

Preserving and Protecting Your Rights of Ownership

In today's marketplace, dealers are presented various options that allow profit participation through reinsurance. You should recognize that you as a dealer have certain rights when it comes to any program calling itself reinsurance.

We know that ownership without control is the worst possible position to be in because the dealer ends up with the liabilities of the company without the control to protect the company's assets. Our competitors proudly offer a few features and benefits but deny their dealers most of the fundamental rights to which they are entitled, and thus reduce the dealer's control.

Any program designed to deny an owner of his or her rights is unconscionable. Portfolio does not view these rights as features and benefits to be added or subtracted from its program. They are the owner's inherent rights to be upheld in their entirety.

Portfolio provides its dealers with policies that are designed to preserve and protect all of the dealer's basic rights as an owner.

Our steadfast protection of our dealers' rights is the primary reason that we have been applauded by our dealers with a vote of confidence in us. They honored us when Portfolio was ranked Number One among reinsurance programs, by a wide margin, in the 2008 national survey of auto dealers, published by Auto Dealer Monthly Magazine.

Portfolio

THE OWNER OF THE REINSURANCE COMPANY HAS THE INHERENT RIGHT TO:

ARTICLE I. Organization

Expect that the company is formed and operated to be in compliance with all laws and regulations.

*Portfolio Organization Policy - We develop strategic alliances with recognized experts in the structuring, documentation, operation and performance of the reinsurance company. These alliances resulted in two of Portfolio's clients receiving an **exclusive** ruling from the IRS at the national level, that found our companies are proper and correct. This was documented in two Technical Advice Memoranda (TAMs) # 2004-53012 and 2004-53013, issued in December 2004.*

ARTICLE II. Asset Control

Control the assets of their company within the reasonable guidelines consistent with generally accepted practices of insurance companies.

Portfolio Asset Control Policy - The client chooses the financial institution and directs the investments within prudent but broad insurance company guidelines. Qualified assets include stocks, mutual funds, bonds, cash, loans, etc. We insist that a copy of the monthly investment statement is sent directly to the dealer for his review for any future investment decisions. His control of the assets gives him self-determination over the investment risk.

ARTICLE III. Funding

Insist that 100% of the funds that are insurance premium be promptly funded (ceded) to the reinsurance company.

Portfolio Funding Policy - We fund the dealer's reinsurance company weekly if the dealer remits weekly. All funding is done weekly. We recognize that our competitors only fund monthly, or even quarterly, to the dealer's reinsurance company. Their policies enable the funding company to retain the investment income during that delay...a hidden cost to the reinsurance company owner.

ARTICLE IV. Profit

100% of all of the profits from underwriting and investment income belong to the owner.

Portfolio Profit Policy - To ensure that this right is protected, Portfolio does a full cash reconciliation of all of the dollars remitted by the dealership. Also, the dealer may declare a dividend for any or all of the profit available at any time, from both the underwriting profit and the investment income.

ARTICLE V. Opportunities

Take advantage of all profit opportunities that are available to his reinsurance company.

Portfolio Opportunity Policy - Most of the products sold in the F&I Department of a dealership can be reinsured. Portfolio provides both the structure and segregated accounting for each of these products that are sold in the dealership, such as tire and wheel, appearance products, GAP insurance, maintenance, etc. The mix of the products sold is 100% the dealer's choice.

ARTICLE VI. Disclosure

Complete and full disclosure of all fees and costs associated with their program.

Portfolio Disclosure Policy - No Hidden Fees. Our cash reconciliation of the remittance along with the provisions of the trust agreement ensure that our dealers know all costs and fees associated with the management and operation of his reinsurance company.

ARTICLE VII. Documentation

Expect that all documentation will be written in layman's terms to illuminate and facilitate an understanding of all terms and conditions, as opposed to complex and verbose documents constructed to obfuscate the terms, conditions and costs.

Portfolio Documentation Policy - For example, our sign-up documents don't require an attorney to translate. Our quarterly financial reports are designed to be easily read and understood. Every summary line item is backed up by complete detail that automatically accompanies the quarterly report, instead of being provided as a special request.

ARTICLE VIII. Good Counsel

Expect professionally trained consultants to counsel and advise them on the operation and performance of their reinsurance company.

Portfolio Consulting Policy - Our trained professionals will travel quarterly to the dealer's location for an eye-to-eye meeting that completely reviews the reinsurance company's performance. They will submit recommendations for the improvement of that performance. In addition, Portfolio teams with select professional independent agents who provide their services to maximize profit and production at the dealership level.

ARTICLE IX. Trust

Expect a high level of trust from the reinsurance management company. After all, the dealer has no choice but to trust his management company.

Portfolio Trust Policy - Portfolio provides for the net-net remittance of business at the end of each reporting period. This system allows the dealer to deduct approved claims and cancellations from their remittance. This eliminates the need for the dealer to set up accounts receivable for claims and cancellations. This system is based on trust, as opposed to the programs that require the dealer to send in all of the remittance, then wait for the administrator's checks to pay for the outstanding claims and cancellations.

ARTICLE X. Success

Demonstrate the profitability and cash flow results he desired when setting up the company.

*Portfolio Success Record - We achieve this through total focus and exclusive dedication to the management of our dealer's reinsurance companies. Since 1990, our dealers have sold just under **3 Million** service contracts. Collectively these contracts have returned nearly a 50% profit, over **One Half Billion Dollars**. Based on these historical results it is clear that Portfolio has met our clients' expectations of substantial additional personal wealth.*

CONCLUSIONS

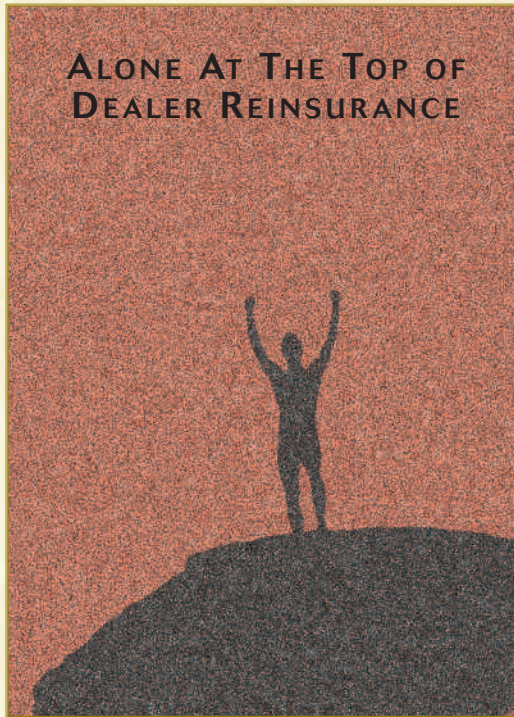
THESE RIGHTS ARE NOT NEGOTIABLE AND MUST BE PROTECTED.

**THESE ARE NOT FEATURES AND BENEFITS OF A PROGRAM,
BUT ARE INHERENT IN THE RIGHTS OF OWNERSHIP.**

- The denial of any of these rights must be construed as a financial cost to the dealer reinsurance company.
- Those companies that would deny you your rights will contrarily protect their own.
- Portfolio's only business is to professionally and profitably manage, for a simple, fully disclosed fee, the reinsurance company that is owned and controlled 100% by you.
- Our policies are about protecting your rights.

**Ask any other reinsurance provider if they can show you
how their policies uphold the ten rights listed above.**

ALONE AT THE TOP OF
DEALER REINSURANCE



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