

ServiceNow, Inc.  
Form 4  
June 10, 2016

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
CODD RONALD E F

(Last) (First) (Middle)

C/O SERVICENOW, INC., 2225  
LAWSON LANE

(Street)

SANTA CLARA, CA 95054

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ServiceNow, Inc. [NOW]

3. Date of Earliest Transaction  
(Month/Day/Year)  
06/08/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	06/08/2016		M	1,930 A \$ 0	22,461	D	
Common Stock					475	I	By Codd Revocable Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Restricted Stock Units	(1)	06/08/2016		M	1,930	(2) (2)	Common Stock	1,930
Restricted Stock Units	(1)	06/08/2016		A	4,218	(3) (3)	Common Stock	4,218

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CODD RONALD E F C/O SERVICENOW, INC. 2225 LAWSON LANE SANTA CLARA, CA 95054		X		

## Signatures

/s/ Ronald E.F. Codd by Matthew Kelly,  
Attorney-in-Fact 06/10/2016

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.
- (2) The restricted stock units vest 100% on June 8, 2016, the date of the Issuer's stockholder meeting in 2016. Shares of the Issuer's common stock will be delivered to the reporting person upon vesting.
- (3) The restricted stock units vest 100% on the earlier of June 8, 2017 and the Issuer's next annual stockholder meeting. Shares of the Issuer's common stock will be delivered to the reporting person upon vesting.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. nPSSStd-Regular; color: black;"> Prudential Insurance Company of America

AA-

425

\$

2,000,000

Female

77

162

Lincoln National Life Insurance Company

AA-

426

\$

150,000

Male

77

99

Genworth Life Insurance Company

BB

427

\$

2,000,000

Male

77

58

Athene Annuity & Life Assurance Company

A-

428

\$

7,097,434

Male

77

Lincoln National Life Insurance Company

AA-

429

\$

5,000,000

Male

77

54

West Coast Life Insurance Company

AA-

430

\$

1,000,000

Male

76

122

Transamerica Life Insurance Company

AA-

431

\$

750,000

Male

76

107

Protective Life Insurance Company

AA-

432

\$

250,000

Male

76

98

Midland National Life Insurance Company

A+

433

\$

3,000,000

Male

76

51

Accordia Life and Annuity Company

A-

434

\$

Explanation of Responses:

200,000

Male

76

65

Reliastar Life Insurance Company

A

435

\$

500,000

Male

76

96

AXA Equitable Life Insurance Company

A+

436

Explanation of Responses:

\$

3,000,000

Male

76

108

John Hancock Life Insurance Company (U.S.A.)

AA-

39

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	Face Amount	Gender	Age (ALB) <sup>(1)</sup>	LE (mo.) <sup>(2)</sup>	Insurance Company	S&P Rating
437	\$ 5,000,000	Male	76	108	John Hancock Life Insurance Company (U.S.A.)	AA-
438	\$ 8,000,000	Male	76	94	Metropolitan Life Insurance Company	A+
439	\$ 100,000	Male	76	53	AXA Equitable Life Insurance Company	A+
440	\$ 4,000,000	Female	76	137	American General Life Insurance Company	A+
441	\$ 500,000	Male	76	88	AIG Life Insurance Company	A+
442	\$ 1,000,000	Male	76	155	Security Mutual Life Insurance Company of NY	N/A
443	\$ 355,700	Male	76	103	Security Life of Denver Insurance Company	A
444	\$ 5,000,000	Male	76	54	Lincoln Benefit Life Company	BBB+
445	\$ 250,000	Male	76	135	West Coast Life Insurance Company	AA-
446	\$ 1,000,000	Male	76	112	Transamerica Life Insurance Company	AA-
447	\$ 2,000,000	Male	76	146	John Hancock Life Insurance Company (U.S.A.)	AA-
448	\$ 7,500,000	Female	76	173	Security Life of Denver Insurance Company	A
449	\$ 3,000,000	Female	76	110	General American Life Insurance Company	A+
450	\$ 100,000	Male	76	67	Transamerica Life Insurance Company	AA-
451	\$ 300,000	Female	76	133	Minnesota Life Insurance Company	A+
452	\$ 250,000	Male	76	88	United of Omaha Life Insurance Company	AA-
453	\$ 600,000	Male	75	69	United of Omaha Life Insurance Company	AA-
454	\$ 500,000	Male	75	87	Protective Life Insurance Company	AA-
455	\$ 1,000,000	Male	75	93	Security Life of Denver Insurance Company	A
456	\$ 1,000,000	Male	75	96	Transamerica Life Insurance Company	AA-
457	\$ 500,000	Male	75	89	AXA Equitable Life Insurance Company	A+
458	\$ 500,000	Male	75	103	United of Omaha Life Insurance Company	AA-
459	\$ 750,000	Male	75	27	North American Company for Life And Health Insurance	A+
460	\$ 8,000,000	Female	75	131	West Coast Life Insurance Company	AA-
461	\$ 250,000	Female	75	155	AXA Equitable Life Insurance Company	A+
462	\$ 300,000	Male	75	36	Lincoln National Life Insurance Company	AA-
463	\$ 172,245	Female	75	54	Symetra Life Insurance Company	A
464	\$ 5,004,704	Male	75	133	American General Life Insurance Company	A+
465	\$ 2,000,000	Male	75	119	Pruco Life Insurance Company	AA-
466	\$ 190,000	Male	75	103	Protective Life Insurance Company	AA-
467	\$ 100,000	Male	75	151	Protective Life Insurance Company	AA-
468	\$ 5,000,000	Male	75	129	AIG Life Insurance Company	A+
469	\$ 4,000,000	Male	75	108	Security Mutual Life Insurance Company of NY	N/A
470	\$ 89,626	Female	75	117	Union Central Life Insurance Company	A+
471	\$ 2,000,000	Male	75	94	American General Life Insurance Company	A+
472	\$ 10,000,000	Female	75	134	Reliastar Life Insurance Company	A
473	\$ 1,000,000	Female	75	150	John Hancock Life Insurance Company (U.S.A.)	AA-
474	\$ 500,000	Male	75	72	American General Life Insurance Company	A+
475	\$ 250,000	Male	75	73	Genworth Life and Annuity Insurance Company	BB
476	\$ 500,000	Male	75	95	Delaware Life Insurance Company	BBB+
477	\$ 370,000	Female	75	125	Minnesota Life Insurance Company	A+
478	\$ 500,000	Male	74	33	Midland National Life Insurance Company	A+

Explanation of Responses:

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479	\$	3,000,000	Male	74	71	AXA Equitable Life Insurance Company	A+
480	\$	500,000	Male	74	61	William Penn Life Insurance Company of New York	AA-
481	\$	2,500,000	Male	74	103	John Hancock Life Insurance Company (U.S.A.)	AA-
482	\$	500,000	Male	74	134	Pruco Life Insurance Company	AA-
483	\$	8,600,000	Male	74	152	AXA Equitable Life Insurance Company	A+
484	\$	3,000,000	Male	74	103	Transamerica Life Insurance Company	AA-
485	\$	800,000	Male	74	122	John Hancock Life Insurance Company (U.S.A.)	AA-

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	Face Amount	Gender	Age (ALB) <sup>(1)</sup>	LE (mo.) <sup>(2)</sup>	Insurance Company	S&P Rating
486	\$ 1,500,000	Male	74	126	Lincoln National Life Insurance Company	AA-
487	\$ 1,500,000	Male	74	126	Lincoln National Life Insurance Company	AA-
488	\$ 1,500,000	Male	74	126	Lincoln National Life Insurance Company	AA-
489	\$ 2,500,000	Male	74	136	Banner Life Insurance Company	AA-
490	\$ 400,000	Male	74	80	Protective Life Insurance Company John Hancock Life Insurance Company (U.S.A.)	AA-
491	\$ 10,000,000	Male	74	144	Transamerica Life Insurance Company	AA-
492	\$ 1,784,686	Male	74	153	Protective Life Insurance Company	AA-
493	\$ 250,000	Female	74	171	Ameritas Life Insurance Corporation	A+
494	\$ 500,000	Male	73	122	Ameritas Life Insurance Corporation	A+
495	\$ 370,000	Male	73	122	Security Life of Denver Insurance Company	A
496	\$ 750,000	Male	73	130	United of Omaha Life Insurance Company	AA-
497	\$ 1,000,000	Female	73	120	William Penn Life Insurance Company of New York	AA-
498	\$ 500,000	Male	73	106	Security Life of Denver Insurance Company	A
499	\$ 250,000	Male	73	18	Protective Life Insurance Company	AA-
500	\$ 100,000	Male	73	110	Metropolitan Life Insurance Company	A+
501	\$ 500,000	Male	73	128	Voya Retirement Insurance and Annuity Company	A
502	\$ 2,000,000	Male	73	120	Voya Retirement Insurance and Annuity Company	A
503	\$ 1,500,000	Male	73	120	Protective Life Insurance Company	AA-
504	\$ 300,000	Male	73	114	American General Life Insurance Company	A+
505	\$ 250,000	Male	73	68	American General Life Insurance Company	A+
506	\$ 2,500,000	Male	73	104	John Hancock Life Insurance Company (U.S.A.)	AA-
507	\$ 2,000,000	Male	73	131	Commonwealth Annuity and Life Insurance Company	A-
508	\$ 800,000	Male	73	84	Minnesota Life Insurance Company	A+
509	\$ 267,988	Male	73	52	New England Life Insurance Company	AA-
510	\$ 300,000	Male	73	111	Transamerica Life Insurance Company	AA-
511	\$ 1,167,000	Male	73	50	Metropolitan Life Insurance Company	A+
512	\$ 1,500,000	Male	73	108	Reliastar Life Insurance Company	A
513	\$ 1,000,000	Female	73	144	AXA Equitable Life Insurance Company	A+
514	\$ 10,000,000	Male	73	118	AIG Life Insurance Company	A+
515	\$ 1,000,000	Male	72	130	Transamerica Life Insurance Company	AA-
516	\$ 2,500,000	Male	72	51	Protective Life Insurance Company John Hancock Life Insurance Company (U.S.A.)	AA-
517	\$ 400,000	Male	72	195	New York Life Insurance Company	AA+
518	\$ 3,000,000	Male	72	75	New York Life Insurance Company	AA+
519	\$ 2,000,000	Male	72	100	John Hancock Life Insurance Company (U.S.A.)	AA-
520	\$ 2,000,000	Male	72	100	Protective Life Insurance Company	AA-
521	\$ 5,000,000	Male	72	128	Lincoln National Life Insurance Company John Hancock Life Insurance Company (U.S.A.)	AA-
522	\$ 250,000	Female	72	108	Lincoln National Life Insurance Company	AA-
523	\$ 2,500,000	Male	72	114	John Hancock Life Insurance Company (U.S.A.)	AA-
524	\$ 2,500,000	Male	72	114	Lincoln National Life Insurance Company	AA-
525	\$ 1,350,000	Male	72	100	Lincoln National Life Insurance Company	AA-

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526	\$	230,000	Male	72	117	Transamerica Life Insurance Company	AA-
527	\$	139,398	Female	72	23	Lincoln National Life Insurance Company	AA-
528	\$	190,000	Female	72	191	Protective Life Insurance Company	AA-
529	\$	420,000	Male	72	131	Protective Life Insurance Company	AA-
530	\$	75,000	Female	72	102	American General Life Insurance Company	A+
531	\$	600,000	Male	72	84	AXA Equitable Life Insurance Company	A+
532	\$	4,000,000	Male	72	141	MONY Life Insurance Company of America	A+
533	\$	420,000	Male	72	122	RiverSource Life Insurance Company	A+
534	\$	100,000	Male	72	137	Protective Life Insurance Company	AA-
41							

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	Face Amount	Gender	Age (ALB) <sup>(1)</sup>	LE (mo.) <sup>(2)</sup>	Insurance Company	S&P Rating
535	\$ 250,000	Male	71	50	Protective Life Insurance Company	AA-
536	\$ 650,000	Female	71	72	Security Life of Denver Insurance Company	A
537	\$ 500,000	Male	71	120	Ohio National Life Assurance Corporation	AA-
538	\$ 232,000	Male	71	179	Protective Life Insurance Company	AA-
539	\$ 185,000	Male	71	131	Genworth Life and Annuity Insurance Company	BB
540	\$ 40,000	Male	71	31	Banner Life Insurance Company	AA-
541	\$ 750,000	Male	71	125	Transamerica Life Insurance Company	AA-
542	\$ 1,250,000	Male	71	99	West Coast Life Insurance Company	AA-
543	\$ 1,500,000	Female	71	153	Pruco Life Insurance Company	AA-
544	\$ 5,000,000	Male	71	91	Transamerica Life Insurance Company	AA-
545	\$ 500,000	Male	71	92	Transamerica Life Insurance Company	AA-
546	\$ 500,000	Male	71	92	North American Company for Life And Health Insurance John Hancock Life Insurance Company (U.S.A.)	A+
547	\$ 300,000	Male	71	195	Genworth Life and Annuity Insurance Company	BB
548	\$ 100,000	Male	71	44	Protective Life Insurance Company	AA-
549	\$ 150,000	Male	71	34	AXA Equitable Life Insurance Company	A+
550	\$ 150,000	Male	71	34	John Hancock Life Insurance Company (U.S.A.)	AA-
551	\$ 1,000,000	Male	71	54	Farmers New World Life Insurance Company	N/A
552	\$ 202,700	Male	71	117	Metropolitan Life Insurance Company	A+
553	\$ 5,000,000	Male	71	151	Ohio National Life Assurance Corporation	AA-
554	\$ 250,000	Female	70	120	John Hancock Life Insurance Company (U.S.A.)	AA-
555	\$ 2,000,000	Male	70	172	Lincoln National Life Insurance Company	AA-
556	\$ 400,000	Male	70	161	Massachusetts Mutual Life Insurance Company	AA+
557	\$ 100,000	Male	70	101	Protective Life Insurance Company	AA-
558	\$ 92,000	Female	70	199	Lincoln National Life Insurance Company	AA-
559	\$ 175,000	Female	70	111	Lincoln National Life Insurance Company	AA-
560	\$ 1,500,000	Male	70	71	Lincoln National Life Insurance Company	AA-
561	\$ 250,000	Male	70	184	Lincoln National Life Insurance Company	AA-
562	\$ 1,500,000	Male	70	105	Midland National Life Insurance Company	A+
563	\$ 500,000	Male	70	111	Lincoln Benefit Life Company	BBB+
564	\$ 700,000	Male	70	116	Massachusetts Mutual Life Insurance Company North American Company for Life And Health Insurance	AA+
565	\$ 750,000	Male	69	134	AXA Equitable Life Insurance Company	A+
566	\$ 1,000,000	Male	69	191	Massachusetts Mutual Life Insurance Company	AA+
567	\$ 1,200,000	Male	69	126	Pruco Life Insurance Company	AA-
568	\$ 2,500,000	Male	69	161	Pruco Life Insurance Company	AA-
569	\$ 2,500,000	Male	69	161	Pruco Life Insurance Company	AA-
570	\$ 4,000,000	Male	69	133	MetLife Insurance Company USA Voya Retirement Insurance and Annuity Company	A+
571	\$ 500,000	Male	69	42	Protective Life Insurance Company	A
572	\$ 1,000,000	Male	69	87	Transamerica Life Insurance Company	AA-
573	\$ 2,000,000	Male	69	113	Genworth Life Insurance Company	BB
574	\$ 1,000,000	Male	69	113	Protective Life Insurance Company	AA-
575	\$ 250,000	Female	69	158	Accordia Life and Annuity Company	A-
576	\$ 1,000,000	Male	69	163	Protective Life Insurance Company	AA-
577	\$ 1,000,000	Male	69	61		

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578	\$	1,000,000	Male	69	131	Transamerica Life Insurance Company	AA-
579	\$	1,000,000	Male	69	131	Protective Life Insurance Company	AA-
580	\$	156,538	Female	69	107	New York Life Insurance Company	AA+
581	\$	2,000,000	Male	69	51	Metropolitan Life Insurance Company	A+
582	\$	2,000,000	Male	69	51	Metropolitan Life Insurance Company	A+
583	\$	1,000,000	Male	69	153	John Hancock Life Insurance Company (U.S.A.)	AA-
42							

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	Face Amount	Gender	Age (ALB) <sup>(1)</sup>	LE (mo.) <sup>(2)</sup>	Insurance Company	S&P Rating
584	\$ 400,000	Female	69	142	AXA Equitable Life Insurance Company	A+
585	\$ 300,000	Male	69	90	Protective Life Insurance Company	AA-
586	\$ 1,000,000	Male	68	138	Transamerica Life Insurance Company	AA-
587	\$ 250,000	Female	68	75	Transamerica Life Insurance Company	AA-
588	\$ 750,000	Male	68	161	Northwestern Mutual Life Insurance Company	AA+
589	\$ 2,000,000	Male	68	173	John Hancock Life Insurance Company (U.S.A.)	AA-
590	\$ 150,000	Male	68	117	Protective Life Insurance Company	AA-
591	\$ 600,000	Male	68	88	William Penn Life Insurance Company of New York	AA-
592	\$ 5,616,468	Male	68	180	John Hancock Life Insurance Company (U.S.A.)	AA-
593	\$ 1,100,000	Male	68	156	John Hancock Life Insurance Company (U.S.A.)	AA-
594	\$ 3,000,000	Male	68	193	John Hancock Life Insurance Company (U.S.A.)	AA-
595	\$ 400,000	Male	67	191	Lincoln National Life Insurance Company	AA-
596	\$ 3,000,000	Male	67	100	Reliastar Life Insurance Company	A
597	\$ 2,000,000	Male	67	100	AXA Equitable Life Insurance Company	A+
598	\$ 2,000,000	Male	67	100	AXA Equitable Life Insurance Company	A+
599	\$ 1,000,000	Male	67	48	Lincoln National Life Insurance Company	AA-
600	\$ 1,000,000	Male	67	78	Transamerica Life Insurance Company	AA-
601	\$ 350,000	Female	67	85	Assurity Life Insurance Company Athene Annuity & Life Assurance Company	N/A
602	\$ 5,000,000	Male	67	105	Sun Life Assurance Company of Canada (U.S.)	A-
603	\$ 1,000,000	Male	67	149	Lincoln National Life Insurance Company	AA-
604	\$ 800,000	Male	67	129	Lincoln National Life Insurance Company	AA-
605	\$ 800,000	Male	67	129	Lincoln National Life Insurance Company	AA-
606	\$ 229,725	Female	67	107	Hartford Life and Annuity Insurance Company	BBB+
607	\$ 490,000	Male	67	97	AXA Equitable Life Insurance Company	A+
608	\$ 220,581	Male	67	25	American General Life Insurance Company	A+
609	\$ 1,000,000	Male	67	109	The Savings Bank Life Insurance Company of Massachusetts	A-
610	\$ 320,000	Male	67	162	Transamerica Life Insurance Company	AA-
611	\$ 250,000	Male	67	163	Pruco Life Insurance Company Genworth Life and Annuity Insurance Company	AA-
612	\$ 125,000	Male	67	50	Zurich Life Insurance Company	BB
613	\$ 250,000	Male	67	199	Lincoln National Life Insurance Company	AA-
614	\$ 650,000	Male	67	185	Jackson National Life Insurance Company	AA-
615	\$ 400,000	Male	66	132	Banner Life Insurance Company	AA
616	\$ 500,000	Female	66	171	RiverSource Life Insurance Company	AA-
617	\$ 350,000	Male	66	97	Prudential Insurance Company of America	A+
618	\$ 200,000	Male	66	163	Prudential Insurance Company of America	AA-
619	\$ 200,000	Male	66	163	Prudential Insurance Company of America	AA-
620	\$ 750,000	Male	66	128	Pacific Life Insurance Company	A+
621	\$ 500,000	Male	66	136	Transamerica Life Insurance Company	AA-

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622	\$	500,000	Female	66	132	AIG Life Insurance Company	A+
623	\$	265,000	Male	65	159	Protective Life Insurance Company	AA-
624	\$	10,000,000	Male	65	65	Lincoln National Life Insurance Company	AA-
625	\$	540,000	Male	65	172	West Coast Life Insurance Company	AA-
	\$	1,272,077,891					

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(1) Person's age on last birthday (ALB)

(2) The insured's life expectancy estimate, other than for a small face value insurance policy (i.e., a policy with \$1 million in face value benefits or less), is the average of two life expectancy estimates provided by independent third-party medical-actuarial underwriting firms at the time of purchase, actuarially adjusted through the measurement date. Numbers in this column represent months.

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## Competition

We encounter significant competition from numerous companies in the life insurance secondary market, including hedge funds, investment banks, secured lenders, specialty life insurance finance companies and life insurance companies. Many of these competitors have greater financial and other resources than we do and may have significantly lower cost of funds because they have greater access to insured deposits or the capital markets. Moreover, some of these competitors have significant cash reserves and can better fund shortfalls in collections that might have a more pronounced impact on companies such as ours. They may also have greater market share. In the event that better-financed life insurance companies make a significant effort to compete against our business or the secondary market in general, we would experience significant challenges with our business model.

Competition can take many forms, including the pricing of the financing, transaction structuring, timeliness and responsiveness in processing a seller's application, and customer service. Some competitors may outperform us in these areas. Some competitors target the same type of life insurance owners as we do and generally have operated in the markets we service for a longer period of time. Increased competition may result in increased costs of purchasing policies or may affect the availability and quality of policies that are available for our purchase. These factors could adversely affect our profitability by reducing our return on investment or increasing our risk.

As we enter new markets, we expect to experience significant competition from incumbent market participants. Our ability to compete in these markets will be dependent upon our ability to deliver value-added products and services to the customers we serve. Even still, our competitors in these markets may have greater financial, market share and other resources than we do. These factors could adversely affect our profitability by reducing our return on investment or increasing our risk as we enter these markets.

## Government Regulation

Our business is highly regulated at the state level with respect to life insurance assets, and at the federal level with respect to the issuance of securities. At the state level, states generally subject us to laws and regulations requiring us to obtain specific licenses or approvals to purchase or issue life insurance policies in those states. State statutes typically provide state regulatory agencies with significant powers to interpret, administer and enforce the laws relating to the life insurance industry. Under this authority, state regulators have broad discretionary power and may impose new licensing and other requirements, and interpret or enforce existing regulatory requirements in new and different ways. Any of these new requirements, interpretations or enforcement directives could be adverse to our industry, even in a material way. Furthermore, because the life insurance secondary market is relatively new and because of the history of certain abuses in the industry, we believe it is likely that state regulation will increase and grow more complex in the foreseeable future. We cannot, however, predict what any new regulation would specifically involve or how it might affect our industry or our business.

State regulation more generally affecting life insurance assets (and not necessarily directed at the life insurance secondary market itself) may also affect our industry and business in negative ways. For example, we are aware of recent legislative efforts in some states to mandate the sale or liquidation of life insurance policies as a precondition to eligibility for health care under the Patient Protection and Affordable Care Act. These kinds of laws, if passed, may adversely affect the number of life insurance policies available for purchase.

Although federal laws and regulations do not directly affect life insurance, in some cases the purchase of a variable life insurance policy may constitute a transaction involving a "security" that is governed by federal securities laws. While we presently hold few variable life insurance policies, our holding of a significant amount of such policies in the future could cause our company or one of its subsidiaries to be characterized as an "investment company" under the federal Investment Company Act of 1940. The application of that law to all or part of our business—whether due to our purchase of variable life insurance policies or to the expansion of definition of "securities" under federal securities laws—could require us to comply with detailed and complex regulatory requirements, and cause us to fall out of

compliance with certain covenants under our revolving senior credit facility. Such an outcome could negatively affect our liquidity and increase our cost of capital and operational expenses, all of which would adversely affect our operating results. It is possible that such an outcome could even threaten the viability of our business and our ability to satisfy our obligations as they come due.

We hold licenses to purchase life insurance policies in 37 states and can also purchase in the eight unregulated states. At times, we may work with licensed entities to purchase a policy in a state where we are not licensed.

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#### Health Insurance Portability and Accountability Act (HIPAA)

HIPAA requires that holders of medical records maintain such records and implement procedures designed to assure the privacy of patient records. In order to carry out our business, we receive medical records and obtain a release to share such records with a defined group of persons, take on the responsibility for preserving the privacy of that information, and use the information only for purposes related to the life insurance policies we own.

#### The Genetic Information Nondiscrimination Act of 2008 (GINA)

GINA is a federal law that protects people from genetic discrimination in health insurance and employment. GINA prohibits health insurers from: (i) requesting, requiring or using genetic information to make decisions about eligibility for health insurance; or (ii) making decisions on health insurance premiums, contribution amounts, or coverage terms they offer to consumers. This means it is against the law for health insurance companies to use a genetic test result or family health history to deny health insurance, or to decide how much to charge for health insurance. In addition, GINA makes it against the law for health insurers to consider family history or a genetic test result, a pre-existing condition, require a genetic test, or use any genetic information, to discriminate coverage, even if the health insurance company did not mean to collect such genetic information.

GINA does not apply to the life insurance, long-term care or annuity industries. The life insurance, long-term care or annuity industries are founded on medical-evidenced underwriting principles in which specific medical conditions are taken into account when assessing and pricing risk. The regulation of genetic and related data (such as epigenetic data) is relatively new, and we believe it is likely that regulation will increase and grow more complex in the foreseeable future. We cannot, however, predict what any new law or regulation would specifically involve or how it might affect our industry, our business, or our future plans.

#### Employees

We employ approximately 67 employees.

#### Properties

Our principal executive offices are located at 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota 55402. At that location, we lease 17,687 square feet of space for a lease term expiring in 2026. We believe that these facilities are adequate for our current needs and that suitable additional space will be available as needed.

#### Company Website Access and SEC Filings

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, are filed with the SEC. We are subject to the informational requirements of the Securities Exchange Act of 1934 and file or furnish reports, proxy statements and other information with the SEC.

Our general website address is [www.gwgh.com](http://www.gwgh.com). Our website has a wealth of information about our company, its mission, and our specialty finance business. Our website also has tools that could be used by our potential clients, financial advisors and investors alike.

## EXECUTIVE COMPENSATION

## Summary Compensation Table

The following table sets forth the cash and non-cash compensation awarded to or earned by: (i) each individual who served as the principal executive officer and principal financial officer of GWG Holdings during the years ended December 31, 2016 and 2015; and (ii) each other individual that served as an executive officer of GWG Holdings at the conclusion of the years ended December 31, 2016 and 2015 and who received more than \$100,000 in the form of salary and bonus during such fiscal year. These individuals are referred to as our “named executives.”

Name and Principal Position		Salary	Bonus	Option Awards(1)	Total
Jon R. Sabes Chief Executive Officer	2016	\$ 491,546	\$ 386,607	\$ 282,623	\$ 1,160,776
	2015	\$ 480,000	\$ 126,305	\$ 9,253	\$ 615,558
Michael D. Freedman President	2016	\$ 350,000	\$ 253,084	\$ —	\$ 603,084
	2015	\$ 350,000	\$ 57,377	\$ —	\$ 407,377
William B. Acheson Chief Financial Officer	2016	\$ 225,000	\$ 166,331	\$ 13,549	\$ 404,880
	2015	\$ 219,135	\$ 63,946	\$ 64,816	\$ 347,897
Jon L. Gangelhoff Chief Operating Officer	2016	\$ 250,000	\$ 132,847	\$ 18,923	\$ 401,770
	2015	\$ 250,000	\$ 59,770	\$ 25,043	\$ 334,813
Steven F. Sabes Executive Vice President and Secretary	2016	\$ 208,246	\$ 133,481	\$ 18,416	\$ 360,143
	2015	\$ 200,000	\$ 41,033	\$ 7,645	\$ 248,678
Paul A. Siegert Executive Chairman	2016	\$ 201,488	\$ —	\$ —	\$ 201,488
	2015	\$ 200,000	\$ 7,739	\$ 3,216	\$ 210,955

(1) Amounts shown reflect the grant date fair value of stock option awards granted for the respective year pursuant to the Company’s equity incentive plans, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of stock option awards made in 2016 were consistent with those used for 2015 (please see fn. 12 to our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on March 22, 2016), namely, the expected volatility used in the Black-Scholes model valuation of options issued during 2016 is based on the standard deviation of the average continuously compounded rate of return of five selected comparable companies over the previous 52 weeks, and forfeiture rates used in the valuation are based on historical Company information and expected future trend.

## Employment Agreements and Change-in-Control Provisions

In June 2011, we entered into employment agreements with each of Messrs. Jon R. Sabes, Steven F. Sabes, Paul A. Siegert and Jon Gangelhoff. Mr. Jon R. Sabes is our Chief Executive Officer; Mr. Steven F. Sabes is our Executive Vice President of Originations and Servicing and Secretary and previously served as our President and our Chief Operating Officer; Mr. Siegert previously served as our President and Chairman of the Board of Directors and is currently the Executive Chairman of the Board of Directors; and Mr. Gangelhoff previously served as our Chief Financial Officer and is currently our Chief Operating Officer. On May 30, 2014, we entered into an employment agreement with William Acheson coincident with his appointment as our new Chief Financial Officer. These

employment agreements establish key employment terms (including reporting responsibilities, base salary, discretionary and bonus opportunity and other benefits), provide for severance benefits in certain situations, and contain non-competition, non-solicitation and confidentiality covenants.

Under their respective employment agreements, Mr. Jon R. Sabes receives an annual base salary of \$491,546, Mr. Steven F. Sabes receives an annual base salary of \$208,246, Paul A. Siegert receives an annual base salary of \$201,487, William Acheson receives an annual base salary of \$225,000, and Mr. Gangelhoff receives an annual base salary of \$250,000. The employment agreements contain customary provisions prohibiting the executives from

soliciting our employees for a period of 12–18 months after any termination of employment, and from competing with the Company for either two years (if the executive is terminated for good cause or if he resigns without good reason) or one year (if we terminate the executive’s employment without good cause or if he resigns with good reason). In the case of Mr. Acheson, his employment agreement prohibits him from competing against the Company for a one-year period after his termination of employment, regardless of the circumstances relating to that termination. If an executive’s employment is terminated by us without “good cause” or if the executive voluntarily resigns with “good reason,” then the executive will be entitled to (i) severance pay for a period of 12 months and (ii) reimbursement for health insurance premiums for his family if he elects continued coverage under COBRA.

The employment agreements for Messrs. Jon R. Sabes, Steve F. Sabes and Paul A. Siegert also provide that we will reimburse them for any legal costs they incur in enforcing their rights under the employment agreement and, to the fullest extent permitted by applicable law, indemnify them for claims, costs and expenses arising in connection with their employment, regardless of the outcome of any such legal contest, as well as interest at the prime rate on any payments under the employment agreements that are determined to be past due, unless prohibited by law.

All of the foregoing executive employment agreements include a provision allowing us to reduce their severance payments and any other payments to which the executive becomes entitled as a result of our change in control to the extent needed for the executive to avoid paying an excise tax under Code Section 280G, unless the named executive officer is better off, on an after-tax basis, receiving the full amount of such payments and paying the excise taxes due.

In September 2014, we entered into an employment agreement with Michael D. Freedman, who was appointed as our President in November 2014. Under his employment agreement, Mr. Freedman receives an annual base salary of \$350,000. His employment agreement contains customary provisions prohibiting him from soliciting our employees or customers for a one-year period after his termination of employment, regardless of the circumstances relating to that termination. If Mr. Freedman’s employment is terminated without “cause” or if he voluntarily resigns with “good reason,” then he will be entitled to (i) severance pay equal to one-half of his annual salary then in effect (if such termination or resignation occurs one year or less from the date he was first employed by the Company) or his annual salary then in effect (if such termination or resignation occurs more than one year from the date he was first employed by the Company) 12 months; and (ii) reimbursement for health insurance premiums for his family if he elects continued coverage under COBRA for six months (if such termination or resignation occurs one year or less from the date he was first employed by the Company) or for 12 months (if such termination or resignation occurs more than one year from the date he was first employed by the Company).

#### 2013 Stock Incentive Plan

In April 2013, our Board of Directors and our stockholders adopted the 2013 Stock Incentive Plan. The plan was subsequently revised on March 4, 2015 and reserved 2,000,000 shares of common stock for issuance. The 2013 Stock Incentive Plan permits the grant of both incentive and non-statutory stock options. As of December 31, 2016, there were 1,122,512 common shares issuable upon exercise of outstanding incentives granted under the plan. The Board of Directors adopted the 2013 Stock Incentive Plan to provide a means by which our employees, directors, officers and consultants may be granted an opportunity to purchase our common stock, to assist in retaining the services of such persons, to secure and retain the services of persons capable of filling such positions and to provide incentives for such persons to exert maximum efforts for our success.

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Outstanding Equity Awards at Fiscal Year End

As of December 31, 2016, our named executives had the following outstanding options to purchase common stock:

Name	Option Awards		Equity Incentive Plan Awards:	Option Exercise Price (\$)	Option Expiration Date
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Options (#)		
Jon R. Sabes	4,000	2,000	—	\$ 8.28	9/5/2018
	3,333	1,667	—	\$ 8.20	4/7/2019
	3,333	1,667	—	\$ 8.71	9/2/2019
	3,333	1,667	—	\$ 9.91	11/24/2019
	1,667	3,333	—	\$ 10.18	6/12/2020
	1,667	3,333	—	\$ 8.55	8/18/2020
	1,667	3,333	—	\$ 6.60	12/29/2020
	—	5,000	—	6.35	4/29/2021
	—	5,000	—	6.41	5/13/2021
	13,541	311,459	—	9.47	11/10/2021
Michael D. Freedman	106,000	92,750	—	\$ 12.50	9/22/2024
William B. Acheson	22,500	10,000	—	\$ 7.46	5/27/2024
	3,333	1,667	—	\$ 7.92	9/2/2024
	3,333	1,667	—	\$ 9.01	11/24/2024
	30,000	—	—	\$ 8.00	3/11/2025
	30,000	60,000	—	\$ 7.53	4/6/2025
	1,667	3,333	—	\$ 9.25	6/12/2025
	1,667	3,333	—	\$ 7.77	12/29/2025
	—	5,000	—	6.35	4/29/2026
	—	5,000	—	6.41	5/13/2026
	Jon L. Gangelhoff	77,000	—	—	\$ 7.52
3,333		1,667	—	\$ 7.46	4/7/2024
3,333		1,667	—	\$ 7.92	9/2/2024
3,333		1,667	—	\$ 9.01	11/24/2024
3,334		6,666	—	\$ 8.00	3/11/2025
1,667		3,333	—	\$ 9.25	6/12/2025
3,334		6,666	—	\$ 7.77	8/18/2025
1,667		3,333	—	\$ 6.00	12/29/2025
—		5,000	—	\$ 6.35	4/29/2026
—		5,000	—	\$ 6.41	5/13/2016
—		2,500	—	\$ 8.76	9/19/2026

Explanation of Responses:

48	—	2,000	—	\$ 7.93	12/20/2026
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Option Awards

Name	Number of Securities Underlying Unexercised Options (#)		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date
	Exercisable	Unexercisable	Unearned Options (#)		
Steven F. Sabes	27,500	—	—	\$ 8.28	9/5/2018
	3,333	1,667	—	\$ 8.20	4/7/2019
	3,333	1,667	—	\$ 8.71	9/2/2019
	3,333	1,667	—	\$ 9.91	11/24/2019
	834	1,666	—	\$ 10.18	6/12/2020
	1,667	3,333	—	\$ 8.55	8/18/2020
	1,667	3,333	—	\$ 8.55	12/29/2020
	—	5,000	—	\$ 6.35	4/29/2021
	—	5,000	—	\$ 6.41	5/13/2021
—	5,000	—	\$ 9.64	9/19/2021	
Paul A. Siegert	27,500	—	—	\$ 7.52	9/5/2023
	3,333	1,667	—	\$ 7.46	4/7/2024
	1,667	833	—	\$ 7.92	9/2/2024
	1,667	833	—	\$ 9.01	11/24/2024
	1,667	3,333	—	\$ 9.25	6/12/2025

Director Compensation

The following table sets forth the cash and non-cash compensation awarded to or earned by each individual who served as a member of our Board of Directors during the year ended December 31, 2016.

Director's Name	Fees Earned or		Option Awards(1)	Total
	Cash 2016			
Paul A. Siegert (Executive Chairman)	\$ 15,000		\$ 0 (2)	\$ 15,000
Jon R. Sabes	\$ 15,000		\$ 0 (2)	\$ 15,000
Steven F. Sabes	\$ 15,000		\$ 0 (2)	\$ 15,000
David H. Abramson	\$ 46,200		\$ 38,780	\$ 84,980
Charles H. Maguire III	\$ 33,600		\$ 27,146	\$ 60,746
Jeffrey L. McGregor	\$ 34,800		\$ 31,024	\$ 65,824
Shawn R. Gensch	\$ 29,400		\$ 23,268	\$ 52,668

(1) Amounts shown reflect the grant date fair value of stock option awards granted during fiscal 2016, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718.

(2) Excludes stock option awards granted to employee directors as compensation for serving as employees of the Company.

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Each independent board member receives base compensation of \$6,000 and an option to purchase 1,400 shares of the Company's common stock per quarter. In addition, the chairman of the audit committee receives \$4,800 and an option to purchase up to 1,400 shares of the Company's common stock per quarter. The chairmen of the compensation committee and the corporate governance committee each receive \$2,400 and an option to purchase up to 700 shares of the Company's common stock per quarter. Also each non-chair member of committees receives \$1,200 and an option to purchase up to 350 shares of the Company's common stock per quarter.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of our common stock as of February 1, 2017 by (i) each person known by us to be the beneficial owner of more than 5% of our outstanding common stock, (ii) each director, (iii) each named executive identified in the Summary Compensation Table above, and (iv) all named executives and directors as a group. Unless otherwise indicated, the address of each person is 220 South Sixth Street, Suite 1200, Minneapolis, Minnesota 55402, and each person has sole voting and investment power with respect to the shares of common stock set forth opposite their name.

Name	Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
Jon R. Sabes(1)	2,252,436	37.40	%
Steven F. Sabes(2)	2,258,374	37.50	%
Paul A. Siegert(3)	237,947	3.95	%
Jon L. Gangelhoff(4)	100,337	1.65	%
William B. Acheson(5)	92,502	1.36	%
Michael D. Freedman(6)	108,700	1.79	%
David H. Abramson(7)	70,500	1.17	%
Jeffrey L. McGregor(8)	50,400		*
Charles H. Maguire III(9)	49,350		*
Shawn R. Gensch(10)	39,300		*
All current directors and officers as a group	5,036,711	78.86	%

\* less than one percent.

(1) Mr. Sabes is our Chief Executive Officer and a director of the Company. Shares reflected in the table include 1,258,319 shares held individually, 169,671 shares held by Jon Sabes 1992 Trust No.1, a trust of which Mr. Sabes is the beneficiary, 168,801 shares held by Jon Sabes 12.30.92 Trust, a trust of which Mr. Sabes is a beneficiary, 241,631 shares held by Jon Sabes 1982 Trust, a trust of which Mr. Sabes is a beneficiary, and 163,737 shares held by Jon Sabes 1976 Trust, a trust of which Mr. Sabes is a beneficiary. Also included are 102,192 shares held by Mr. Sabes' immediate family members. The trustees of each of the trusts are Robert W. Sabes, Steve F. Sabes and Ross A. Sabes. The number of shares also includes 48,086 stock options currently exercisable or exercisable within 60 days granted pursuant to stock option agreements. Figures also include 100,000 shares held by Insurance Strategies Fund, LLC, a Delaware limited liability company over whose securities each of Jon R. and Steven F. Sabes exercise voting and dispositive control. Jon R. and Steve F. Sabes disclaim beneficial ownership over the shares held by Insurance Strategies Fund, LLC except to the extent of their pecuniary interest in such shares.

(2) Mr. Sabes is our Executive Vice President of Originations and Servicing, Secretary and a director of the Company. Shares reflected in the table include 799,779 shares held individually, 521,158 shares held by Moe Sabes 1982 Trust FBO Steven Sabes, a trust of which Mr. Sabes is the beneficiary, 350,779 shares held by Esther Sabes 1992 Trust FBO Steven Sabes, a trust of which Mr. Sabes is a beneficiary, and 200,445 shares held by Moe Sabes 1976 Trust FBO Steven Sabes, a trust of which Mr. Sabes is a beneficiary. The trustees of each of the trusts are Robert W. Sabes, Jon R. Sabes and Ross A. Sabes. The number of shares also includes 33,335 stock options currently exercisable or exercisable within 60 days granted pursuant to stock option agreements. Figures also includes 100,000 shares held by Insurance Strategies Fund, LLC, a Delaware limited liability company over whose securities each of Jon R. and Steven F. Sabes exercise voting and dispositive control. Jon R. and Steve F. Sabes disclaim beneficial ownership over the shares held by Insurance Strategies Fund, LLC except to the extent of their pecuniary interest in

such shares.

(3) Mr. Siegert is a director of the Company (Chairman). Shares reflected in the table include 200,445 shares held individually and 37,502 of vested stock options granted pursuant to our 2013 Stock Incentive Plan.

(4) Mr. Gangelhoff is our Chief Operating Officer. Shares reflected in the table include 100,337 of vested stock options granted pursuant to our 2013 Stock Incentive Plan.

(5) Mr. Acheson is our Chief Financial Officer. Shares reflected in the table include 92,502 of vested stock options granted pursuant to our 2013 Stock Incentive Plan.

(6) Mr. Freedman is our President. Shares reflected in the table include 2,700 shares held individually and 106,000 of vested stock options.

(7) Mr. Abramson is a director of the Company. Shares reflected in the table include 70,500 of stock options vested or vesting within 60 days, granted pursuant to our 2013 Stock Incentive Plan.

(8) Mr. McGregor is a director of the Company. Shares reflected in the table include 50,400 of stock options vested or vesting within 60 days, granted pursuant to our 2013 Stock Incentive Plan.

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- (9) Mr. Maguire III is a director of the Company. Shares reflected in the table include 49,350 of stock options vested or vesting within 60 days, granted pursuant to our 2013 Stock Incentive Plan.
- (10) Mr. Gensch is a director of the Company. Shares reflected in the table include 39,300 of vested stock options vested or vesting within 60 days, granted pursuant to our 2013 Stock Incentive Plan.

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## DESCRIPTION OF SECURITIES OFFERED

### Series 2 Redeemable Preferred Stock

Our Board of Directors has created, out of our authorized and unissued shares of our preferred stock, a series of preferred stock designated as the “Series 2 Redeemable Preferred Stock.” This series of preferred stock is being offered, and will be issued in up to 150,000 shares, pursuant to this prospectus. The par value of each share of Series 2 Redeemable Preferred Stock is \$.001, and the “stated value” is \$1,000. These preferred shares are partially convertible into shares of our common stock at a conversion price equal to the volume-weighted average price of our common stock for the 20 trading days immediately prior to the date on which notice of conversion is delivered to us (discounted, based on the number of years the preferred stock has been held, as described below), subject, however, to a minimum conversion price of \$12.75 per share and a maximum 10% of the stated value of each preferred share being convertible (i.e., a maximum of approximately 7.84 shares of common stock for each share of preferred stock converted). This limitation on conversions will be equitably adjusted upon customary events affecting our share capital, such as stock dividends, subdivisions (splits), and combinations. For more detailed information, see “Series 2 Redeemable Preferred Stock — Conversion by a Holder” below.

The following is a brief description of the terms of our Series 2 Redeemable Preferred Stock. This description does not purport to be complete and is qualified in its entirety by reference to the Certificate of Designation for our Series 2 Redeemable Preferred Stock, which is filed with the SEC as an exhibit to the registration statement of which this prospectus is a part.

Rank. With respect to dividend rights and rights upon our liquidation, winding-up or dissolution, our Series 2 Redeemable Preferred Stock ranks:

- senior to our common stock and any other class or series of our capital stock, including capital stock issued in the future, the terms of which expressly provide that our Series 2 Redeemable Preferred Stock ranks senior to such class or series as to dividend rights or rights on our liquidation, winding-up and dissolution;
- pari passu with our “Series A Convertible Preferred Stock” with respect to dividend payment and liquidation distribution rights;
- pari passu with our (earlier issued) “Redeemable Preferred Stock” with respect to dividend payment and liquidation distribution rights;
- senior to or pari passu with all other classes and series of our preferred stock;
- junior to each class or series of our capital stock, including capital stock issued in the future, the terms of which expressly provide that such class or series ranks senior to the Series 2 Redeemable Preferred Stock as to dividend rights or rights on our liquidation, winding up and dissolution; and
- junior to all our existing and future debt obligations.

“Pari passu” means that in determining priority of payment in respect of entitlement to dividends and distributions upon our liquidation, winding-up or dissolution, the holders of our Series 2 Redeemable Preferred Stock, together with the holders of any other class of “pari passu” equity, will be treated equally and without preference.

Stated Value. Each share of Series 2 Redeemable Preferred Stock has an initial “stated value” of \$1,000, subject to appropriate adjustment upon certain events such as recapitalizations, stock dividends, stock splits, stock combinations, reclassifications or similar events as set forth in the Certificate of Designation for our Series 2 Redeemable Preferred Stock. The stated value is the basis upon which dividends are calculated, and represents the price (subject to

redemption fees) at which a share of Series 2 Redeemable Preferred Stock may under certain circumstances be repurchased by us, and the aggregate amount (plus accrued but unpaid dividends) of liquidating distributions to which a holder of a share of Series 2 Redeemable Preferred Stock will be entitled in any case where our Company is dissolved, its assets liquidated and its business wound-up.

Dividends. Subject to the preferential rights of the holders of any class or series of our capital stock ranking senior to our Series 2 Redeemable Preferred Stock, if any such class or series is authorized in the future, the holders of Series 2 Redeemable Preferred Stock are entitled to receive, when and as declared by our Board of Directors out of legally available funds, cumulative cash dividends on each preferred share at an annual rate of 7.0% of the stated value of such share.

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Dividends on each preferred share begin accruing on, and are cumulative from, the date of issuance. We expect to pay dividends on these preferred shares monthly. In the event that provisions of Delaware law, our Certificate of Incorporation, or our borrowing agreements prohibit us from paying dividends in cash, and we do not pay dividends through the issuance of preferred stock as described below, unpaid dividends will cumulate.

At our option, we may pay dividends in the form of duly authorized, validly issued, fully paid and non-assessable shares of the Series 2 Redeemable Preferred Stock. Any such preferred stock we issue in satisfaction of our dividend-payment obligations will be valued at the stated value of such shares. We may exercise this option even if we are legally permitted to pay dividends in cash.

No commissions or additional compensation will be payable on preferred shares issued in satisfaction of our dividend-payment obligations.

Unless full cumulative dividends on our shares of Series 2 Redeemable Preferred Stock for all past dividend periods through the most recent payment date have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment, we will not:

- declare a dividend on any other series or class or classes of capital stock as to which the Series 2 Redeemable Preferred Stock ranks senior or pari passu as to dividends or liquidation, including without limitation shares of common stock, in respect of any period; or
- redeem, purchase or otherwise acquire any series or class of capital stock that ranks junior or pari passu to the Series 2 Redeemable Preferred Stock (except for (1) the repurchase of shares of common stock from employees, officers, directors, consultants or other persons performing services for us or any of our subsidiaries pursuant to agreements under which we have the right or option to repurchase such shares upon the occurrence of certain events or otherwise, or (2) shares of Series A Convertible Preferred Stock pursuant to the terms of the Certificate of Designation of Series A Convertible Preferred Stock, or terms superior to those contained within that Certificate of Designation, or (3) shares of Redeemable Preferred Stock pursuant to the terms of the Certificate of Designation of Redeemable Preferred Stock, or terms superior to those contained within that Certificate of Designation) for any consideration (or any money to be paid into any sinking fund or otherwise set apart for the purchase of any such junior stock).

Redemption Request at the Option of a Holder. Once per calendar quarter, holders of this preferred stock will have the opportunity to request that we redeem some or all of their preferred shares. We will not, however, be obligated to redeem shares upon request. If we, in our discretion, agree to honor a redemption request, we will redeem these preferred shares at a redemption price equal to the stated value of the shares to be redeemed, plus any accrued but unpaid dividends thereon, less an applicable redemption fee. As a percentage of the aggregate redemption price of a holder's shares to be redeemed, the redemption fee shall be:

- 12% if the redemption is requested on or before the first anniversary of the original issuance of such shares.
- 10% if the redemption is requested after the first anniversary and on or before the second anniversary of the original issuance of such shares.
- 8% if the redemption is requested after the second anniversary and on or before the third anniversary of the original issuance of such shares.
- After the three-year anniversary of the date of original issuance of such shares, no redemption fee shall be subtracted from the redemption price.

Optional Repurchase Upon Death, Disability or Bankruptcy of a Holder. Subject to certain restrictions and conditions, we will also redeem the preferred shares of a holder who is a natural person (including an individual beneficial holder who holds preferred shares through a custodian or nominee, such as a broker-dealer) upon his or her death, total disability or bankruptcy, within 60 days of our receipt of a written request from the holder or the holder's estate at a redemption price equal to the stated value, plus accrued and unpaid dividends thereon.

A "total disability" means a determination by a physician approved by us that a holder, who was gainfully employed and working on a full-time basis as of the date on which his or her preferred shares were purchased from us, has been unable to work on a full-time basis for at least 24 consecutive months. In this regard, the Certificate of Designation for the Series 2 Redeemable Preferred Stock defines working "on a full-time basis" to mean working at least 40 hours per week.

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**Optional Redemption by the Company.** We will have the right to redeem any or all shares of our Series 2 Redeemable Preferred Stock in whole or in part, at any time and from time to time. We will redeem any called preferred shares at a redemption price equal to 100% of the stated value per share, plus any accrued but unpaid dividends thereon. In the event that we call and redeem an investor’s preferred shares prior to the one-year anniversary of the purchase of those shares, we will also pay an additional amount sufficient to cause the investor to have received at least one year’s worth of dividends on the preferred shares being redeemed (i.e., at a minimum redemption price of 107% of the stated value of those preferred shares).

We may exercise our redemption right by delivering a written notice thereof to all, but not less than all, of the holders of Series 2 Redeemable Preferred Stock. Each such notice will state the date on which the redemption by us shall occur, which date will be no later than 60 days following the notice date.

**Restrictions on Redemption and Repurchase.** We will not be obligated in all cases to redeem shares of Series 2 Redeemable Preferred Stock, whether in connection with a redemption request by a holder to which we have earlier agreed, at the option of the Company, or upon the death, total disability or bankruptcy of a holder. In particular, we will not redeem or repurchase any preferred shares if we are restricted by applicable law or our Certificate of Incorporation from making such redemption, or to the extent any such redemption would cause or constitute a default under any borrowing agreements to which we or any of our subsidiaries are a party or otherwise bound. In addition, and even after we may have earlier agreed to redeem preferred shares upon a redemption request, we will have no obligation to consummate the redemption of preferred shares in connection with a redemption request made by a holder if we determine, as of the redemption date, that we do not have sufficient funds available to fund that redemption. We will have complete discretion under the Certificate of Designation to determine whether we are in possession of “sufficient funds” to fund a redemption request. To the extent we are unable to complete redemptions we may have earlier agreed to make, we will consummate those redemptions promptly after we become able to do so, with all such deferred redemptions being satisfied on a prorated basis, regardless of the order in which we received the related requests.

**Conversion by a Holder.** Holders of Series 2 Redeemable Preferred Stock will have the option to partially convert their preferred stock into common stock at a conversion price equal to the volume-weighted average price of our common stock for the 20 trading days immediately prior to the date on which notice of conversion is delivered to us. This volume-weighted average price will be discounted, based on the number of years you have held your preferred stock, as set forth below:

Years Held	Applicable Discount
0-3 years	0%
4 years or less (but more than 3 years)	6%
5 years or less (but more than 4 years)	8%
More than 5 years	10%

Notwithstanding the foregoing, in no event will the preferred shares convert into common stock at a conversion price less than \$12.75 per common share. The right of holders to convert their preferred shares will be subject to a maximum of 10% of the stated value of the preferred shares being partially converted (i.e., a maximum of approximately 7.84 shares of common stock for each share of preferred stock converted). This limitation on conversion will be equitably adjusted upon customary events affecting our share capital, such as stock dividends, subdivisions (i.e., splits), and combinations. Upon any conversion, the remaining unconverted portion of your preferred stock will remain as a fractional share of Series 2 Redeemable Preferred Stock.

In the event that we deliver a notice of proposed redemption of an investor’s preferred shares (see the caption “Optional Redemption by the Company” above), the right of a holder to convert those shares into our common stock will be suspended until the redemption date. If, however, we do not consummate the redemption on the redemption date, then the suspension on the right to convert will terminate and holders will once again have the right to convert their preferred shares into our common stock.

Liquidation Preference. Upon any voluntary or involuntary liquidation, dissolution or winding-up of our affairs, before any distribution or payment shall be made to holders of our common stock or any other class or series of capital stock ranking junior to our shares of Series 2 Redeemable Preferred Stock, the holders of shares of Series 2 Redeemable Preferred Stock will be entitled to be paid out of our assets legally available for distribution to our stockholders, after payment or provision for our debts and other liabilities, a liquidation preference equal to the stated value per share, plus an amount equal to any accrued and unpaid dividends (whether or not declared) to and including the date of payment.

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After payment of the full amount of the liquidating distributions to which they are entitled, the holders of our shares of Series 2 Redeemable Preferred Stock will have no right or claim to any of our remaining assets. Our consolidation or merger with or into any other corporation, trust or other entity, the consolidation or merger of any other corporation, trust or entity with or into us, the sale or transfer of any or all our assets or business, or a statutory share exchange will not be deemed to constitute a liquidation, dissolution or winding-up of our affairs.

In determining whether a distribution (other than upon voluntary or involuntary liquidation) by dividend, redemption or other acquisition of shares of our capital stock, or otherwise, is permitted under Delaware law, amounts that would be needed, if we were to be dissolved at the time of any such distribution, to satisfy the preferential rights of the holders of Series 2 Redeemable Preferred Stock will not be added to our total liabilities.

**Voting Rights.** Our Series 2 Redeemable Preferred Stock has no voting rights.

**Protective Provisions.** Although the Series 2 Redeemable Preferred Stock has no voting rights relative to matters submitted to a vote of our stockholders (other than as required by law), the affirmative vote or written consent of holders of at least a majority of the then-outstanding shares of Series 2 Redeemable Preferred Stock, voting together as a single class, either given in writing or by vote at a meeting, is required for us to:

- amend, modify, add, repeal or waive any provision of the Certificate of Designation for the Series 2 Redeemable Preferred Stock or otherwise take any action that modifies any powers, rights, preferences, privileges or restrictions of the Redeemable Preferred Stock;
- authorize, create or issue shares of any class of stock having rights, preferences or privileges upon our liquidation that are superior to the Series 2 Redeemable Preferred Stock; or
- amend our Certificate of Incorporation in a manner that adversely and materially affects the rights of the Series 2 Redeemable Preferred Stock.

**Exchange Listing.** We do not plan on making an application to list these preferred shares on The NASDAQ Capital Market, any other national securities exchange or any other nationally recognized trading system. Our common stock is listed on The NASDAQ Capital Market.

**No Sinking Fund.** These preferred shares are not associated with any sinking fund.

**Reports.** We will publish annual reports containing financial statements and quarterly reports containing financial information for the first three quarters of each fiscal year. We will send copies of these reports, at no charge, to any holder of these preferred shares who sends us a written request.

## PLAN OF DISTRIBUTION

### General

We are offering up to a maximum of 150,000 shares of our Series 2 Redeemable Preferred Stock. The offering is made through Emerson Equity LLC, our dealer manager, on a “best efforts” basis, which means that the dealer manager is only required to use its good faith efforts and reasonable diligence to sell the preferred shares and has no firm commitment or obligation to purchase any specific number or dollar amount of the shares.

The preferred shares will be sold at a public offering price of \$1,000 per share. Investors may pay cash or exchange their outstanding debt securities of the Company in satisfaction of the aggregate purchase price for the preferred shares. These preferred shares will not be certificated. This offering is a continuous offering, and we may terminate this offering at any time.

We will sell these shares using DTC settlement and direct settlement with the Company. See “Settlement Procedures” below for more detail.

Emerson Equity LLC is a securities broker-dealer registered with the SEC and a member firm of FINRA. The principal business address of Emerson Equity is 155 Bovet Road, Suite 725, San Mateo, CA 94402. Our dealer manager will manage, direct and supervise its associated persons who will be wholesalers in connection with the offering. We expect our dealer manager to authorize other broker-dealers that are members of FINRA, which we refer to as soliciting broker-dealers, to sell our preferred shares in this offering.

### Compensation of Dealer Manager and Soliciting Broker-Dealers

We will pay to our dealer manager and soliciting broker-dealers a selling commission of 6.00% of the gross offering proceeds from this offering for a maximum of \$9,000,000. We will also pay additional compensation to soliciting broker-dealers. In particular, the managing dealer and soliciting broker-dealers may receive up to 2.00% of the gross offering proceeds as additional compensation consisting of (i) an accountable and non-accountable expense allowance, (ii) a dealer manager fee (payable only to the dealer manager) for managing and coordinating the offering, (iii) a wholesaling fee (payable only to the wholesalers, who are employees of the Company and associated with the dealer manager), and (iv) non-cash compensation. We will not pay referral or similar fees to any accountants, attorneys or other persons in connection with the distribution of the debentures.

Additional compensation includes (i) a non-accountable expense allowance of up to 0.60% of gross offering proceeds for a maximum of \$900,000; (ii) an accountable allowance expense, which may include due diligence expenses set forth in a detailed and itemized invoice and wholesaling expenses other than salaries and commissions, of up to 0.40% of gross offering proceeds for a maximum of \$600,000; (iii) a dealer manager fee of 0.40% gross offering proceeds for a maximum of \$600,000; (iv) a wholesaling fee, which may consist of commissions and salaries of the wholesalers, of 0.50% of gross offering proceeds for a maximum of \$750,000; and (v) non-cash compensation of up to 0.10% of gross offering proceed for a maximum of \$150,000. Final additional compensation will not exceed 2.00% of gross offering proceeds, and the combined selling commission and such additional compensation under this offering will not exceed 8.00% of gross offering proceeds.

Our dealer manager may reallocate up to 0.60% of any additional compensation it receives to a soliciting broker-dealer. The amount of any such reallocation will be determined by our dealer manager in its sole discretion.

Certain of our employees are also registered representatives and supervisory principals of the dealer manager (the “dual employees”). We have granted these dual employees certain share appreciation rights (“SARs”), which are not securities, as part of their compensation. The SARs give a dual employee the contractual right to receive from us additional cash compensation at any point before the SAR’s expiration, but only if the price of our common stock has increased

between the grant date and the date when we receive notice of the dual employee's intention to exercise the SAR. At the termination of this offering, the aggregate of the appreciation amount, as defined in the SAR agreement, will be calculated and added to the other items of value (e.g., selling commissions and additional forms of compensation) to ensure that aggregate compensation paid in connection with this offering does not exceed 8.00% of the gross offering proceeds.

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We will not pay any selling commissions, but will pay dealer manager fees, in connection with the sale of preferred shares to investors whose contracts for investment advisory and related brokerage services include a fixed or “wrap” fee feature. Investors may agree with their broker-dealers to reduce the amount of selling commissions payable with respect to the purchase of their preferred shares down to zero (i) if the investor has engaged the services of a registered investment advisor, or RIA, or other financial advisor who will be paid compensation for investment advisory services or other financial or investment advice, or (ii) if the investor is investing through a bank trust account with respect to which the investor has delegated the decision-making authority for investments made through the account to a bank trust department. The net proceeds to us will not be affected by reducing commissions payable in connection with such sales. Neither our dealer manager nor its affiliates will directly or indirectly compensate any person engaged as an investment advisor or a bank trust department by a potential investor as an inducement for such investment advisor or bank trust department to advise favorably for an investment in the preferred shares offered hereby.

No commissions or additional compensation will be payable on preferred shares issued in satisfaction of our dividend-payment obligations.

#### Dealer Manager and Soliciting Broker-Dealer Compensation

The table below sets forth the nature and estimated amount of all items viewed as compensation by FINRA, assuming we sell all the preferred shares offered hereby.

	Per Share	Maximum Offering
Public offering price	\$ 1,000	\$ 150,000,000
Selling commissions(1)(3)	\$ 60	\$ 9,000,000
Additional compensation(2)(3)	\$ 20	\$ 3,000,000
Proceeds, before expenses, to us	\$ 920	\$ 138,000,000

(1) Selling commissions will equal 6.00% of aggregate gross proceeds, and will be payable to each soliciting broker-dealer as authorized by us and Emerson Equity LLC, the managing broker-dealer or “dealer manager” for this offering.

(2) Additional compensation consists of (i) a non-accountable expense allowance of up to 0.60% of gross offering proceeds, (ii) an accountable expense allowance of up to 0.40% of gross offering proceeds, (iii) a dealer manager fee (payable only to the dealer manager) of 0.40% of gross offering proceeds for managing and coordinating the offering, (iv) a wholesaling fee (payable only to wholesalers) of 0.50% of gross offering proceeds, and (v) non-cash compensation of up to 0.10% of gross offering proceeds. Aggregate additional compensation will not exceed 2.0% of gross offering proceeds. The dealer manager may reallocate up to 0.60% of additional compensation to other soliciting broker-dealers. The amount of the reallocation to any soliciting broker-dealer will be determined by the dealer manager in its sole discretion.

(3) The combined selling commissions and additional compensation for this offering will not exceed 8.00% of the aggregate gross proceeds of this offering.

To the extent permitted by law and our Certificate of Incorporation, we will indemnify the soliciting broker-dealers and the dealer manager against certain civil liabilities, including certain liabilities arising under the Securities Act of 1933 and liabilities arising from breaches of our representations and warranties contained in the dealer manager agreement. Nevertheless, the SEC takes the position that indemnification against liabilities arising under the Securities Act of 1933 is against public policy and is not enforceable.

We will be responsible for the expenses of issuance and distribution of the preferred stock in this offering, including registration fees, printing expenses and our legal and accounting fees, which we estimate will total approximately \$365,000 (excluding selling commissions and dealer manager fees).

The obligations of the dealer manager may be terminated in the event of a material adverse change in economic, political or financial conditions or upon the occurrence of certain other conditions specified in the dealer manager agreement.

#### Settlement Procedures

We are settling purchases of these preferred shares through a DTC participant (referred to as “DTC settlement”) or directly with the Company.

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If your broker-dealer uses DTC settlement, then you may place an order for the purchase of preferred shares through your broker-dealer. Investors purchasing shares through DTC settlement will coordinate with their registered representatives to pay the full purchase price for their shares by the applicable settlement date, and such payments will not be held in escrow. When settling their purchase through DTC settlement, investors purchasing shares will coordinate with their registered representatives of broker-dealer firms to pay the full purchase price for their shares by the settlement date, and such payments will not be held in escrow. Your broker-dealer will ensure your order is electronically placed with us and that we timely receive your subscription amount. There is no need to furnish us with a Subscription Agreement when you purchase through a DTC participant.

Once we have received your subscription amount, we will either reject or accept your subscription. Once accepted based on our closing cycle, we will have immediate access to your subscription amount and we will issue you the shares you have purchased.

When settling their purchase directly with the Company, investors will send their completed and executed Subscription Agreement, together with their subscription amount, to our transfer agent and to us at the address listed in “How to Purchase Shares.” Your subscription amount should be paid through a certified check or personal check payable to the order of “GWG Holdings, Inc. — Subscription Account.” In lieu of paying by check, you may wire your subscription amount to the account referenced in “How to Purchase Shares.” If you are working with a broker-dealer or other investment professional, your broker-dealer or professional will gather and send in the required information on your behalf, and may facilitate your payment of the subscription amount. Once we have received your subscription amount and required documentation, we will either reject or accept your subscription. Once accepted, we will have immediate access to your subscription amount and we will issue you, in book-entry form, the shares you have purchased.

Each soliciting dealer who sells shares on our behalf has the responsibility to make every reasonable effort to determine that the purchase of shares is appropriate for the investor. In making this determination, the soliciting broker-dealer will rely on relevant information provided by the investor, including information as to the investor’s age, investment objectives, investment experience, income, net worth, financial situation, other investments and other pertinent information. Each investor should be aware that the soliciting broker-dealer will be responsible for determining whether this investment is appropriate for your portfolio. Nevertheless, you may be required to represent and warrant to the registered representative that you have received a copy of this prospectus and have had sufficient time to review this prospectus. The selling broker-dealer will maintain records of any information used to determine that an investment in the preferred shares is suitable and appropriate for an investor.

#### Minimum Purchase Requirements

For your initial investment in our Series 2 Redeemable Preferred Stock, you must invest at least \$10,000, or such lesser amount as we in our discretion accept. In order to satisfy the minimum purchase requirement for retirement plans, unless otherwise prohibited by state law, a husband and wife may jointly contribute funds from their separate IRAs. You should note that an investment in the preferred shares will not, in itself, create a retirement plan and that, in order to create a retirement plan, you must comply with all applicable provisions of the Internal Revenue Code of 1986.

## MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of the material United States federal income tax considerations relating to the initial purchase, ownership and disposition of the preferred stock offered hereby. This discussion is a summary only and is not a complete analysis of all the potential tax considerations relating to the purchase, ownership and disposition of the Series 2 Redeemable Preferred Stock. We have based this summary on current provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable U.S. Treasury Regulations promulgated thereunder, judicial opinions, and published rulings of the Internal Revenue Service (the “IRS”), all as in effect on the date of this prospectus. Nevertheless, these laws and other guidance are subject to differing interpretations or change, possibly with retroactive effect. In addition, we have not sought, and will not seek, a ruling from the IRS or an opinion of counsel with respect to any tax consequences of purchasing, owning or disposing of the Series 2 Redeemable Preferred Stock. Thus, the IRS could take a different position regarding one or more of the tax consequences or matters described in this prospectus; and there can be no assurance that any position taken by the IRS would not be sustained.

This discussion is limited to purchasers of preferred shares who acquire the shares from us in this offering and hold them as capital assets for federal income tax purposes. This discussion does not address all possible tax consequences that may be applicable to you in light of your specific circumstances. For instance, this discussion does not address the alternative minimum tax provisions of the Code, or special rules applicable to some categories of investors such as financial institutions, insurance companies, tax-exempt organizations, securities dealers, real estate investment trusts, regulated investment companies, or persons who hold preferred shares as part of a hedge, conversion or constructive sale transaction, straddle or other risk reduction transaction that may be subject to special rules. This discussion also does not address the tax consequences arising under the laws of any foreign, state or local jurisdiction; or any U.S. estate or gift tax laws.

If you are considering the purchase of Series 2 Redeemable Preferred Stock in this offering, you should consult your own tax advisors as to the particular tax consequences to you of acquiring, holding or otherwise disposing of the shares, including the effect and applicability of state, local or foreign tax laws, or any U.S. estate and gift tax laws.

### U.S. Holders

As used in this discussion, the term “U.S. holder” means a holder of Series 2 Redeemable Preferred Stock that is:

- for United States federal income tax purposes, a citizen or resident of the United States, as defined in Section 7701(b) of the Code;
- a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof or other entity characterized as a corporation or partnership for federal income tax purposes;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust, the administration of which is subject to the primary supervision of a court within the United States and which has one or more United States persons with authority to control all substantial decisions, or if the trust was in existence on August 20, 1996, and has elected to continue to be treated as a United States trust.

**Cash Distributions.** In general, cash distributions, if any, made with respect to our Series 2 Redeemable Preferred Stock will be treated as dividends in the year of distribution to the extent of our current and accumulated earnings and profits as determined for U.S. federal income tax purposes. Any portion of a distribution that exceeds our current and accumulated earnings and profits will first reduce a U.S. holder’s tax basis in this preferred stock, and the excess will be treated as gain from the disposition of preferred stock, the tax treatment of which is discussed below under

“Disposition of Series 2 Redeemable Preferred Stock, Including Redemptions.” We currently do not have accumulated earnings and profits. Additionally, we may not have sufficient current earnings and profits during future fiscal years for any distributions on these preferred shares to qualify as dividends for U.S. federal income tax purposes.

Dividends received by individual holders of Series 2 Redeemable Preferred Stock will generally be subject to a maximum tax rate of up to 20% if such dividends are treated as “qualified dividend income” for U.S. federal income

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tax purposes. That preferential rate does not apply to dividends received to the extent that the individual shareholder elects to treat the dividends as “investment income,” which may be offset against investment expenses. Furthermore, the preferential rate does not apply to dividends that are paid to individual shareholders with respect to preferred stock that is held for 60 days or less during the 121-day period beginning on the date which is 60 days before the date on which the preferred stock becomes ex-dividend (or where the dividend is attributable to a period or periods in excess of 366 days, preferred stock that is held for 90 days or less during the 181-day period beginning on the date which is 90 days before the date on which the preferred stock becomes ex-dividend). In addition, if a dividend received by an individual shareholder that qualifies for the rate reduction is an “extraordinary dividend” within the meaning of Section 1059 of the Code, any loss recognized by such individual holder on a subsequent disposition of the stock will be treated as long-term capital loss to the extent of such “extraordinary dividend.” In addition, dividends recognized by certain U.S. holders could be subject to the 3.8% Medicare tax on net investment income. Shareholders should consult their own tax advisors regarding the implications of these rules in light of their particular circumstances.

Dividends received by corporate holders of these preferred shares generally will be eligible for the dividends-received deduction. Generally, this deduction is allowed if the underlying stock is held for at least 46 days during the 91-day period beginning on the date 45 days before the ex-dividend date of the stock, and for cumulative preferred stock with an arrearage of dividends attributable to a period in excess of 366 days, the holding period is at least 91 days during the 181-day period beginning on the date 90 days before the ex-dividend date of the stock. Corporate holders of these preferred shares should also consider the effect of Section 246A of the Code, which reduces the dividends-received deduction allowed to a corporate shareholder that has incurred indebtedness that is “directly attributable” to an investment in portfolio stock such as preferred stock. If a corporate shareholder receives a dividend on this preferred stock that is an “extraordinary dividend” within the meaning of Section 1059 of the Code, the shareholder in certain instances must reduce its tax basis in the preferred stock by the amount of the “nontaxed portion” of such “extraordinary dividend” that results from the application of the dividends-received deduction. If the “nontaxed portion” of such “extraordinary dividend” exceeds such corporate shareholder’s tax basis, any excess will be taxed as gain as if such shareholder had disposed of its shares in the year the “extraordinary dividend” is paid. Each corporate U.S. holder is urged to consult with its tax advisors with respect to the eligibility for and amount of any dividends received deduction and the application of Section 1059 of the Code to any dividends it receives on these preferred shares.

**Constructive Distributions on Series 2 Redeemable Preferred Stock.** A distribution of stock by a corporation may be deemed made with respect to its preferred stock in certain circumstances, even when no distribution of cash or property occurs, and such a deemed distribution is treated as a distribution of property under Code Section 301. If a corporation issues preferred stock that may be redeemed at a price higher than its issue price, the difference between the two prices (“redemption premium”) is treated under certain circumstances as a constructive distribution (or series of constructive distributions) of additional preferred stock.

The constructive distribution of property would accrue without regard to the holder’s method of accounting for U.S. federal income tax purposes at a constant yield determined under principles similar to the determination of original issue discount (“OID”) under Treasury regulations under Sections 1271 through 1275 of the Code (the “OID Rules”). The constructive distributions of property would be treated for U.S. federal income tax purposes as distributions of preferred stock that would constitute a dividend, return of capital or capital gain to the holder of the stock in the same manner as cash distributions described under “Material U.S. Federal Income Tax Considerations — U.S. Holders: Cash Distributions.” The application of principles similar to those applicable to debt instruments with OID to a redemption premium for the Series 2 Redeemable Preferred Stock is uncertain.

We have the right to call these preferred shares for redemption in whole or in part, at any time, and from time to time (the “call option”), at a price of 100% of the stated value plus any accrued but unpaid dividends thereon (and, in cases where the preferred shares we redeem shall have been purchased from us less than one year prior to their redemption, an additional make-whole amount to provide the redeemed stockholder with one year’s worth of dividends). We are required, subject to certain conditions and legal restrictions, to redeem the preferred stock of a holder who is a natural person upon his or her death, disability or bankruptcy within 60 days of receipt of a written request of the holder or the

holder's estate at a redemption price equal to the stated value plus accrued and unpaid dividends thereon through and including the date of redemption.

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If the redemption price of the Series 2 Redeemable Preferred Stock exceeds the stock's issue price upon any redemption, the excess will be treated as a redemption premium that may result in certain circumstances in a constructive distribution or series of constructive distributions of additional preferred shares. Assuming that the issue price of the preferred stock is determined under principles similar to the OID Rules, the issue price for the Series 2 Redeemable Preferred Stock should be the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of the preferred stock is sold.

A redemption premium for the Series 2 Redeemable Preferred Stock should not result in constructive distributions if the redemption premium is less than a de minimis amount as determined under principles similar to the OID Rules. A redemption premium should be considered de minimis if such premium is less than one quarter of one percent of the preferred stock's liquidation value, multiplied by the number of complete years such stock was held. Because the determination under the OID Rules of a maturity date for the preferred stock is unclear, the remainder of this discussion assumes that the Series 2 Redeemable Preferred Stock is issued with a redemption premium greater than a de minimis amount.

The call option should not require constructive distributions of the redemption premium, if based on all of the facts and circumstances as of the issue date, a redemption pursuant to the call option is not more likely than not to occur. The Treasury regulations provide that an issuer's right to redeem will not be treated as more likely than not to occur if: (i) the issuer and the holder of the stock are not related within the meaning of Section 267(b) or Section 707(b) of the Code (substituting "20%" for the phrase "50%"); (ii) there are no plans, arrangements, or agreements that effectively require or are intended to compel the issuer to redeem the stock; and (iii) exercise of the right to redeem would not reduce the yield on the stock determined using principles applicable to the determination of OID under the OID rules. The fact that a redemption right is not within the safe harbor described in the preceding sentence does not mean that an issuer's right to redeem is more likely than not to occur and the issuer's right to redeem must still be tested under all the facts and circumstances to determine if it is more likely than not to occur. We do not believe that redemption pursuant to the call option should be treated as more likely than not to occur under the foregoing test. Accordingly, no U.S. holder of the Series 2 Redeemable Preferred Stock should be required to recognize constructive distributions of the redemption premium because of our call option.

Prospective purchasers of Series 2 Redeemable Preferred Stock should consult their own tax advisors regarding the potential implications of these constructive distribution rules.

**Holder's Conversion Option.** If a U.S. holder's shares of Series 2 Redeemable Preferred Stock are converted into our common stock, the holder should not recognize gain or loss upon the conversion except as noted below. If a U.S. holder receives cash in lieu of a fractional share of stock, the holder should recognize gain or loss equal to the difference between the cash received and that portion of such holder's basis in the stock attributable to the fractional share. The U.S. holder's conversion of Series 2 Redeemable Preferred Stock into common stock may result in a deemed distribution taxed in the same manner as a cash distribution described under the heading "Material U.S. Federal Income Tax Consequences — U.S. Holder: Cash Distributions" if either: (i) the holder's right is pursuant to a plan to periodically increase a stockholder's proportionate interest in our assets or earnings and profits, or (ii) there are dividends in arrears on the preferred stock at the time of the conversion, and as a result, the holder's interest in our assets or earnings and profits increases. In the latter case, the amount of the constructive distribution is limited to the lesser of (i) the redemption premium; or (ii) the amount of dividends in arrears on the Series 2 Redeemable Preferred Stock. We believe that any conversion of the Series 2 Redeemable Preferred Stock into common stock should not be treated as pursuant to a plan to periodically increase the holders' interest in the assets or earnings and profits of the Company.

Accordingly, the amount of any deemed distribution upon conversion should be the lesser of: (i) the redemption premium for preferred stock or (ii) the amount of dividends in arrears.

A U.S. holder's initial tax basis in common stock received in the conversion will be equal to such holder's basis in the Series 2 Redeemable Preferred Stock surrendered in the exchange (taking into account the basis of any fractional share for which cash is paid), and the holding period for such common stock will include the period during which the holder held converted preferred stock. Generally, a U.S. holder's initial tax basis in any common stock (or portion thereof) considered received as a constructive distribution will be equal to its fair market value, and the holding period with respect to such common stock will begin on the date of the exchange.

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Disposition of Series 2 Redeemable Preferred Stock, Including Redemptions. Upon any sale, exchange, redemption (except as discussed below) or other disposition of the Series 2 Redeemable Preferred Stock, a U.S. holder will recognize capital gain or loss equal to the difference between the amount realized by the U.S. holder and the U.S. holder's adjusted tax basis in the preferred stock. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for the preferred stock is longer than one year. A U.S. holder should consult its own tax advisors with respect to applicable tax rates and netting rules for capital gains and losses. Certain limitations exist on the deduction of capital losses by both corporate and non-corporate taxpayers. In addition, gains recognized by non-corporate U.S. holders could be subject to the 3.8% tax on net investment income.

A redemption of shares of Series 2 Redeemable Preferred Stock will generally be a taxable event. If the redemption is treated as a sale or exchange, instead of a dividend, a U.S. holder will recognize capital gain or loss (which will be long-term capital gain or loss, if the U.S. holder's holding period for such shares exceeds one year) equal to the difference between the amount realized by the U.S. holder and the U.S. holder's adjusted tax basis in the preferred stock redeemed, except to the extent that any cash received is attributable to any declared but unpaid dividends, which will be subject to the rules discussed above in "Material U.S. Federal Income Tax Considerations—U.S. Holders: Cash Distributions." A payment made in redemption of preferred stock may be treated as a distribution, rather than as payment in exchange for the preferred stock, unless the redemption:

- is "not essentially equivalent to a dividend" with respect to a U.S. holder under Section 302(b)(1) of the Code;
- is a "substantially disproportionate" redemption with respect to a U.S. holder under Section 302(b)(2) of the Code;
- results in a "complete redemption" of a U.S. holder's stock interest in the company under Section 302(b)(3) of the Code; or
- is a redemption of stock held by a non-corporate shareholder, which results in a partial liquidation of the company under Section 302(b)(4) of the Code.

In determining whether any of these tests has been met, a U.S. holder must take into account not only shares of the Series 2 Redeemable Preferred Stock and our common stock that the U.S. holder actually owns, but also shares of stock that the U.S. holder owns through attribution under Code Section 318.

A redemption payment will be treated as "not essentially equivalent to a dividend" if it results in a "meaningful reduction" in a U.S. holder's aggregate stock interest in the company, which will depend on the U.S. holder's particular facts and circumstances at such time. If the redemption payment is treated as a distribution, the rules discussed above in "Material U.S. Federal Income Tax Considerations — U.S. Holders: Cash Distributions" apply.

Satisfaction of the "complete redemption" and "substantially disproportionate" exceptions is dependent upon compliance with the objective tests set forth in Code Section 302(b). A redemption will result in a "complete redemption" if either all of the shares of our stock actually and constructively owned by a U.S. holder are exchanged in the redemption or all of the shares of our stock actually owned by the U.S. holder are exchanged in the redemption and the U.S. holder effectively waives the attribution of shares of our stock constructively owned by the U.S. holder in accordance with Code Section 302(c)(2). A redemption does not qualify for the "substantially disproportionate" exception if the stock redeemed is only non-voting stock, and for this purpose, stock which does not have voting rights until the occurrence of an event is not voting stock until the occurrence of the specified event. Accordingly, any redemption of the Series 2 Redeemable Preferred Stock will not qualify for this exception because the preferred stock does not have voting rights.

For purposes of the "redemption from non-corporate shareholders in a partial liquidation" test, a distribution will be treated as partial liquidation if the distribution is not essentially equivalent to a dividend (determined at the corporate level rather than the shareholder level) and the distribution is pursuant to a plan and occurs within the

taxable year in which the plan was adopted or within the succeeding taxable year. For these purposes, a distribution is generally not essentially equivalent to a dividend if the distribution results in a corporate contraction. The determination of what constitutes a corporate contraction is factual in nature, and has been interpreted under case law to include the termination of a business or line of business.

Each U.S. holder of the Series 2 Redeemable Preferred Stock should consult its own tax advisors to determine whether a payment made in redemption of the preferred stock will be treated as a dividend or a payment in exchange

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for the preferred stock. If the redemption payment is treated as a dividend, the rules discussed above in “Material U.S. Federal Income Tax Considerations — U.S. Holders: Cash Distributions” apply.

**Information Reporting and Backup Withholding.** Information reporting and backup withholding may apply with respect to payments of dividends on, and to certain payments of proceeds on the redemption of, the Series 2 Redeemable Preferred Stock. Certain non-corporate U.S. holders may be subject to U.S. backup withholding (currently at a rate of 28%) on payments of dividends on, and certain payments of proceeds on the sale or other disposition of, the preferred stock if such holder is not exempt and:

- such U.S. holder fails to furnish its taxpayer identification number or “TIN,” which for an individual is normally his or her social security number;
- the IRS notifies the payor that such holder furnished an incorrect TIN;
- in the case of interest payments, such U.S. holder is notified by the IRS of a failure to properly report payments of interest or dividends; or
- in the case of interest payments, such U.S. holder fails to certify under penalties of perjury that such U.S. holder has furnished a correct TIN and that the IRS has not notified the U.S. holder that it is subject to backup withholding.

U.S. backup withholding tax is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder’s U.S. federal income tax liability, which may entitle the U.S. holder to a refund, provided the U.S. holder timely furnishes the required information to the IRS.

**Partnership Audit Rules.** The Bipartisan Budget Act of 2015 changed the rules applicable to U.S. federal income tax audits of partnerships. Under these rules (which are generally effective for taxable years beginning after December 31, 2017), among other changes and subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner’s distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto are assessed and collected, at the partnership level. Although, it is uncertain how these rules will be implemented, it is possible that they could result in partnerships in which we directly or indirectly invest being required to pay additional taxes, interest, and penalties as a result of an audit adjustment, and we as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties. Investors are urged to consult their tax advisors with respect to these changes and their potential impact on their investment in our Series 2 Redeemable Preferred Stock.

#### Non-U.S. Holders

For the purposes of this discussion, a “non-U.S. holder” means any holder of Series 2 Redeemable Preferred Stock other than a U.S. holder. Any Series 2 Redeemable Preferred Stock purchaser who is not a U.S. citizen will be required to furnish appropriate documentation that clearly states whether it is subject to U.S. withholding taxes, in accordance with applicable requirements of the IRS.

**Distributions on the Series 2 Redeemable Preferred Stock.** If distributions are made with respect to the Series 2 Redeemable Preferred Stock (including constructive distributions as discussed under the heading “Material U.S. Federal Income Tax Considerations — Constructive Distributions on Series 2 Redeemable Preferred Stock”), such distributions will be treated as dividends to the extent of our current and accumulated earnings and profits as determined under the Code and may be subject to withholding as discussed below. Any portion of a distribution that exceeds our current and accumulated earnings and profits will first be applied to reduce the Non-U.S. holder’s basis in the preferred stock and, to the extent such portion exceeds the Non-U.S. holder’s basis, the excess will be treated as gain from the disposition of the preferred stock, the tax treatment of which is discussed below under “Material U.S. Federal Income Tax Considerations — Non-U.S. Holders: Disposition of Series 2 Redeemable Preferred Stock,

Including Redemptions.” In addition, if we are a U.S. real property holding corporation (a “USRPHC”) and any distribution exceeds our current and accumulated earnings and profits, we will need to choose to satisfy our withholding requirements either by treating the entire distribution as a dividend, subject to the withholding rules in the following paragraph (and withhold at the applicable rate), or by treating only the amount of the distribution equal to our reasonable estimate of our current and accumulated earnings and profits as a dividend, subject to the withholding rules in the following paragraph, with the excess portion of the distribution subject to withholding at the applicable rate (discussed below under “Material U.S. Federal Income Tax Considerations — Non-U.S. Holders: Disposition of

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Series 2 Redeemable Preferred Stock, Including Redemptions”), with a credit generally allowed against the Non-U.S. holder’s U.S. federal income tax liability in an amount equal to the amount withheld from such excess.

Dividends paid to a Non-U.S. holder of the preferred stock will be subject to withholding of U.S. federal income tax at a 30% rate or the rate specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the Non-U.S. holder within the United States (and, where a tax treaty applies, are attributable to a permanent establishment (or in the case of an individual, a fixed base) maintained by the Non-U.S. holder in the United States) are not subject to the withholding tax, provided that certain certification and disclosure requirements are satisfied including completing IRS Form W-8ECI (or other applicable form). Instead, such dividends are subject to U.S. federal income tax on a net income basis in the same manner as if the Non-U.S. holder were a United States person as defined under the Code, unless an applicable income tax treaty provides otherwise. Any such effectively connected dividends received by a foreign corporation may be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A Non-U.S. holder who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required to (i) complete IRS Form W-8BEN (or other applicable form) and certify under penalty of perjury that such holder is not a United States person as defined under the Code and is eligible for treaty benefits, or (ii) if the preferred stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable Treasury regulations.

A Non-U.S. holder eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Disposition of Series 2 Redeemable Preferred Stock, Including Redemptions. Any gain realized by a Non-U.S. holder on the disposition of the Series 2 Redeemable Preferred Stock will not be subject to U.S. federal income or withholding tax unless:

- the gain is effectively connected with a trade or business of the Non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment (or, in the case of an individual, a fixed base) maintained by the Non-U.S. holder in the United States);
- the Non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met; or
- we are or have been a USRPHC for U.S. federal income tax purposes, as such term is defined in Section 897(c) of the Code, and such Non-U.S. holder owned directly or pursuant to attribution rules at any time during the five-year period ending on the date of disposition more than 5% of the Series 2 Redeemable Preferred Stock. This assumes that the preferred stock is regularly traded on an established securities market, within the meaning of Section 897(c)(3) of the Code. We do not believe that we are currently a USRPHC or that we will become one in the future although we cannot be certain of our future operations and asset holdings.

A Non-U.S. holder described in the first bullet point immediately above will generally be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates in the same manner as if the Non-U.S. holder were a United States person as defined under the Code, and if it is a corporation, may also be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty. An individual Non-U.S. holder described in the second bullet point immediately above will be subject to a flat 30% tax (or at such reduced rate as may be provided by an applicable treaty) on the gain derived from the sale, which may be offset by U.S. source capital losses, even though the individual is not considered a resident of the United States. A Non-U.S. holder described in the third bullet point above will be subject to U.S. federal income tax under regular graduated U.S. federal income tax rates with respect to the gain recognized in the same manner as if the Non-U.S. holder were a United States person as defined under the

Code.

If a Non-U.S. holder is subject to U.S. federal income tax on any sale, exchange, redemption (except as discussed below), or other disposition of the preferred stock, such a Non-U.S. holder will recognize capital gain or loss equal to the difference between the amount realized by the Non-U.S. holder and the Non-U.S. holder's adjusted tax basis in the preferred stock. Such capital gain or loss will be long-term capital gain or loss if the Non-U.S. holder's holding period for the preferred stock is longer than one year. A Non-U.S. holder should consult its own tax advisors with respect to

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applicable tax rates and netting rules for capital gains and losses. Certain limitations exist on the deduction of capital losses by both corporate and non-corporate taxpayers.

If a Non-U.S. holder is subject to U.S. federal income tax on any disposition of the preferred stock, a redemption of preferred shares will be a taxable event. If the redemption is treated as a sale or exchange, instead of a dividend, a Non-U.S. holder generally will recognize long-term capital gain or loss, if the Non-U.S. holder's holding period for such preferred stock exceeds one year, equal to the difference between the amount of cash received and fair market value of property received and the Non-U.S. holder's adjusted tax basis in the preferred stock redeemed, except that to the extent that any cash received is attributable to any declared but unpaid dividends on the preferred stock, which generally will be subject to the rules discussed above in "Material U.S. Federal Income Tax Considerations — Non-U.S. Holders: Distributions on the Series 2 Redeemable Preferred Stock." A payment made in redemption of the preferred stock may be treated as a dividend, rather than as payment in exchange for the preferred stock, in the same circumstances discussed above under "Material U.S. Federal Income Tax Considerations — U.S. Holders: Disposition of Series 2 Redeemable Preferred Stock, Including Redemptions." Each Non-U.S. holder of the preferred stock should consult its own tax advisors to determine whether a payment made in redemption of the preferred stock will be treated as a dividend or as payment in exchange for the preferred stock.

**Information Reporting and Backup Withholding.** We must report annually to the IRS and to each Non-U.S. holder the amount of dividends paid to such Non-U.S. holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns may also be made available to the tax authorities in the country in which the Non-U.S. holder resides under the provisions of an applicable income tax treaty.

A Non-U.S. holder will not be subject to backup withholding on dividends paid to such Non-U.S. holder as long as such Non-U.S. holder certifies under penalty of perjury that it is a Non-U.S. holder (and the payor does not have actual knowledge or reason to know that such Non-U.S. holder is a United States person as defined under the Code), or such Non-U.S. holder otherwise establishes an exemption.

Depending on the circumstances, information reporting and backup withholding may apply to the proceeds received from a sale or other disposition of the Series 2 Redeemable Preferred Stock unless the beneficial owner certifies under penalty of perjury that it is a Non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption.

U.S. backup withholding tax is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

**Accounts at Foreign Financial Institutions.** The Foreign Account Tax Compliance Act ("FATCA"), will generally impose a 30% withholding tax on dividends on, and the gross proceeds of a disposition of, Series 2 Redeemable Preferred Stock that are paid to: (i) a foreign financial institution (as that term is defined in Section 1471(d)(4) of the Code) unless that foreign financial institution satisfies certain requirements, including entering into an agreement with the U.S. Treasury Department to collect and disclose information regarding U.S. account holders of that foreign financial institution (directly or indirectly); and (ii) certain other foreign entities unless such entity certifies that it does not have any substantial U.S. owners or provides information for each substantial U.S. owner and such entity satisfies other specified requirements. Foreign financial institutions located in jurisdictions that have an "intergovernmental agreement" with the United States governing FATCA may be subject to different rules.

Although FATCA generally applies now, under delayed effective dates provided for by Treasury Regulations and other IRS guidance, FATCA withholding tax of 30% will not apply to gross proceeds from the disposition of shares of our Series 2 Redeemable Preferred Stock until after January 1, 2019.

Although administrative guidance and final Treasury regulations regarding the FATCA rules have recently been issued, the exact scope of these rules remains unclear. Prospective investors should consult their own tax advisors regarding the possible impact of these rules on their investment in this preferred stock. If withholding is required under FATCA on a payment related to our Series 2 Redeemable Preferred Stock, holders that would otherwise would not be subject to withholding (or that otherwise would be entitled to a reduced rate of withholding) generally will be required to seek a refund or credit from the IRA to obtain the benefit of such exemption or reduction.

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Prospective investors should consult their own tax advisors regarding the possible impact of FATCA on an investment in our Series 2 Redeemable Preferred Stock.

#### STATE, LOCAL AND FOREIGN TAXES

We make no representations regarding the tax consequences of the purchase, ownership or disposition of the Series 2 Redeemable Preferred Stock under the tax laws of any state, locality or foreign country. You should consult your own tax advisors regarding these state and foreign tax consequences.

#### LEGAL MATTERS

Certain legal matters in connection with the Series 2 Redeemable Preferred Stock will be passed upon for us by Maslon LLP, of Minneapolis, Minnesota.

#### EXPERTS

The consolidated financial statements of GWG Holdings, Inc. and its subsidiaries as of and for the years ended December 31, 2015 and December 31, 2014, incorporated by reference in this prospectus and in the registration statement of which this prospectus is a part, have been audited by Baker Tilly Virchow Krause, LLP, an independent registered public accounting firm. As indicated in their report with respect thereto, these consolidated financial statements are included in this prospectus in reliance upon the authority of such firm as experts in auditing and accounting.

#### WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the securities to be offered and sold pursuant to the prospectus that is a part of that registration statement. This prospectus does not contain all the information contained in the registration statement. For further information with respect to our Company and the preferred shares to be sold in this offering, we refer you to the registration statement, including the agreements, other documents and schedules filed as exhibits to the registration statement, and the documents incorporated by reference into the prospectus.

We file annual, quarterly and current reports, and other information with the SEC. We intend to make these filings available on our website at [www.gwgh.com](http://www.gwgh.com). Information on our website is not incorporated by reference in this prospectus. We maintain an office at 220 South Sixth Street, Suite 1200, Minneapolis, MN 55402, where all records concerning the Series 2 Redeemable Preferred Stock are to be retained. Holders of the preferred stock and their representatives can request information regarding those securities by contacting our office by mail at our address or by telephone at (612) 746-1944 or by fax at (612) 746-0445. Upon request, we will provide copies of our filings with the SEC free of charge to our investors. Our SEC filings, including the registration statement of which this prospectus is a part, will also be available on the SEC's Internet site at <http://www.sec.gov>. You may read and copy all or any portion of the registration statement or any reports, statements or other information we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. In addition, you may call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. You may receive copies of these documents upon payment of a duplicating fee by writing to the SEC.

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We are incorporating certain information about us that we have filed with the SEC by reference in this prospectus, which means that we are disclosing important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus.

We incorporate by reference the documents listed below, together with any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (i) after the date of the initial filing of the registration statement of which this prospectus is a part and prior to effectiveness of such registration statement, and (ii) from the date of this prospectus but prior to the termination of the offering of the securities covered by this prospectus:

- Our Annual Report on Form 10-K for the period ended December 31, 2015, filed with the SEC on March 22, 2016;
- Our Quarterly Reports on Form 10-Q for the period ended September 30, 2016, filed with the SEC on November 10, 2016, the period ended June 30, 2016, filed with the SEC on August 12, 2016, and the period ended March 31, 2016, filed with the SEC on May 13, 2016;
- Our Current Reports on Form 8-K filed with the SEC on April 28, August 16, August 19, September 19, November 8, 2016, and February 10, 2017; and
- Our definitive proxy statement filed with the SEC on March 4, 2016.

We are not, however, incorporating by reference any documents or portions thereof, whether specifically listed above or filed in the future, that are not deemed “filed” with the SEC or any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K or certain exhibits furnished pursuant to Item 9.01 of Form 8-K (unless we indicate otherwise in the 8-K filing).

The section entitled “Where You Can Find More Information” above describes how you can obtain or access any documents or information that we have incorporated by reference herein. The information relating to us contained in this prospectus does not purport to be comprehensive and should be read together with the information contained in the documents incorporated or deemed to be incorporated by reference in this prospectus.

Upon written or oral request, we will provide, free of charge, to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the reports or documents that are incorporated by reference into this prospectus. Such written or oral requests should be made to:

Willam Acheson, Chief Financial Officer  
220 South Sixth Street, Suite 1200  
Minneapolis, MN 55402  
Telephone Number: (612) 746-1944

In addition, such reports and documents may be found on our website at [www.gwgh.com](http://www.gwgh.com).

\$150,000,000 of Series 2 Redeemable Preferred Stock

(150,000 shares)

GWG HOLDINGS, INC.

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PROSPECTUS

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February 14, 2017