



February 11, 2011 11:10 AM Eastern Time

Abraham, Fruchter & Twersky, LLP Announces Filing of Class Action Lawsuit against Life Partners Holdings, Inc.

NEW YORK--(BUSINESS WIRE)--Abraham, Fruchter & Twersky, LLP announces that a class action lawsuit has been filed in the United States District Court for the Western District of Texas on behalf of a class (the "Class") of investors who purchased Life Partners Holdings, Inc. ("LPHI" or the "Company") (NASDAQ:LPHI) common stock between the period of May 29, 2007 through January 20, 2011.

The Complaint alleges LPHI and certain of its officers and directors with violating federal securities laws by failing to disclose that: (i) the Company had routinely used unrealistic life expectancy data that produced inaccurate short life expectancy reports, which were used to sell life settlement policies to investors; (ii) the Company had purposely concealed the historical rate in which individuals insured by life settlement policies sold by Life Partners had lived past the life expectancy rates previously provided to investors, such that the Company's investors were unable to assess the accuracy or reliability of such data; (iii) that by underestimating life expectancy data to investors, the Company was able to charge substantially larger fees when brokering life settlement policies; and (iv) that the Company's reported revenues had been inaccurately inflated through the employment of such business practice. As a result, the Company's statements concerning LPHI's business prospects and financial performance were materially false and misleading at all relevant times.

"has made large fees from its life-insurance transactions while often significantly underestimating the life expectancies"

On December 21, 2010, The Wall Street Journal reported that Life Partners "has made large fees from its life-insurance transactions while often significantly underestimating the life expectancies" of insured individuals. On January 20, 2011, Life Partners confirmed an SEC investigation of Life Partners.

In a reaction to this news, shares of LPHI common stock fell \$2.58 per share to close on January 20, 2011 at \$12.46 per share, representing a drop of more than 17%.

If you purchased LPHI common stock between May 29, 2007 through January 20, 2011 and you wish to serve as lead plaintiff in this action, you must move the Court no later than April 4, 2011. Any member of the proposed class may move the Court to serve as lead plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed class.

If you would like to discuss this action or if you have any questions concerning this notice or your rights as a potential class member or lead plaintiff, you may contact: Jack G. Fruchter or Arthur J. Chen of Abraham, Fruchter & Twersky, LLP toll free at (800) 440-8986, or via e-mail at info@aftlaw.com or achen@aftlaw.com.

Abraham, Fruchter & Twersky, LLP has extensive experience in securities class action cases, and the firm has been ranked among the leading class action law firms in terms of recoveries achieved by a survey of class action law firms conducted by Institutional Shareholder Services.

Contact:

Jack G. Fruchter
Arthur J. Chen
Abraham, Fruchter & Twersky, LLP
One Penn Plaza, Suite 2805
New York, N.Y. 10119
Telephone: (800) 440-8986

Attorney Advertising. Prior results do not guarantee a similar outcome.

Contacts

Abraham, Fruchter & Twersky, LLP
Jack G. Fruchter or Arthur J. Chen
toll free at (800) 440-8986
info@aftlaw.com
achen@aftlaw.com

Permalink: <http://www.businesswire.com/news/home/20110211005724/en/Abraham-Fruchter-Twersky-LLP-Announces-Filing-Class>

