

# QUALIFIED ASSIGNMENT AND RELEASE AGREEMENT WITH ATTORNEY FEE PAYMENT PROVISIONS

“Claimant(s)”: \_\_\_\_\_

“Assignor”: \_\_\_\_\_

“Assignee”: \_\_\_\_\_

“Settlement Agreement”: \_\_\_\_\_

(Date and title of settlement agreement, order, or other document embodying the Assignor’s obligation to make the agreed periodic payments)

“Prudential”: The Prudential Insurance Company of America

“Attorney”: \_\_\_\_\_ “Effective Date”:\* \_\_\_\_\_

“Annuity(ies)”:\* Certificate No(s). \_\_\_\_\_

(\*To be completed by Prudential.)

**This Qualified Assignment and Release Agreement** is made and entered into as of the Effective Date by and among the undersigned parties with reference to the following facts:

- A. Claimant(s) and Assignor are parties to or are otherwise subject to or entitled to receive payments under the above referenced Settlement Agreement.
- B. Claimant owes Attorney amounts equal to the periodic payments specified in Addendum No. 1 of this agreement (the “Periodic Payments”). Claimant acknowledges that Assignee will make such payments, otherwise payable to Claimant, to Attorney as provided herein.

**Now, therefore**, in consideration of the foregoing and for other good and valuable consideration, the parties agree as follows:

1. **Assignment and Assumption; Release of Assignor.** Assignor hereby assigns to Assignee, and Assignee hereby accepts and assumes, all of Assignor’s liability to make the Periodic Payments. Attorney and Claimant(s) hereby accept and consent to such assignment by Assignor and assumption by Assignee. Effective on the Effective Date, Attorney and Claimant(s) hereby release and discharge Assignor from all liability to make the Periodic Payments.
2. **Claimant’s Assignment of Payments to Attorney; Nature of Periodic Payments.** Claimant(s): (a) assign(s) to Attorney the right to receive the Periodic Payments otherwise payable to Claimant(s) under the Settlement Agreement, and (b) release(s) Assignee from the obligation to make any such Periodic Payments to Claimant(s) or any other payee. The Periodic Payments constitute:
  - i. Damages (other than punitive damages), whether by suit or agreement, or
  - ii. Compensation under a workers’ compensation act,on account of personal injury or sickness in a case involving physical injury or physical sickness, within the meaning of Sections 130(c) and 104(a) of the Code.

3. **Extent of Assignee's Liability.** Assignee's liability to make the Periodic Payments shall be no greater than the liability of Assignor immediately prior to the Effective Date. Assignee assumes no liability other than the liability to make the Periodic Payments. Assignee's liability to make the Periodic Payments shall be unaffected by any bankruptcy or insolvency of Assignor.
4. **Qualified Funding Asset.** Assignee will fund the Periodic Payments by purchasing from Prudential a "qualified funding asset," as defined in Section 130(d) of the Code, in the form of an annuity contract (the "Annuity") issued by Prudential and providing for payments corresponding to the Periodic Payments. Assignee shall be designated as the owner of the Annuity. All rights of legal ownership and control of the Annuity shall (subject to paragraph 9 of this Agreement) be and remain vested exclusively in Assignee, provided, however, that the Annuity shall be used by Assignee to fund the Periodic Payments and shall at all times be designated by Assignee on its records as being taken into account, under Section 130 of the Code, with respect to this Agreement. Notwithstanding anything to the contrary contained in this Agreement, neither any Claimant nor any Successor Payee (as defined in paragraph 8 of this Agreement) shall have any rights with respect to the Annuity or the payments thereunder that would cause any amount attributable to the Annuity to be currently includible in the recipient's income or would otherwise affect the determination of when any recipient is treated as having received any payment for income tax purposes, or would otherwise prevent this Agreement from satisfying all of the conditions for a "qualified assignment" within the meaning of Section 130(c) of the Code.
5. **Delivery of Payments to Attorney.** Assignee may have Prudential send payments directly to Attorney, or deliver payments by electronic funds transfer to an FDIC-insured depository institution in the United States for credit (directly or indirectly) to an insured account in the name of such Attorney. Such direction of payments under the Annuity shall not be deemed to afford Attorney any rights of ownership or control of the Annuity. Attorney shall at all times keep Prudential apprised of such Attorney's current street address and telephone number and, if such Attorney receives payments by electronic funds transfer, the name, address, bank identifier number (BIN), and telephone number of the applicable depository institution and the account number of the account to which the payments are to be credited.
6. **Discharge of Liability.** The Assignee's liability to make each Periodic Payment to Attorney shall be discharged automatically at such time as a corresponding payment is made to Attorney by Prudential.
7. **Acceleration, Transfer of Payment Rights.** None of the Periodic Payments and no rights to or interest in any of the Periodic Payments (all of the foregoing being hereinafter collectively referred to as "Payment Rights") can be accelerated, deferred, increased, decreased, sold, assigned, pledged, hypothecated, or otherwise transferred or encumbered, either directly or indirectly by any recipient of any of the Periodic Payments.
8. **Beneficiaries.** Any Periodic Payments to be made after Attorney's death shall be made to the party designated in conformity with this paragraph 8. Any party so designated is referred to in this Agreement as a "Beneficiary." If no Beneficiary is living at the time of Attorney's death, payment shall be made to the deceased Attorney's estate. As used in this Agreement, the term "Successor Payee" refers to a Beneficiary or an estate that has become entitled to receive Periodic Payments following the death of Attorney. No designation or change of designation of a Beneficiary shall be effective unless such change (i) is requested in a written request submitted to Assignee (or its authorized agent) in accordance with Assignee's customary procedures for processing such requests; and (ii) is confirmed by Assignee (or its authorized agent). Except for a designation that is expressly identified in the written request as irrevocable, any designation of a Beneficiary shall be deemed to be revocable; and no party that is designated as a Beneficiary (other than a party irrevocably designated as a Beneficiary) shall, solely by virtue of its designation as a Beneficiary, be deemed to have any cognizable interest in any Periodic Payments.

9. **Failure of Settlement Agreement.** If at any time prior to completion of the Periodic Payments, the Settlement Agreement is declared terminated in a final, non-appealable order of a court of competent jurisdiction (or in the case of a workers' compensation settlement, a final order of the applicable workers' compensation authority): (i) the assignment by Assignor to Assignee of the liability to make the Periodic Payments, Assignee's acceptance of such assignment, and the release by Claimant(s) and Attorney of Assignor's liability shall be of no force or effect; (ii) Assignee shall be conclusively deemed to be acting as the agent of Assignor; (iii) the Annuity shall be owned by Assignor; (iv) Assignee shall have no liability to make any Periodic Payments; and (v) the parties hereto agree to cooperate in taking such actions as may be necessary or appropriate to implement the foregoing.

**Failure to Satisfy Section 130(c).** If at any time prior to completion of the Periodic Payments, it is conclusively determined that the requirements of Section 130(c) of the Code have not been satisfied in connection with this Agreement in a final non-appealable ruling or order: (i) the assignment by Assignor to Assignee of the liability to make the Periodic Payments, Assignee's acceptance of such assignment and the release by Claimant(s) of Assignor's liability shall be of no force or effect; (ii) Assignee shall be conclusively deemed to be acting as the agent of Assignor; (iii) the Annuity shall be owned by Assignor, which shall retain the liability to make the Periodic Payments; (iv) Assignee shall have no liability to make any Periodic Payments; and (v) the parties hereto agree to cooperate in taking such actions as may be necessary or appropriate to implement the foregoing.

10. **Governing Law; Disclosure of Certain Tax Information; Binding Effect.**

- i. This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of \_\_\_\_\_, provided, however, that any Transfer of Payment Rights under this Agreement may be subject to the laws of other states in addition to the state designated above.
- ii. This Agreement shall be binding upon the parties hereto and their respective successors, heirs, executors, administrators, and permitted assigns, including without limitation any party asserting an interest in Payment Rights.

11. **Advice, Comprehension of Agreement.** In entering into this Agreement, each Claimant represents and warrants that (i) such Claimant has relied solely upon the legal and tax advice of such Claimant's own attorneys and other advisors, who are the attorneys and advisors of such Claimant's choice, concerning the legal and income tax consequences of this Agreement; and (ii) the terms of this Agreement have been completely read by and explained to such Claimant and are fully understood and voluntarily accepted by such Claimant.

12. **Counterparts and Electronic Signatures.** Facsimile and electronic signatures on this Agreement and any amendments thereto shall have the same force and effect as originals, and this Agreement and any amendment thereto may be executed in duplicates and counterparts, each of which will be effective as an original for all purposes under the Agreement.

13. **Periodic Payments Instructions.** The Claimant authorizes and instructs payments to be made to his/her attorney as specified in Addendum No. 1 of this Agreement (the "Periodic Payments"). Such amount shall be paid from periodic payments that otherwise would be payable to the Claimant pursuant to this agreement. The Claimant acknowledges and agrees that these payment instructions are solely for the Claimant's convenience and do not provide the Claimant's attorney with any ownership interest in any portion of the annuity or the settlement other than the right to receive the fee payments from the Claimant in the future as more specifically set forth herein.

**IN WITNESS WHEREOF**, this **Qualified Assignment and Release Agreement** is executed in one or more counterparts as of the Effective Date by each of the following:

<b>Assignor:</b>  _____ (Name of Assignor) <b>By:</b>  _____ (Signature of Authorized Representative)  _____ (Name of Authorized Representative) <b>Title:</b>  _____ <b>Address of Assignor:</b>   <b>Attorney:</b>  _____ (Name of Attorney)  _____ (Signature) <b>Address of Attorney:</b>	<b>Assignee:</b>  _____ (Name of Assignee) <b>By:</b>  _____ (Signature of Authorized Representative)  _____ (Name of Authorized Representative) <b>Title:</b>  _____ <b>Address for Assignee Notices:</b> Structured Settlement Unit 655 Broad Street Newark, NJ 07102 <b>Claimant:</b>  _____ (Name of Claimant) <b>By:</b>  _____ (Signature of Claimant or Claimant's Guardian, if applicable)  _____ (Name and Title of Claimant's Guardian, if Applicable*) <small>*Title must be the Guardian's legal title with respect to this transaction, which will be the payee designation on any payment(s) due Claimant under this Agreement during the period of guardianship. After the period of guardianship, payments will be paid to the Claimant as named above.</small> <b>Address of Claimant:</b>   <b>Address of Claimant's Guardian:</b> (if applicable)
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## Addendum No. 1 – Description of Periodic Payments:

**Initials:**

\_\_\_\_\_  
**Assignor:**

\_\_\_\_\_  
**Attorney:**

\_\_\_\_\_  
**Assignee:**

\_\_\_\_\_  
**Claimant:**

Structured Settlement annuities are insurance products issued by The Prudential Insurance Company of America (PICA), Newark, NJ, a wholly owned subsidiary of Prudential Financial Inc. (PFI). PICA is solely responsible for its financial condition and contractual obligations.

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