INTEREST

a. I hereby sell, transfer, convey and assign to USC a \$57,427 interest (the "Interest") in the Proceeds for a purchase price of \$50,250.00 ("Purchase Price"). I acknowledge receipt of the Purchase Price, less a fee of \$250.00 ("Administrative Fee"). I understand that (i) after the deduction of the Administrative Fee, the net amount received by me will be \$50,000.00 and (ii) the amount of USC's Interest, or, in other words, the amount to be paid to USC, will increase to reflect the date USC is paid its Interest in the Proceeds as set forth in the following Disclosure Table (the "Disclosure Table"):

DISCLOSURE TABLE

Purchase Price	\$50,250.00	
Itemized Fees: Administrative Fee	\$250.00	
Net Amount Received by Me	\$50,000.00	
Date of Payment to USC	Number of Months	Amount of USC's Interest/Amount due USC
On or before January 27, 2013	6	\$57,427
After January 27, 2013 and on or before April 27, 2013	9	\$61,391
After April 27, 2013 and on or before July 27, 2013	12	\$65,629
After July 27, 2013 and on or before October 27, 2013	15	\$70,159
After October 27, 2013 and on or before January 27, 2014	18	\$75,003
After January 27, 2014 and on or before April 27, 2014	21	\$80,180
After April 27, 2014 and on or before July 27, 2014	24	\$85,715
After July 27, 2014 and on or before October 27, 2014	27	\$91,632
After October 27, 2014 and on or before January 27, 2015	30	\$97,957
After January 27, 2015 and on or before April 27, 2015	33	\$104,719
After April 27, 2015 and on or before July 27, 2015	36	\$111,948

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After July 27, 2015 and on or before October 27, 2015	39	\$119,676
After October 27, 2015	42	\$127,937
Annual percentage fee (rate of return) on the Purchase Price, compounded monthly: 27%		

b. If I recover nothing from my Claim, I will owe USC nothing. USC's Interest will be paid by my Attorney out of the Proceeds of my Claim and will be deducted directly from the Proceeds of my Claim and will be paid to USC prior to any payment to me with respect to my Claim. If the Proceeds of my Claim are not enough to pay the full amount due to USC, then USC shall be entitled to receive 100% of the Proceeds of my Claim. I have directed my Attorney (and will direct any future attorneys representing me) to, among other things, (i) place an assignment, consensual lien and security interest in favor of USC against any and all Proceeds due me from the Claim (after payment of any and all legal fees and reimbursable costs) and to protect and satisfy the assignment, consensual lien and security interest in favor of USC up to the full amount of USC's Interest, (ii) notify USC of any verdict, award, settlement, discontinuance or ending with respect to my Claim, (iii) pay USC from the Proceeds the proper amount due to USC representing their Interest in the Proceeds at the time of distribution of the Proceeds prior to any payment to me with respect to my Claim, (iv) respond to requests for information from USC and (v) call USC prior to any disbursements of funds to verify the amount of USC's Interest. I have provided USC with an executed Authorization for Attorney to Pay US Claims from Proceeds of Claim/Acknowledgement of Authorization by me and my Attorney in the form attached as Exhibit "A" (the "Authorization and Acknowledgement").

c. The amount USC is entitled to may be more than is listed in the Disclosure Table above if I do not honor my obligations in this Agreement. I will also be liable to pay USC their Interest, even if there are no Proceeds, if I have mislead USC or my Attorney concerning my Claim and will also be liable for USC's attorney's fees or collection costs, as permitted by law.

d. If I want to sell an additional Interest, and if USC agrees to purchase an additional Interest, I will sign an amended Disclosure Table. I understand that USC is not required to purchase any additional Interest.

e. In the event that the Claim is the subject of more than one lawsuit, claim or cause arising out of more than one incident/accident/transaction, or against one or more defendants, then the amount due USC pursuant to this Agreement shall be paid from the Proceeds of the first lawsuit, claim and/or case against any of the defendants, including Uninsured Motorist claims, Underinsured Motorist claims and malpractice claims arising out of the Claim, which results in a monetary recovery. If insufficient funds are available from the first lawsuit, claim and/or case resulting in a monetary recovery to pay the full amount due USC pursuant to this Agreement, then the balance due USC shall be paid from the Proceeds of the next lawsuit, claim and/or cause, if any.

f. The amount due USC shall be withheld from any money collected as a result of my Claim and shall immediately be paid to USC (after first deducting my Attorney's fees and costs, and any prior liens which exist on the date of this Agreement). I agree and hereby direct that all Proceeds received in connection with my Claim, are held IN TRUST for USC until USC has been fully paid its Interest. I understand that I will not receive any money or payment from the Proceeds of my Claim until USC has been paid its Interest in full. This shall also apply to any structured settlements. If I receive payments from several sources, I will pay USC all monies received from each source until USC is paid in full its Interest in the Proceeds of my Claim. I acknowledge that my receipt or use of any Proceeds of my Claim prior to the full payment to USC of its Interest in the Proceeds of my Claim may constitute an illegal conversion and may be a crime.

2. ~~GRANT OF SECURITY INTEREST~~

Agreed to be Taken Out

By signing this Agreement, I grant to USC a security interest and a lien in any final verdict, award or settlement of my Claim and all Proceeds of my Claim (the "Collateral"). USC shall have all rights and remedies of a secured party under the New Jersey Uniform Commercial Code. I authorize USC to file one or more UCC

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~~financing statements regarding their security interest and lien in the Collateral and I agree to take all other steps reasonably required by USC to perfect and maintain the perfection of USC's security interest.~~

3. NO TRANSFER OF CLAIM

I am not assigning any portion of my Claim to USC, and USC is not buying any portion of my Claim under this Agreement. USC has no right or obligation to take any legal action for me in connection with my Claim. USC has no right or obligation to advise, direct or instruct me or my Attorney in how to go forward with my Claim. USC will not be involved in the negotiation of any settlement of my Claim. USC has no obligations or duties concerning my Claim, or the collection of any settlement, award or verdict from my Claim.

4. MY REPRESENTATIONS AND WARRANTIES

I represent and warrant to USC that:

a. I am using the funds received from the Purchase Price for my immediate economic necessities. I have been advised that I should not sell any portion of the Proceeds of my Claim if I have any other alternative to meet my immediate economic necessities. Because USC is taking a high risk in purchasing a portion of the Proceeds of my Claim, I understand USC may make a large profit.

b. I acknowledge that I have been advised to seek the services of legal tax, accounting and/or financial advisors in the negotiation and signing of this Agreement. I have either received such counsel prior to signing this Agreement or expressly waive such counsel. I understand from speaking to my Attorney and/or other advisors that the amount of USC's Interest as set forth in the Disclosure Table is greater than the Purchase Price I am receiving, and that there is a cost to me of selling USC the Interest. I understand that USC is relying upon my Application to USC in deciding to purchase this Interest and I represent and warrant that all statements contained in my Application are true and correct as of the date hereof. I understand that if any information on the Application changes that I have an obligation to immediately notify USC.

c. I am not currently in bankruptcy, there are no pending tax claims or criminal allegations against me, and I have complied with all laws in connection with the Claim. I further represent that I am not in violation of any obligations concerning child-care, alimony or support, and I have not been convicted of a felony or other crime involving dishonesty. Other than the Claim itself, there is no claim, legal action, lien or any proceeding or order pending or in effect or threatened, against me or my properties, assets or business, or which would in any manner affect or impair USC's Interest or USC's rights under this Agreement. I have been truthful in all aspects of the Claim and have provided all information to my Attorney in a complete and honest fashion. I also confirm that all documents submitted in connection with the investigation and USC's evaluation of my Claim are true, whether submitted by my Attorney or me. I understand that USC is relying upon these statements in determining whether to enter into this Agreement.

5. MY PROMISES TO USC

I promise that:

a. I will not change the fee agreement between me and my Attorney in any way that would reduce the amount of USC's Interest in the Proceeds of my Claim. I further promise to notify USC in writing within 72 hours if I terminate the services of my Attorney, or if my Attorney determines not to proceed with my Claim. If new attorneys are retained to represent me in this Claim, I will notify USC within 72 hours of the new attorneys being retained, and will direct my new attorneys to comply with the terms of this Agreement by me and my Attorney executing a new Authorization and Acknowledgement within 14 days after accepting my representation. I will also notify USC in writing within 72 hours if I move from the address listed above.

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b. I will not knowingly create or permit any additional liens, charges, security interests, encumbrances, agreements of any kind or other rights of third parties against the Proceeds of my Claim without the prior written consent of USC. I specifically promise not to sell any additional portion of the Proceeds of my Claim after the date of this Agreement, unless USC has given me prior written permission. I also confirm that neither the Claim nor the Proceeds are subject to any liens, charges, security interests, encumbrances, agreements of any kind or nature (other than this Agreement) or other rights of third parties except as set forth in Exhibit "B". I understand that if these statements are not true, it may be considered as a fraud, as USC is relying upon my statements in going forward with this Agreement.

c. I will use my best efforts to prosecute my Claim and to bring my Claim to a good faith settlement or final payment. I will keep USC informed about important developments in my Claim, and to instruct my attorney to also keep USC informed about my Claim. I also promise to cooperate with USC in enforcing its rights under this Agreement. I will promptly respond to all inquiries from USC as to the status of my Claim, and will also direct my Attorney to do so.

6. EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall be an event of default by me under this Agreement (each, an "Event of Default"):

a. The failure by me or my Attorney to pay USC's Interest in the Proceeds within thirty (30) days after (i) there is a verdict, award or other settlement with respect to my Claim and (ii) Proceeds are received by me or my Attorney; or

b. My failure to perform or comply with any of the agreements, conditions, provisions or promises contained in this Agreement, including but not limited to if USC does not receive a timely response to a request for information from me or my Attorney or if USC does not receive a new Authorization and Acknowledgement by me and my new Attorney within 14 days after accepting representation, and such failure to perform or comply continues unremedied for a period of 10 days after written notice from USC to me, unless such default, in USC's reasonable discretion, is not curable, in which event there shall be no grace period; or

c. If USC discovers any material misrepresentation or inaccuracy in any representation or warranty made by me to USC in this Agreement.

Upon an Event of Default by me under this Agreement, I agree that USC may contact any insurance company, claims adjuster or attorney then handling the Claim on behalf of any responsible party and advise such insurance company, claims adjuster or attorney about USC's Interest in my Claim and to direct that USC be included as a payee on settlement checks provided further that nothing herein shall prevent USC from exercising any other right or remedy provided under law or equity. If USC does anything stated in this paragraph, USC shall not be liable to me for any damages which I may suffer resulting from USC's actions described above.

7. APPLICABLE LAW

This Agreement shall be governed, construed and enforced in accordance with, and all disputes arising out of or in connection with this Agreement shall be governed by, the internal laws of the State of New Jersey, without regard to the conflict of law rules of New Jersey or any other jurisdiction.

8. ARBITRATION

USC AND I ACKNOWLEDGE AND AGREE THAT ALL DISPUTES, CLAIMS, DEFENSES OR CONTROVERSIES (WHETHER IN LAW OR IN EQUITY) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIPS THAT RESULT FROM THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY DISPUTES, CLAIMS OR CONTROVERSIES INVOLVING FEDERAL OR STATE

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