

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF SECURITIES CLASS ACTION

Please be advised that Lead Plaintiffs Richard Sauer, Francis Sauer, Stephen Sauer, and Tamara Sauer (“Lead Plaintiffs”) have reached a proposed settlement (the “Securities Settlement”) that would resolve all claims that were or could have been asserted in the above-referenced securities class action (the “Securities Class Action”) filed on behalf of persons who purchased Imperial common stock during the Class Period, as defined above, and who were damaged thereby. This Notice explains important rights you may have including your possible receipt of cash from the Settlement Fund described in this Notice. Your legal rights are affected whether you do or do not act. Also enclosed is a Proof of Claim and Release Form that you must complete and submit postmarked on or before January 15, 2014 in order to participate in the Securities Settlement.

NOTICE OF PROPOSED SETTLEMENT OF DERIVATIVE ACTION

Derivative plaintiffs, Robert Andrzejczyk and Harry Rothenberg (the “Derivative Plaintiffs”), have reached a proposed settlement (the “Derivative Settlement”) that would resolve all claims that were or could have been asserted in the above-referenced shareholder derivative action (the “Derivative Action”) on behalf of Imperial against Defendants Antony Mitchell, Richard S. O’Connell, Jr., Jonathan Neuman, Jerome A. Parsley, David A. Buzen, Michael A. Crow, Walter M. Higgins III, Robert Rosenberg, and A. Penn Hill WyrOUGH (the “Derivative Defendants”; together with the Securities Defendants, the “Defendants”).

SUMMARY OF SETTLEMENTS

- The Securities Settlement resolves class litigation over whether Imperial made certain misrepresentations in its Registration Statement relating to its February 7, 2011 IPO and other public statements, thereby inflating the value of the stock. *See* “Reasons for the Settlement” and Question 2 below for more detail.

- The Securities Settlement will provide a Settlement Fund of \$13,600,000, consisting of \$12,000,000 in cash and \$1,600,000 in Imperial warrants, for the benefit of investors who purchased or otherwise acquired Imperial common stock during the Class Period or pursuant and/or traceable to the IPO. Your recovery will depend on the number of shares of Imperial common stock you, and other Class Members who file claims, purchased and sold and the prices at which you, and the other Class Members who file claims, purchased and sold those shares. The estimated average recovery per share of common stock will be approximately \$0.77 in cash and warrants per share before deduction of Court-approved fees and expenses and costs of notice and claims administration. *See* “Statement of Recovery” and Question 8 below for more detail.

- Lead Plaintiffs’ counsel in the Securities Class Action (“Lead Counsel”) has not received any payment for their work or expenses incurred in investigating the facts, conducting the Securities Class Action and negotiating the Settlement on behalf of the Lead Plaintiffs and the Class. Lead Counsel will ask the Court for attorneys’ fees not to exceed one-third (1/3 or 33.33%) of the Settlement Fund and expenses not to exceed \$250,000 to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the average cost per share of common stock will be approximately \$0.27 per share, making the estimated recovery per share after fees and expenses approximately \$0.50 in cash and warrants.

- The Derivative Settlement resolves an action filed by Imperial shareholders on behalf of Imperial. The Derivative Plaintiffs claim that Imperial was harmed by the acts of the Derivative Defendants when they allegedly breached their fiduciary duties by knowingly or recklessly approving the Company’s improper practices in the operation of the Company’s core premium financing business, failing to oversee in good faith the Company’s operational and internal controls including compliance with all applicable laws, and knowingly or recklessly ignoring red flags that would have alerted them to the violations of law. The Derivative Plaintiffs also claim that Defendants’ alleged misconduct has caused severe and irreparable injury and damages to the Company, particularly, reputational damage to the Company including damage to the price of the common stock, costs, fees and expenses incurred in connection with the various investigations, the \$8 million penalty paid to various federal agencies, the revenue lost and expenses incurred (including the write down in the value of the policies still owned by the Company) as a result of the termination of the Company’s premium finance business; and the costs, fees and expenses incurred in connection with the Securities Class Action.

- The Derivative Settlement will provide for a package of material anti-fraud, corporate governance and internal control changes to be implemented and for the payment of \$1.5 million to be paid to Imperial by its insurance carrier to offset some of the damages suffered. As noted above, the Derivative Action was brought derivatively on behalf of Imperial, and not on behalf of the individual shareholders of Imperial.

- Plaintiffs' counsel in the Derivative Action ("Derivative Counsel") have litigated the Derivative Action on a contingent fee basis and have not yet received any compensation in connection with the case. They will apply for an award of attorneys' fees and expenses of \$1.5 million in cash and \$500,000 in Imperial common stock valued as of December 28, 2012. These fees and expenses are being paid by Imperial and will not be deducted from the Settlement Fund in the Securities Settlement.

Security and Time Period

The Securities Settlement: Imperial common stock (stock symbol: IFT) purchased or acquired between February 7, 2011 and February 21, 2012, inclusive (the "Class Period").

The Derivative Settlement: All current holders of Imperial common stock.

Statement of Recovery

The Securities Settlement: Lead Counsel estimates that approximately 17,602,614 shares of Imperial common stock were purchased or otherwise acquired during the Class Period and pursuant and/or traceable to the IPO, and damaged as a result of the purported acts or omissions alleged in the Securities Class Action. Lead Counsel estimates that the average recovery per damaged share of Imperial common stock under the Settlement will be \$0.77 in cash and warrants per damaged share before the deduction of attorneys' fees, taxes, and costs and expenses, as approved by the Court. The actual recovery per damaged share will depend on the following: (1) the number of shares for which recovery is sought through the Proof of Claim and Release form filed; (2) when Class Members purchased or acquired their shares during the Class Period; (3) whether Class Members either sold their shares during the Class Period, or held their shares past the end of the Class Period; (4) taxes and administrative costs, including the costs of this Notice; and (5) the amount awarded by the Court for attorneys' fees, costs and expenses, and reasonable incentive awards for Lead Plaintiffs. Distributions to Class Members will be made based on the Plan of Allocation set forth at the end of this Notice.

The Derivative Settlement: The Derivative Action was settled on the basis of a cash payment to be paid to Imperial from its Director & Officer Liability Insurance Carrier and Imperial's implementing a package of material anti-fraud, corporate governance and internal control changes. In particular, Derivative Plaintiffs and the Derivative Action were instrumental in obtaining \$1.5 million in insurance coverage payable to Imperial. The insurer asserted that because litigation commenced prior to the coverage period there was a serious question of whether it would pay any part of the policy to Imperial. It is only through the institution and resolution of the Derivative Action that Imperial will receive this payment.

The agreed-to reforms are designed to enhance the Company's compliance with the federal securities laws and regulations applicable to its operations in an effort to prevent damage to the Company from recurring. The anti-fraud reforms include, among other things: (a) instituting annual anti-fraud reports and meetings, and (b) annual anti-fraud certifications to be completed by each of the Company's division heads.

The corporate governance and operations reforms include, among other things: (a) the instituting of clawback provisions for officers and directors, (b) the prohibition of discretionary payments to officers and directors in certain situations, (c) material changes to the Company's equity award policies, (d) material changes to the Company's officer compensation policies and officer employment agreement policies, (e) material enhancements to the Company's director stock ownership requirements, and (f) amendments to the Company's By-laws regarding limitations on the advancement of legal expenses in certain circumstances.

The Board and committee operations-related reforms include, among other things, reforms relating to the Company's policies regarding: (a) director resignations and service on other public company boards, (b) enhancements to the charters of the various Board of Directors committees, (c) annual consideration of Chief Executive Officer and Chair of Board Positions as well as a general review of the Board, (d) annual committee reports, (e) director independence, continuing education and performance review, (f) enhancement of Audit Committee risk oversight, (g) management Compliance Committee, (h) Disclosure Committee, and (i) shareholders' director recommendations.

The internal control revisions include, among other things: (a) revisions of Imperial's Conduct Guide in general, as well as specifically as it applies to the Federal Sentencing Guidelines and Dodd-Frank Wall Street Reform and Consumer Protection Act, (b) requiring the termination of officers who participate in violations or disregard supervisory responsibilities, (c) establishing a regulatory and legal compliance protocol, (d) enhance the compliance hotline complaints administrator protocols, (e) enhance Imperial's preservation and archiving policies as it applies to certificates of compliance, (f) management communications regarding compliance, control and ethics issues, and (g) restricting who may be employed in the CFO position.

Reasons for Settlement

The Securities Settlement: The case has been litigated since September 2011. The Lead Plaintiffs and Lead Counsel believe that the Settlement provides the Class with a benefit now, instead of years of further uncertain litigation, including disposition of summary judgment motions, a contested trial and likely appeals, with the possibility of no recovery at all.

The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial and likely appeals. A trial is a risky proposition. The claims in the Securities Class Action involve numerous complex legal and factual issues, many of which would require expert testimony. The Settling Parties disagree on both liability and damages and do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiffs were to have prevailed on each claim alleged. Among the many key issues about which Lead Plaintiffs and the Defendants do not agree are: (1) whether the Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the misrepresentations and omissions alleged by the Lead Plaintiffs were material, false, misleading or otherwise actionable under the securities laws; and (3) the method for determining whether, and the extent to which, purchasers of Imperial stock suffered injury and damages that could be recovered at trial.

Lead Plaintiffs allege that Defendants made materially false and misleading statements and omitted material information relating to Imperial's acquisition and/or financing of life insurance policies, in connection with its Initial Public Offering ("IPO").

Defendants have denied and continue to deny each and all of the allegations made and claims brought by Lead Plaintiffs, maintain that they have meritorious defenses and Defendants contend that many of the factual allegations are materially inaccurate. Defendants also have denied and continue to deny, among other things, the allegations that Lead Plaintiffs or the Settlement Class have suffered damages or that the Settlement Class was harmed by the conduct alleged in the Complaint or otherwise.

Nonetheless, Defendants have concluded that further conduct of the Securities Class Action would be protracted and expensive, and that it is desirable that the Securities Class Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by any of Defendants with respect to any claim of any fault or liability or wrongdoing or damage to the Class Members in the Securities Class Action.

The Derivative Settlement: The Derivative Settlement resolves claims that the Derivative Defendants breached fiduciary duties and/or aided and abetted the breach of fiduciary duties to Imperial and its shareholders, engaged in gross mismanagement, and were unjustly enriched. Derivative Defendants deny any wrongdoing, and the Derivative Settlement should not be construed as an admission of wrongdoing by any Derivative Defendant. The Derivative Settlement was reached with the assistance of Retired Judge Daniel Weinstein, who served as an impartial mediator in the litigation. In light of the significant benefits conferred upon Imperial and its current shareholders, and based upon their extensive investigation, legal research and discovery conducted, including the review of approximately 2,000,000 pages of documents, Derivative Plaintiffs believe that the proposed Derivative Settlement is fair, reasonable and in the best interests of Imperial and its shareholders. Imperial's current Board of Directors has reviewed the terms of the Derivative Settlement and has also concluded that the Derivative Settlement is in the best interest of Imperial. Derivative Plaintiffs believe that the Derivative Settlement provides a substantial benefit, namely the \$1.5 million in cash to be paid to Imperial from its insurance carriers and the important package of anti-fraud, corporate governance and internal control changes and policies that Imperial has implemented, in consideration of the prosecution and settlement of the Derivative Action, as compared to the risk that all or some of the claims in the Derivative Action could have been dismissed in response to the Derivative Defendants' anticipated motions to dismiss or that a similar, lesser, or no recovery would be achieved after a trial and appeals, possibly years in the future, in which Derivative Defendants would have the opportunity to assert defenses to the claims asserted against them.

Dismissal and Releases

The Securities Settlement: If the proposed Securities Settlement is approved, the District Court for the Southern District of Florida (the "Securities Court") will enter an Order and Final Judgment (the "Securities Judgment"). The Securities Judgment will dismiss the Released Plaintiffs' Claims with prejudice as to the Releasees, which include the Defendants and their related parties (including, but not limited to, their parents, subsidiaries and affiliates, and all of their employees, directors and officers). The Securities Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Plaintiffs' Claims (to the extent Members of the Class have such claims) against all Releasees. The terms of the releases, including the meaning of the term "Released Plaintiffs' Claims," are set forth in the Proof of Claim and Release form that is enclosed.

The Derivative Settlement: If the proposed Derivative Settlement is approved, the Circuit Court of the 15th District in and for Palm Beach County, Florida (the “Derivative Court”) will enter an Order and Final Judgment (the “Derivative Judgment”). The Derivative Judgment will dismiss the Released Securities Holder/Imperial Claims with prejudice as to the Releasees, which include the Defendants and their related parties (including, but not limited to, their parents, subsidiaries and affiliates, and all of their employees, directors and officers). The Derivative Judgment will provide that all current Imperial shareholders shall be deemed to have released and forever discharged all Released Securities Holder/Imperial Claims (to the extent current Imperial shareholders have such claims) against all Releasees. The terms of the releases, including the meaning of the term “Released Securities Holder/Imperial Claims,” are set forth in the Proof of Claim and Release form that is enclosed.

Statement of Attorneys’ Fees and Expenses

The Securities Settlement: Lead Plaintiffs’ Counsel have not received any payment for their work investigating the facts, conducting this litigation and negotiating the settlement on behalf of the Lead Plaintiffs and the Settlement Class. Court-appointed Lead Counsel will ask the Court for attorneys’ fees not to exceed one-third (1/3 or 33.33%) of the Settlement Fund and expenses not to exceed \$250,000 to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the average cost per share of common stock will be approximately \$0.27 per share, making the estimated recovery per share after fees and expenses approximately \$0.50 in cash and warrants.

The Derivative Settlement: Derivative Counsel has not received any payment for their services or reimbursement of any of their out-of-pocket expenditures in the prosecution of the Derivative Action. In derivative litigation, it is customary for counsel to be awarded either a percentage of the total recovery and/or their lodestar (hours worked by each attorney and legal professional multiplied by their current billing rates) increased by a weighted multiplier that takes into account pertinent considerations such as the contingent nature of the representation, risks undertaken, the complexity of the litigation and the benefits that were conferred.

Derivative Counsel is applying for an award of attorneys’ fees and reimbursement of litigation expenses incurred in an amount of \$1.5 million in cash and \$500,000 in Imperial common stock valued as of December 28, 2012. The terms of Derivative Counsel’s fee and expense application were negotiated with the assistance of Retired Judge Daniel Weinstein, the impartial mediator in the litigation, after the principal terms of the settlement were reached and were considered and approved by Imperial’s current Board of Directors. These fees and expenses are being paid separately by Imperial and will not be deducted from the Settlement Fund in the Securities Settlement.

Deadlines and Additional Information

Submit Claim (Securities Settlement):	January 15, 2014
File Objection (Securities and Derivative Settlements):	November 25, 2013
Request Exclusion (Securities Settlement only):	November 25, 2013
Court Hearing on Fairness of Securities Settlement:	December 16, 2013 at 9:00 a.m.
Court Hearing on Fairness of Derivative Settlement:	December 17, 2013 at 9:30 a.m.

For more information please contact the Settlement Administrator, Lead Counsel or Derivative Counsel:

Settlement Administrator:

Fuller v. Imperial Holdings, Inc.
Settlement Administrator
c/o GCG
P.O. Box 35050
Seattle, WA 98124-3508
1 (866) 280-1862

Lead Counsel in the Securities Class Action:

Lionel Z. Glancy, Esq.
Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
1 (888) 773-9224
settlements@glancylaw.com

Plaintiffs’ Counsel in the Derivative Action:

Joseph H. Weiss, Esq.
WEISSLAW LLP
1500 Broadway, 16th Floor
New York, NY 10036
1 (888) 593-4771
settlements@weisslawllp.com

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENTS:

SUBMIT A CLAIM	The only way to receive a payment in the Securities Settlement.
OBJECT	File with the Clerk of Court your written concerns or objections to either of the Settlements, the Plan of Allocation and the certification of the Class in the Securities Settlement, or the requested attorneys' fees and reimbursement of expenses in either of the Settlements.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendants relating to the class claims being released in Securities Settlement.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlements, the Plan of Allocation and the certification of the Class in the Securities Settlement, or the requested attorneys' fees and reimbursement of expenses in either of the settlements.
DO NOTHING	Receive no payment and give up your right to file your own lawsuit or participate in any other lawsuit against Imperial or the Releasees concerning the legal claims being released in the Securities Settlement.

- With the Securities Settlement, you may submit a claim or object, or do both, or do nothing. However, if you timely exclude yourself, that is the only thing you can do: you may not object in writing, you may not appear at the Court Hearing on Fairness of Settlement (the "Fairness Hearing") to state any objections, and you may not submit a claim.
- With the Securities Settlement, if you object and do not request exclusion, you will remain a member of the Settlement Class, and if the Securities Court approves the Securities Settlement, you will be bound by the terms of the Securities Settlement in the same way as Settlement Class Members who do not object.
- With the Securities Settlement, unless you timely request exclusion from the Class, or unless the Securities Court rejects the proposed settlement, you are bound by the Settlement Agreement and its Releases, whether or not you submit a claim or object.
- These rights and options – *and the deadlines to exercise them* – are explained in this Notice.
- The Courts presiding over these cases must decide whether to approve the Settlements. Payments will be made only if the Securities Court approves the Securities Settlement and, if there are any appeals, after appeals are resolved. Please be patient.
- The Courts have authorized this Notice, but no money will be paid to anyone until the Court holds the Fairness Hearing in the Securities Settlement on December 16, 2013 and the Fairness Hearing in the Derivative Settlement on December 17, 2013. Neither of the Courts have decided the merits of these cases.

[End of Cover Page]

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION..... 8

- 1. Why did I receive this notice package?..... 8
- 2. Why is the Securities Class Action a class action and what is the Securities Class Action about? 8
- 3. Why is the Derivative Action referred to as a derivative action and what is the Derivative Action about?... 8
- 4. Why are there settlements? 9

NOTICE PROVISIONS SPECIFIC TO THE SECURITIES SETTLEMENT

WHO IS IN THE SETTLEMENTS 10

- 5. How do I know if I am part of the Securities Settlement? 10
- 6. I'm still not sure if I am included..... 10

THE SECURITIES SETTLEMENT BENEFITS – WHAT YOU GET..... 10

- 7. What does the Securities Settlement provide? 10
- 8. How much will my payment be in the Securities Settlement?..... 10

HOW YOU OBTAIN A PAYMENT – SUBMITTING A CLAIM FORM..... 12

- 9. How can I receive a payment in the Securities Settlement? 12
- 10. When will I receive my payment in the Securities Settlement?..... 12
- 11. What am I giving up to receive a payment in the Securities Settlement? 12
- 12. What is the Company giving up to receive the benefits of the Derivative Settlement?..... 12

EXCLUDING YOURSELF FROM THE SECURITIES SETTLEMENT 12

- 13. How do I exclude myself from the Securities Settlement? 12
- 14. If I do not exclude myself from the Securities Settlement, can I sue the Defendants for the same thing later?..... 13
- 15. If I exclude myself from the Securities Settlement, can I receive money from the class action settlement? 13
- 16. Can I exclude myself from the Derivative Settlement? 13

THE LAWYERS REPRESENTING YOU..... 13

- 17. Do I have a lawyer in the Securities Class Action? 13

IF YOU DO NOTHING 13

- 18. What happens if I do nothing at all? 13

***FURTHER NOTICE PROVISIONS COMMON TO THE
SECURITIES AND DERIVATIVE ACTIONS***

- 19. How will the lawyers be paid?..... 13

OBJECTING TO THE SETTLEMENTS 14

- 20. How do I notify the Courts that I do not like either of the two settlements, the plan of allocation, or the requests for attorneys' fees and reimbursement of expenses? 14

THE COURTS' FAIRNESS HEARINGS 15

- 21. When and where will the Courts decide whether to approve the settlements and the requested attorneys' fees and expenses? 15
- 22. Do I have to come to the hearings?..... 15
- 23. May I speak at the hearing? 15

GETTING MORE INFORMATION..... 16

- 24. Are there more details about the settlements?..... 16

SPECIAL NOTICE TO BROKERS AND OTHER NOMINEES..... 16

BASIC INFORMATION

1. WHY DID I RECEIVE THIS NOTICE PACKAGE?

You or someone in your family may have purchased or acquired Imperial common stock (stock symbol: IFT) between February 7, 2011 and February 21, 2012, inclusive, or is a current shareholder of Imperial common stock.

This Notice was sent because you have a right to know about proposed settlements of a securities class action lawsuit and a derivative lawsuit, and about all of your options, before the Courts decide whether to approve the Securities Settlement and the Derivative Settlement (collectively, the “Settlements”).

This package explains the lawsuits, the Settlements, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Securities Court in charge of the Securities Class Action is the United States District Court for the Southern District of Florida, and the case is known as *Martin Fuller v. Imperial Holdings, et al.*, Case No. 11-81184-CIV-MARRA. Richard Sauer, Francis Sauer, Stephen Sauer, and Tamara Sauer are collectively called the Lead Plaintiffs.

The Derivative Court in charge of the Derivative Action is the Circuit Court of the 15th Judicial Circuit in and for Palm Beach County, Florida, and the case is known as *Robert Andrzejczyk v. Antony Mitchell, et al.*, Case No. 502012-CA-013286XXXXMB-AJ. Robert Andrzejczyk and Harry Rothenberg are collectively called the Derivative Plaintiffs.

2. WHY IS THE SECURITIES ACTION A CLASS ACTION AND WHAT IS THE SECURITIES ACTION ABOUT?

Class actions are generally used in lawsuits that affect a large number of individuals; in effect, the class action operates to consolidate into a single action all of the claims of individuals allegedly harmed by the same conduct or course of conduct, thus alleviating the need for members of the class to file their own individual lawsuits to recover for the harm alleged. Once the class is certified, the Court is empowered to resolve all issues on behalf of members of the class, except for those members of the class, if any, who specifically choose to exclude themselves from the Class.

As part of the settlement approval process, Lead Plaintiffs in the Securities Class Action will ask the Court to certify a Class for settlement purposes only. The proposed class will consist of all persons or entities other than Defendants who purchased or otherwise acquired Imperial securities either: (i) pursuant and/or traceable to the registration statement issued in connection with Imperial’s IPO; (ii) on the open market between February 7, 2011 and February 21, 2012, inclusive (the “Class Period”).

All Class Period purchasers of Imperial common stock are members of the Class, except those persons who timely file a request for exclusion by November 25, 2013. All persons who do not timely exclude themselves from the Class will be bound by the proposed Securities Settlement and its accompanying Release.

The Securities Class Action alleges violations of the federal securities laws (specifically, Sections 11 and 15 of the Securities Act of 1933 (15 U.S.C. §§ 77k and 77o)) against Defendants.

Defendant Imperial is a Florida corporation with its principal executive offices located at 701 Park of Commerce Boulevard, Suite 301, Boca Raton, Florida 33487. According to Imperial, the company is a specialty finance company that, through its operating subsidiaries, provides customized liquidity solutions to owners of illiquid financial assets. During the Class Period, Imperial common stock traded on the New York Stock Exchange (NYSE) under the ticker symbol “IFT.”

Lead Plaintiffs in the Securities Class Action allege that, during the Class Period, Imperial made materially false and misleading statements and omitted material information relating to Imperial’s acquisition and/or financing of life insurance policies, in connection with its IPO. Defendants deny that they made any such misleading statements and further deny that Imperials’ stock price was artificially inflated as a result of any statements.

3. WHY IS THE DERIVATIVE ACTION REFERRED TO AS A DERIVATIVE ACTION AND WHAT IS THE DERIVATIVE ACTION ABOUT?

In contrast to securities class actions, derivative actions allow a corporation’s shareholders to sue to recover damages on behalf of the corporation and to protect the interests of the corporation from future harm caused by the corporation’s board of directors, management, third parties or others in circumstances where the corporation’s board of directors and management are unlikely, or have refused, to assert the corporation’s rights.

As part of the preliminary approval process, Derivative Plaintiffs will ask the Derivative Court to preliminarily approve the settlement subject to a fairness hearing that will be held where the Derivative Court will finally decide whether the Derivative Settlement is fair, reasonable, and adequate and in the best interests of Imperial and its shareholders.

All current shareholders of Imperial common stock, will be bound by the proposed Derivative Settlement and its accompanying Release.

The Derivative Action alleges that the Derivative Defendants breached their fiduciary duties and/or aided and abetted the breach of fiduciary duties to Imperial and its shareholders by knowingly or recklessly approving the Company's improper practices in the operation of the Company's core premium financing business, failing to oversee in good faith the Company's operational and internal controls including compliance with all applicable laws, and knowingly or recklessly ignoring red flags that would have alerted them to the violations of law .

Derivative Plaintiffs also claim that Defendants' alleged misconduct has caused severe and irreparable injury and damages to the Company, particularly, reputational damage to the Company including damage to the price of the common stock, costs, fees and expenses incurred in connection with the various investigations, the \$8 million penalty paid to various federal agencies, the revenue lost and expenses incurred (including the write down in the value of the policies still owned by the Company) as a result of the termination of the Company's premium finance business; and the costs, fees and expenses incurred in connection with the Securities Class Action.

4. WHY ARE THERE SETTLEMENTS?

The Settlements resulted from years of litigation and extensive arm's-length negotiations among Lead Counsel, Derivative Counsel and counsel for Defendants with respect to a compromise and settlement of the Securities Class Action and Derivative Actions, with a view towards settling the issues in dispute and achieving the best relief possible consistent with the interests of the Class, with respect to the Securities Class Action, and the current shareholders of Imperial, with respect to the Derivative Action.

Before agreeing to the Settlements, Lead Counsel and Derivative Counsel conducted an extensive investigation into the events and transactions underlying the claims alleged in their complaints. This investigation included the review of approximately 2,000,000 pages of documents provided by Defendants and confirmatory interviews with high-ranking executives of Imperial. Lead Counsel analyzed potential claims and researched the applicable law with respect to the claims asserted and the Defendants' potential defenses thereto.

By agreeing to the Settlements, Lead Plaintiffs, Derivative Plaintiffs, and Defendants avoid the costs and risks of a trial. Lead Plaintiffs believe that the claims asserted against the Securities Defendants have merit; Derivative Plaintiffs believe that the claims asserted against the Derivative Defendants have merit; Defendants believe the claims have no merit. However, all parties recognize the uncertain outcome and trial risks in complex lawsuits like these, and the expense and length of continued proceedings necessary to complete the litigation through trial and appeals. Lead Plaintiffs have also taken into account the issues that would have to be decided by a jury, including whether the Defendants violated the securities laws or otherwise engaged in any wrongdoing, whether the misrepresentations and omissions alleged by the Lead Plaintiffs were material, false, misleading or otherwise actionable under the securities laws, and the method for determining whether, and the extent to which, purchasers of Imperial Holdings, Inc. stock suffered injury and damages that could be recovered at trial. Derivative Plaintiffs have also taken into account the issues that would have to be decided by a jury, including whether the Derivative Defendants violated fiduciary duties owed to Imperial and/or aided and abetted the violations thereof, whether the Derivative Defendants engaged in gross mismanagement of Imperial, whether the Derivative Defendants were unjustly enriched, and the amount of damages caused by the alleged violations of fiduciary duties and/or the aiding and abetting thereof.

Lead Plaintiffs and Derivative Plaintiffs believe that the Settlements provide substantial benefits as compared to the risk that all or some of the claims in the Securities Class Action and the Derivative Action could be dismissed in response to Defendants' anticipated motions to dismiss and for summary judgment, or the risk that a similar, smaller or no recovery would be achieved after a trial and appeals, possibly years in the future, in which the Defendants would have the opportunity to assert substantial defenses to the claims asserted against them.

Considering these factors, and balancing them against the immediate, certain and substantial benefits that the Class and Imperial shareholders will receive as a result of the Settlements, Lead Plaintiffs and Derivative Plaintiffs determined that the Settlements described herein are fair, reasonable and adequate, and that it is in the best interests of the Class, with respect to the Securities Settlement, and the current shareholders of Imperial, with respect to the Derivative Settlement, to settle the claims against the Defendants on the terms set forth in the Stipulation and this Notice.

The Settlements are not evidence of, an admission of, or a concession on the part of Defendants of any fault or liability whatsoever on the part of any Defendant, or any infirmity in any defenses they have asserted or intended to assert in the Securities Class Action or the Derivative Action. However, the Defendants consider it desirable, and in their best

interests, that the claims against them be dismissed on the terms set forth in the Stipulation to avoid further expense and protracted litigation, taking into account the uncertainty and risks inherent in any litigation.

NOTICE PROVISIONS SPECIFIC TO THE SECURITIES SETTLEMENT

WHO IS IN THE SETTLEMENT

To see if you will receive money from the Securities Settlement, you first have to determine if you are a Class Member.

5. HOW DO I KNOW IF I AM PART OF THE SECURITIES SETTLEMENT?

The Class includes all persons or entities who purchased or otherwise acquired Imperial securities either: (i) pursuant and/or traceable to the registration statement issued in connection with Imperial's IPO; or (ii) on the open market between February 7, 2011 and February 21, 2012, inclusive (the "Class Period").

Excluded from the Class are all named defendants and all individuals who were officers and directors of Imperial on or before June 30, 2012, members of the immediate families of each, legal representatives, heirs, successors or assigns of each, and any entity in which any named defendant has or had a controlling interest.

Also excluded from the Class are persons who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in this Notice as described in Question 13 below.

If one of your mutual funds purchased or owns shares of Imperial common stock, that alone does not make you a Class Member. You are a Class Member only if you directly purchased or otherwise acquired shares of Imperial common stock during the Class Period or pursuant to the IPO. Contact your broker to see whether you purchased or otherwise acquired Imperial stock during that period.

6. I'M STILL NOT SURE IF I AM INCLUDED.

If you are still not sure whether you are included, you can ask for free help. You can call Lionel Z. Glancy of Glancy Binkow & Goldberg LLP at 1 (888) 773-9224 for more information. Or you can fill out and return the claim form described in Question 9, to see if you qualify.

THE SECURITIES SETTLEMENT BENEFITS – WHAT YOU GET

7. WHAT DOES THE SECURITIES SETTLEMENT PROVIDE?

The Securities Settlement will result in a fund of \$13,600,000 consisting of \$12,000,000 in cash and \$1,600,000 in Imperial warrants¹, for the benefit of investors. The balance of this fund after payment of Court-approved attorneys' fees and expenses, and reimbursement of reasonable incentive awards for the Lead Plaintiffs, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the newspaper notice (the "Net Settlement Fund") will be divided among all eligible Class Members who send in valid claim forms.

As part of the Securities Settlement, Imperial will issue two million warrants to purchase Imperial common stock pursuant to §3(a)(10) of the Securities Act of 1933. The warrants shall have an exercise price of \$10.75 and shall expire five years after the date on which they are distributed to Class Members. For additional information regarding the warrants, please contact Lead Counsel for a copy of the Warrant Agreement.

No fractional Imperial warrants will be issued. The calculation of the number of warrants to be distributed will be rounded up or down to the nearest whole warrant.

8. HOW MUCH WILL MY PAYMENT BE IN THE SECURITIES SETTLEMENT?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members send in, the number of Imperial common shares you purchased or acquired during the relevant period, and the timing of your purchases and sales. You will not receive a payment, however, if your proportionate share of the Net Settlement Fund is less than \$10.00.

By following the Plan of Allocation described herein you can calculate your "Recognized Claim." The Settlement Administrator will distribute the Net Settlement Fund; that is, the Gross Settlement Fund, less taxes owed, all administrative costs, including the costs of notice, and attorneys' fees and expenses, as awarded by the Securities Court, according to the Plan of Allocation after the deadline for submission of Proof of Claim and Release forms has passed.

¹ As of February 22, 2013, the warrants of Imperial stock contained in the Securities Settlement were valued at \$1,600,000 by Lead Counsel's financial consultant using the Black-Scholes-Merton model.

The Settlement Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor, is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

For shares of common stock purchased or otherwise acquired between February 7, 2011 and February 21, 2012:

- A. For shares held at the end of trading on the date of the Final Judgment of the Securities Class Action, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between \$10.75 per share² and \$2.48 per share;³ or
 - (3) the difference between the purchase price per share and \$2.48.
- B. For shares sold between February 7, 2011 and the date of the Final Judgment of the Securities Class Action, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between \$10.75 per share and \$2.48 per share; or
 - (3) the difference between the purchase price per share and the sales price.

Table A

Artificial Inflation

<u>Purchase or Sale Date Range</u>	<u>Per Share</u>
02/07/2011 – 09/27/2011	\$4.05
09/28/2011 – 02/21/2012	\$0.05
02/22/2012 – Present	\$0.00

A purchase or sale of Imperial common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

The receipt or grant by gift, devise, or operation of law of Imperial common stock during the Class Period shall not be deemed a purchase or sale of Imperial common stock shares for the calculation of an Authorized Claimant's Recognized Loss nor shall it be deemed an assignment of any claim relating to the purchase of such securities. The grantor of the gift or devise, who purchased Imperial common stock during the Class Period, shall retain the right to file a claim in this Securities Class Action unless that right to file a claim was specifically transferred in the instrument of gift or assignment.

The receipt of Imperial common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Imperial common stock.

Any gains on sales of Imperial common stock shall be offset against losses in calculating the Recognized Loss. To the extent a Claimant had an overall gain from transactions in Imperial common stock during the Class Period, the value of the Recognized Loss will be zero.

No Authorized Claimant whose proportionate share of the Net Settlement Fund is less than \$10.00 shall receive a distribution from the Net Settlement Fund. Rather, that Claimant's proportionate share of the Net Settlement Fund shall be redistributed among all remaining Authorized Claimants.

Class Members who do not submit a timely request for exclusion and do not submit an acceptable Proof of Claim by the deadline for submitting claims, will not share in the recovery, but nevertheless will be bound by the Settlement and the Order and Final Judgment of the Securities Court dismissing this Securities Class Action.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Securities Court has finally approved the Settlement.

² \$10.75 was the price at which Imperial Holdings common stock was offered to the public pursuant to the Company's February 7, 2011 initial public offering prospectus.

³ \$2.48 was the closing price of Imperial Holdings common stock on September 29, 2011, the date on which the first lawsuit was filed in this matter.

HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM

9. HOW CAN I RECEIVE A PAYMENT IN THE SECURITIES SETTLEMENT?

To qualify for payment, you must be an eligible Class Member, send in a valid Proof of Claim and Release form, and properly document your claim as requested in the Claim Form. A Proof of Claim and Release form is enclosed with this Notice. You may also get a Proof of Claim and Release form on the internet at www.ImperialHoldingsSettlement.com. Read the instructions carefully, fill out the Proof of Claim and Release form, include the documents the form asks for, sign it, and mail it so that it is postmarked no later than January 15, 2014.

10. WHEN WILL I RECEIVE MY PAYMENT IN THE SECURITIES SETTLEMENT?

The Securities Court will hold a hearing on December 16, 2013 at 9:00 a.m., to decide whether to approve the Securities Settlement. If the Securities Court approves the Settlement, there may be appeals. It is always uncertain when these appeals will be resolved, and resolving them can take time, perhaps more than a year. Even if no appeals are filed, it will take several months for the Settlement Administrator to process all of the Proof of Claim and Release forms and determine the ultimate distribution amounts.

11. WHAT AM I GIVING UP TO RECEIVE A PAYMENT IN THE SECURITIES SETTLEMENT?

As a Class Member, you will be giving up certain rights that you currently have if the Securities Court approves the Securities Settlement. Unless you timely exclude yourself from the Class by the November 25, 2013 deadline, you are a Member of the Class and will be bound by the Releases of claims against the Defendants. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the Plaintiffs' Released Claims in this case. It also means that all of the Securities Court's orders will apply to you and legally bind you and you will release your claims in this case against the Defendants. The terms of the Plaintiffs' Released Claims are included in the claim form that is enclosed. Note: If you object, but the Securities Court approves the Securities Settlement, you will be bound by the terms of the Settlement in the same way as Members of the Class who do not object.

12. WHAT IS THE COMPANY GIVING UP TO RECEIVE THE BENEFITS OF THE DERIVATIVE SETTLEMENT?

If the Derivative Settlement is approved, Imperial, on behalf of itself or anyone acting or claiming to act on behalf of Imperial, will be giving up further prosecuting any claims, whether derivatively or directly, raised in the Derivative Action and will be bound by the Releases of claims against the Derivative Defendants. That means that Imperial, on behalf of itself or anyone acting or claiming to act on behalf of Imperial, cannot sue, continue to sue, or be part of any other lawsuit against the Derivative Defendants about the Plaintiffs' Released Claims in this case.

EXCLUDING YOURSELF FROM THE SECURITIES SETTLEMENT

If you do not want a payment from the class action Securities Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own for Plaintiffs' Released Claims in the class action then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

13. HOW DO I EXCLUDE MYSELF FROM THE SECURITIES SETTLEMENT?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *Martin Fuller v. Imperial Holdings, et al.*, Case No. 11-81184-CIV-MARRA. You must include your name, address, telephone number, your signature, and the number of shares and price paid for each share purchased of Imperial common stock you purchased or acquired between February 7, 2011 and February 21, 2012, inclusive, the number of shares sold during this time period, if any, and the dates of such purchases and/or sales. You must mail your exclusion request so that it is received no later than November 25, 2013 to:

Fuller v. Imperial Holdings, Inc.
Settlement Administrator
c/o GCG
P.O. Box 35050
Seattle, WA 98124-3508
1 (866) 280-1862

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to receive any settlement payment, and you cannot object to the Securities Settlement. You will not be legally bound by anything that happens in the class action lawsuit.

14. IF I DO NOT EXCLUDE MYSELF FROM THE SECURITIES SETTLEMENT, CAN I SUE THE DEFENDANTS FOR THE SAME THING LATER?

No. Unless you exclude yourself from the Class, you give up any right to sue the Defendants or their Released Persons for the Plaintiffs' Released Claims in the Securities Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is November 25, 2013.

15. IF I EXCLUDE MYSELF FROM THE SECURITIES SETTLEMENT, CAN I RECEIVE MONEY FROM THE CLASS ACTION SETTLEMENT?

No. If you exclude yourself, do not send in a Claim Form.

16. CAN I EXCLUDE MYSELF FROM THE DERIVATIVE SETTLEMENT?

No. Because the Derivative Action is on behalf of Imperial (not the Class Members), you cannot exclude yourself from the Derivative Settlement.

THE LAWYERS REPRESENTING YOU

17. DO I HAVE A LAWYER IN THE SECURITIES CLASS ACTION?

The Court appointed the law firm of Glancy Binkow & Goldberg LLP to represent you and other Class Members. These lawyers are called Lead Counsel. You will not be personally liable for the fees and expenses incurred by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

IF YOU DO NOTHING

18. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you fail to file a timely Proof of Claim and Release form, you will receive no money from the Securities Settlement. Unless you exclude yourself from the Securities Settlement, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the Released Parties for the claims released by the Securities Settlement ever again.

FURTHER NOTICE PROVISIONS COMMON TO THE SECURITIES AND DERIVATIVE ACTIONS

19. HOW WILL THE LAWYERS BE PAID?

The Securities Settlement: Lead Counsel will ask the Securities Court for attorneys' fees not to exceed one-third (1/3) of the Settlement Fund and for expenses not to exceed \$250,000, which were advanced in connection with the Litigation. Such sums as may be approved by the Securities Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Since the case began in 2011, Lead Plaintiffs' Counsel has conducted all of the investigation, briefing and motions practice necessary to prepare the case for trial, document review and consulted experts regarding the damages. To date, Lead Plaintiffs' Counsel has not been paid for their services in conducting this Litigation on behalf of the Lead Plaintiffs and the Class, nor for their expenses. Lead Plaintiffs' Counsel have expended to date more than 4,750 hours of attorney time in prosecuting the Class' claims and will ask the Securities Court for actual expenses not to exceed \$250,000 in prosecuting the Litigation. The fee requested will compensate Lead Plaintiffs' Counsel for their work in achieving the Settlement Fund.

Lead Counsel shall file a formal motion with the Securities Court for approval of the Securities Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses not later than 30 days prior to the Fairness Hearing. That motion will argue that Lead Plaintiffs' Counsel's requested fees are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Securities Court determines what counsel should receive from the Settlement Fund for fees and expenses, and may award less than this amount.

The Derivative Settlement: Derivative Counsel is applying, on behalf of all counsel involved in the prosecution and resolution of the Derivative Action, for an award of attorneys' fees and expenses of \$1.5 million in cash and \$500,000 in Imperial common stock valued as of December 28, 2012. These fees and expenses are being paid by Imperial and will not be deducted from the Settlement Fund in the Securities Settlement. The attorneys' fees and expenses requested will be the only payment to Derivative Counsel for their efforts in achieving the Derivative Settlement and for their risk in

undertaking this representation on a wholly contingent basis. To date, Derivative Counsel has not been paid for their services or expenses in conducting this Derivative Litigation. Derivative Counsel has expended to date more than 2,740 hours of attorney time in prosecuting the Derivative claims and will ask the Derivative Court for reimbursement of actual expenses not to exceed \$75,000 as part of their fee application. Furthermore, the terms of Derivative Counsel's fee and expense application were considered and approved by Imperial's current Board of Directors.

Derivative Counsel shall file a formal motion with the Derivative Court for approval of the Derivative Settlement and the request for attorneys' fees and reimbursement of expenses not later than thirty (30) days prior to the Fairness Hearing in the Derivative Action. That motion will argue that Derivative Counsel's requested fees are well within the range of fees awarded to counsel under similar circumstances in other cases of this type. The Derivative Court determines what counsel should receive for fees and expenses, and may award less than this amount.

OBJECTING TO THE SETTLEMENTS

You can tell the Courts that you do not agree with the Settlements or some part of them.

20. HOW DO I NOTIFY THE COURTS THAT I DO NOT LIKE EITHER OF THE TWO SETTLEMENTS, THE PLAN OF ALLOCATION, OR THE REQUESTS FOR ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES?

If you are a Class Member you can object to the Settlement of the Securities Class Action if you do not like any part of it. If you are a current Imperial shareholder, you can object to the Derivative Settlement if you do not like any part of it.

To object, you must send a letter saying that you are a Class Member and/or a current Imperial shareholder and that you object to the Securities Settlement and/or the Derivative Settlement, and stating the reasons why you object. You should also state whether you are objecting to the settlement in *Martin Fuller v. Imperial Holdings, et al.*, Case No. 11-81184-CIV-MARRA (S.D. Fla) (the Securities Class Action) and/or *Andrzejczyk v. Mitchell*, 2012 CA 013286 (Fla. 15th Jud. Cir. Ct.) (the Derivative Action).

In your objection, you must include your name, address, telephone number, and your signature. For the Securities Class Action, you must also include information concerning your purchase(s) and sale(s) in Imperial common stock, including the number of shares and the dates and prices of each purchase and sale. In order for your objection to be considered, you must file and serve the objection no later than November 25, 2013, to the Securities Court, the Lead Counsel Designee and the Defendant Imperial's Counsel Designee (the appropriate addresses are listed below).

If you wish to object to the settlement of the Derivative Action, you must include documentation showing you are a current shareholder of Imperial. In order for your objection to be considered, you must file and serve the objection no later than November 25, 2013, to the Derivative Court, the Derivative Counsel Designee and the Defendant Imperial's Counsel Designee (the appropriate addresses are listed directly below).

Securities Class Action:

Securities Court:

Clerk of the Court
Paul G. Rogers Federal Building and
U.S. Courthouse
701 Clematis Street
West Palm Beach, FL 33401

Lead Counsel Designee:

Lionel Z. Glancy, Esq.
Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, CA 90067

Defendant Imperial's Counsel Designee:

Stanley H. Wakshlag
Kenny Nachwalter P.A.
1100 Miami Center
201 South Biscayne Boulevard
Miami, FL 33131

Derivative Action:

Derivative Court:

Clerk of the Court of the
15th Judicial Circuit in and for
Palm Beach County, Florida
205 North Dixie Hwy.
West Palm Beach, FL 33401

Plaintiff's Counsel in the Derivative Action:

Joseph H. Weiser
WEISSLAW LLP
1500 Broadway, 16th Floor
New York, NY 10036

Robert Weiser
THE WEISER LAW FIRM, P.C.
22 Cassatt Ave.
Berwyn, PA 19312

Defendants' Counsel in the Derivative Action:

Stanley H. Wakshlag
KENNY NACHWALTER, P.A.
1100 Miami Center
201 South Biscayne Boulevard
Miami, FL 33131

Larry Stumpf
BLACK, SREBNICK, KORNSPAN
& STUMPF, P.A.
201 South Biscayne Boulevard,
Miami, FL 33131

Jonathan Etra
BROAD AND CASSEL
2 South Biscayne Blvd.
Miami, FL 33131

Please note that the motions in support of the final approval of the Settlements and the request for attorneys' fees will be filed no later than November 15, 2013, and they will be available from Lead Counsel and the Securities Court (as to the Securities Class Action), Derivative Counsel and the Derivative Court (as to the Derivative Action) and the Settlement Administrator (for both actions).

THE COURTS' FAIRNESS HEARINGS

The Courts will hold hearings to decide whether to approve the Settlements. You may attend and you may ask to speak, but you do not have to.

21. WHEN AND WHERE WILL THE COURTS DECIDE WHETHER TO APPROVE THE SETTLEMENTS AND THE REQUESTED ATTORNEYS' FEES AND EXPENSES?

The Courts will hold two Settlement Fairness Hearings. The Settlement Fairness Hearing for the Securities Settlement will be on December 16, 2013, at 9:00 a.m., at the United States District Court for the Southern District of Florida, West Palm Beach Division, 701 Clematis Street, Room 316, West Palm Beach, FL 33401, with the Honorable Kenneth A. Marra presiding. At this hearing the Securities Court will consider whether the Settlement and the Plan of Allocation in the Securities Class Action are fair, reasonable and adequate, whether the Class should be certified for Settlement purposes, and whether Lead Counsel's request for an award for attorneys' fees and expenses and Lead Plaintiffs' request for a reasonable incentive award should be granted. If there are written objections to the Securities Settlement, the Securities Court will consider them at this hearing. The Securities Court will also permit people to speak who have asked in writing by the appropriate deadline.

The Settlement Fairness Hearing for the Derivative Settlement will be held on December 17, 2013, at 9:30 a.m., at the Circuit Court of the 15th Judicial Circuit in and for Palm Beach County, Florida, 205 North Dixie Hwy., West Palm Beach, FL 33401. At this hearing the Derivative Court will consider whether the settlement in the Derivative Action is fair, reasonable and adequate, and whether Derivative Counsel's request for an award for attorneys' fees and expenses should be granted. If there are written objections to the Derivative Settlement, the Securities Court will consider them at this hearing. The Court will also permit people to speak who have asked in writing by the appropriate deadline.

22. DO I HAVE TO COME TO THE HEARINGS?

No. Counsel will answer questions the Courts may have but you are welcome to come at your own expense. If you send an objection, you do not have to come to court to talk about it. As long as you filed and served your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

23. MAY I SPEAK AT THE HEARING?

You may ask the Courts for permission to speak at the Fairness Hearings. To do so, you must file and serve a notice stating that it is your intention to appear. In it you must specify whether you are a Class Member and/or a current shareholder, state that you object to the Securities Settlement and/or the Derivative Settlement, and state the reasons why you object. You should also state whether you are objecting to the settlement in *Martin Fuller v. Imperial Holdings, et al.*, Case No. 11-81184-CIV-MARRA (S.D. Fla) (the Securities Class Action) and/or *Andrzejczyk v. Mitchell*, 2012 CA 013286 (Fla. 15th Jud. Cir. Ct.) (the Derivative Action).

If you are seeking to speak at the Fairness Hearing for the Securities Class Action, be sure to include your name, address, telephone number, your signature, the number of shares of Imperial common stock purchased and/or acquired during the Class Period, the dates and prices of each purchase and sale, and the number of shares of Imperial common stock you currently own. Your notice of intention to appear must be filed and served no later than November 25, 2013, to the Securities Court, and all Counsel in the Securities Settlement at the addresses listed in question 20.

If you are seeking to speak at the Fairness Hearing for the Derivative Action, be sure to include your name, address, telephone number, your signature, and documentation showing that you currently own Imperial common stock. Your notice of intention to appear must be filed and served no later than November 25, 2013, to the Derivative Court and all Counsel in the Derivative Action at the addresses listed in question 20.

GETTING MORE INFORMATION

24. ARE THERE MORE DETAILS ABOUT THE SETTLEMENTS?

This Notice summarizes the proposed Settlements. More details are contained in the Settlement Agreement for the Securities Settlement and the Derivative Settlement, which are available at www.ImperialHoldingsSettlement.com or from the counsel listed below. If you have questions regarding how to obtain copies of documents related to these settlements, completing your Proof of Claim and Release form, correspondence you have received from the Settlement Administrator, or the calculation of your Recognized Claim, you may contact the administrator for the distribution of the Settlement Fund toll free at 1 (866) 280-1862 or write to the Settlement Administrator at the address listed below or by visiting www.ImperialHoldingsSettlement.com. Additionally, you can contact the counsel for Lead Plaintiffs or counsel for Derivative Plaintiffs for a copy.

Settlement Administrator:

Fuller v. Imperial Holdings, Inc.
Settlement Administrator
c/o GCG
P.O. Box 35050
Seattle, WA 98124-3508
1 (866) 280-1862

Lead Counsel Designee:

Lionel Z. Glancy, Esq.
Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
settlements@glancylaw.com

Derivative Counsel Designee:

Joseph H. Weiss, Esq.
WeissLaw LLP
1500 Broadway, 16th Floor
New York, NY 10036
settlements@weisslawllp.com

DO NOT TELEPHONE EITHER OF THE COURTS REGARDING THIS NOTICE

SPECIAL NOTICE TO BROKERS AND OTHER NOMINEES

The Court has ordered that if you: 1) purchased one or more shares of Imperial common stock during the Class Period as nominee for a beneficial owner; or 2) purchased one or more shares of Imperial common stock as nominee for a beneficial owner who currently holds one or more shares of Imperial common stock as nominee for a beneficial owner, then within fourteen (14) days after you receive this Notice, you must either: (a) send a copy of this Notice and the accompanying Proof of Claim and Release by First Class Mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Settlement Administrator:

Fuller v. Imperial Holdings, Inc.
Settlement Administrator
c/o GCG
P.O. Box 35050
Seattle, WA 98124-3508

If you choose to mail the Notice and Proof of Claim and Release yourself, you may obtain from the Settlement Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Settlement Administrator. When seeking reimbursement for administrative costs actually incurred, costs incurred for mailing the Notice to Members of the Class and costs incurred mailing the Notice to current holders of Imperial common stock *must* be separated out and itemized.