

<p>In the Matter of the Plan of Reorganization of SBLI USA MUTUAL LIFE INSURANCE COMPANY, INC.</p> <p>and the Proposed Acquisition of Control of SBLI USA MUTUAL LIFE INSURANCE COMPANY, INC. BY PROSPERITY LIFE INSURANCE GROUP, LLC</p>	<p>Written Statement of</p> <p>Leslie G. Fenton</p> <p>Dated: September 4, 2014</p>
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WRITTEN STATEMENT OF LESLIE FENTON

My name is Leslie G. Fenton. I am a Managing Director of KPMG Corporate Finance LLC (“KPMGCF”). I submit this written statement in response to the written submission of counsel to Howard Grossman, a policyholder of SBLI USA Mutual Life Insurance Company, Inc. (the “Company” or “SBLI USA”) dated September 2, 2014. I respectfully request that this statement be incorporated into the record of proceedings of the New York Department of Financial Services (the “Department”) with regard to the plan of reorganization of SBLI USA to convert from a mutual insurer to a stock insurer (the “Plan”).

The Company has requested that I submit this written statement to provide more information regarding its process for identifying potential acquirors.

In September 2010, the board of directors of SBLI USA retained KPMG Corporate Finance LLC, an investment banking firm, to assist it with the evaluation of proposals received from four different parties about possible business combination transactions involving SBLI USA. Three proposals were preliminary in nature and were not pursued by the persons making them. The fourth proposal was made by a New York Stock Exchange-traded property/casualty insurance group. Several months of negotiations were conducted, but these negotiations never passed the preliminary stage.

At the request of SBLI USA’s management, during March and April 2011, KPMGCF contacted ten parties about a possible business combination transaction with SBLI USA. These ten parties, which were proposed by KPMGCF and approved by SBLI USA prior to contacting them, included life insurance companies and private equity funds. The financial sponsors of Prosperity were among those parties contacted at this time. KPMGCF conducted discussions with several of this group of ten parties. The remainder expressed no interest in pursuing a discussion about a potential transaction.

Of this group of ten parties, only a mutual holding company with a life insurance company subsidiary, both domiciled outside of New York, ultimately proposed a transaction. SBLI USA and this party pursued extensive due diligence of each other with the support of outside actuarial consultants and lawyers. The parties were unable to agree on key terms of a definitive agreement and negotiations were terminated in late 2011.

In March 2012, Prosperity contacted SBLI USA with a proposal for a sponsored demutualization of SBLI USA. Thereafter, SBLI USA and Prosperity entered into a Stock Purchase and Investment Agreement dated October 15, 2012. During October and November

2013, Prosperity and SBLI USA drafted and negotiated the Amended and Restated Merger Agreement dated November 27, 2013, which amended and restated the Stock Purchase and Investment Agreement in its entirety.

I, Leslie G. Fenton, affirm that the foregoing statements are true and correct to the best of my knowledge, information and belief.

A handwritten signature in black ink, appearing to read "Leslie G. Fenton", is written over a horizontal line. The signature is cursive and somewhat stylized.

Leslie G. Fenton
Managing Director
KPMG Corporate Finance LLC