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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **March 31, 2020**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: **000-50547**

SUNDANCE STRATEGIES, INC.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	88-0515333 (I.R.S. Employer Identification No.)
4626 North 300 West, Suite No. 365, Provo, Utah (Address of principal executive offices)	84604 (Zip Code)

(801) 717-3935

(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Exchange Act:
None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	SUND	OTC PINK

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
 Non-accelerated filer

Accelerated filer
 Smaller reporting company
 Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

As of August 10, 2020 the registrant had 37,828,441 shares of common stock, par value \$0.001, issued and outstanding. The aggregate market value of common shares held by non-affiliates as of September 30, 2019 (the most recent second quarter) was \$21,962,883.

Documents incorporated by reference.

None.

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SUNDANCE STRATEGIES, INC.

In this Annual Report, references to “Sundance,” the “Company,” “we,” “us,” “our” and words of similar import refer to Sundance Strategies, Inc., a Nevada corporation and its wholly-owned subsidiary, ANEW LIFE, INC., a Utah corporation (“ANEW LIFE”), unless the context requires otherwise.

Information Concerning Forward-Looking Statements

This annual report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are based on management’s beliefs and assumptions and on information currently available to management. For this purpose any statement contained in this report that is not a statement of historical fact may be deemed to be forward-looking, including, but not limited to, statements relating to our future actions, intentions, plans, strategies, objectives, results of operations, cash flows and the adequacy of or need to seek additional capital resources and liquidity. Without limiting the foregoing, words such as “*may*”, “*should*”, “*expect*”, “*project*”, “*plan*”, “*anticipate*”, “*believe*”, “*estimate*”, “*intend*”, “*budget*”, “*forecast*”, “*predict*”, “*potential*”, “*continue*”, “*should*”, “*could*”, “*will*” or comparable terminology or the negative of such terms are intended to identify forward-looking statements, however, the absence of these words does not necessarily mean that a statement is not forward-looking. These statements by their nature involve known and unknown risks and uncertainties and other factors that may cause actual results and outcomes to differ materially depending on a variety of factors, many of which are not within our control. Such factors include, but are not limited to, economic conditions generally and in the industry in which we and our customers participate; competition within our industry; legislative requirements or changes which could render our products or services less competitive or obsolete; our failure to successfully develop new products and/or services or to anticipate current or prospective customers’ needs; price increases; employee limitations; or delays, reductions, or cancellations of contracts we have previously entered into; sufficiency of working capital, capital resources and liquidity and other factors detailed herein and in our other filings with the United States Securities and Exchange Commission (the “SEC” or “Commission”). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated.

Forward-looking statements are predictions and not guarantees of future performance or events. Forward-looking statements are based on current industry, financial and economic information which we have assessed but which by its nature is dynamic and subject to rapid and possibly abrupt changes. Our actual results could differ materially from those stated or implied by such forward-looking statements due to risks and uncertainties associated with our business. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements and we hereby qualify all our forward-looking statements by these cautionary statements.

These forward-looking statements speak only as of their dates and should not be unduly relied upon. We undertake no obligation to amend this report or revise publicly these forward-looking statements (other than pursuant to reporting obligations imposed on registrants pursuant to the Exchange Act) to reflect subsequent events or circumstances, whether as the result of new information, future events or otherwise.

The following discussion should be read in conjunction with our financial statements and the related notes contained elsewhere in this report and in our other filings with the Commission.

PART I

Item 1. Business

Organizational Background

Java Express, Inc., was organized under the laws of the State of Nevada on December 14, 2001, for the purpose of selling coffee and other related items to the general public from retail coffee shop locations. These endeavors ceased in 2006, and it had no material business operations from 2006 until March of 2013. On March 29, 2013, the Company, its newly formed and wholly-owned subsidiary, Anew Acquisition Corp., a Utah corporation (“Merger Sub”), and ANEW LIFE, INC., a Utah corporation (“ANEW LIFE”), executed and delivered an Agreement and Plan of Merger (the “Merger Agreement”), pursuant to which Merger Sub merged with and into ANEW LIFE, ANEW LIFE was the surviving company under the merger and became a wholly-owned subsidiary of the Company on the closing of the merger (the “Merger”). On April 17, 2013, the Company filed a Certificate of Amendment with the Secretary of State of the State of Nevada to change its name from “Java Express, Inc.” to “Sundance Strategies, Inc.” Sundance Strategies, Inc. is referred to as the Company, us or we.

Our Business

We are currently focused on the business of purchasing residual economic interests in a portfolio of life settlements. A life settlement is the sale of an existing life insurance policy to a third party for more than the policy’s cash surrender value, but less than the face value of the policy benefit. After the sale, the new policy holder will pay the premiums due on the policy until maturity and then collect the settlement proceeds at maturity.

We currently do not purchase or hold life settlement or life insurance policies but, rather, previously held a contractual right to receive the net insurance benefits, or NIBs, from a portfolio of life insurance policies held by a third party (“the Owners” or “the Holders”). These NIBs represented an indirect, residual ownership interest in a portfolio of individual life insurance policies and they allowed us to receive a portion of the settlement proceeds from such policies, after expenses related to the acquisition, financing, insuring and servicing of the policies underlying our NIBs have been paid.

We are not responsible for maintaining premiums or other expenses related to maintaining any underlying life settlement or life insurance policies. Ownership of the underlying life settlement or life insurance policies, and the related obligation to maintain such policies, remains with the entity that holds such policies. However, in the event of default of the owner, the Company may choose to expend funds on premiums, interest and servicing costs to protect its interest in NIBs, though the Company has no legal responsibility for these payments.

NIBs are generally sold by an entity that holds the underlying life settlement or life insurance policies, either directly or indirectly through a subsidiary, such an entity being referred to herein as a “Holder.” A Holder, either directly or through a wholly owned subsidiary, purchases life insurance policies either from the insured or on the secondary market and aggregates them into a portfolio of policies. At the time of purchase, the Holder also (i) contracts with a service provider to manage the servicing of the policies until maturity, (ii) consider purchasing mortality re-insurance (“MRI”) coverage under which payments will be made to the Holder in the event the insurance policies do not mature according to actuarial life expectancies, and (iii) arranges financing to cover the initial purchase of the insurance policies, the servicing of the life insurance policies until maturity and the payment of the MRI premiums. The financing obtained by the Holder for a portfolio of life settlement or life insurance policies is secured by the insurance policies for which the financing was obtained. After a Holder purchases policies, aggregates them into a portfolio and arranges for the servicing, MRI coverage and financing, the Holder contracts to sell NIBs related to the policies, which gives the holder of the NIBs the right to receive the proceeds from the settlement of the insurance policies after all of the expenses related to such policies have been paid. When an insurance policy underlying our NIBs comes to maturity, the insurance proceeds are first used to pay expenses associated with such policy. Once all of the expenses have been paid, the Holder will retain a small percentage of the proceeds and then will pay the remaining insurance proceeds to us.

We began purchasing NIBs during our fiscal year ended March 31, 2013.

Life Settlements Market

There are a number of reasons a policy owner may choose to sell his or her life insurance policy. The policy owner may no longer need or want his or her policy, he or she may wish to purchase a different kind of insurance policy, premium payments may no longer be affordable or the policy owner may need cash to fund healthcare or other expenses. In particular, policy holders 65 years of age and older and their families are faced with a variety of challenges as they seek to address their post-retirement financial needs and selling one's life insurance policy may provide a unique and valuable financial solution to such challenges. From the early 2000s through 2008, the market for newly originated life settlements grew from virtually no activity to a peak of an estimated \$12 billion of face value of U.S. life settlement policies settled annually in 2007 and 2008. Economic factors slowed the growth in 2009, when an estimated \$8 billion of face value of U.S. life insurance was settled and growth has continued to decline since that time. According to a 2015 study done by the insurance research group Conning & Co., investors purchased \$1.7 billion worth of U.S. life insurance face value in 2014, bringing its estimate of the total face value of life settlements held at year end to just over \$32 billion. Looking ahead, however, Conning & Co. projected steady growth in the amount of face value available for life settlements, though it may take years to re-attract capital to pre-2009 levels to meet that supply. Regardless, we believe that the supply of policies has the potential to increase over time due to the aging population and increased awareness of the life settlement market as an alternative to allowing a policy to lapse for little or no value. A report from the AAP Life Settlement Market Update indicated that internal rates of return for life settlement transactions conducted in 2013 were in the high-teens. Participants in the secondary life settlement market have included major insurance companies which have purchased available pools of policies for their own investment, portfolio aggregators, private equity funds, and independent third-party investors.

Our Business Model

Predictability of Future Cash Flows. Predictability of future cash flows is one of the biggest challenges facing companies engaged in the life settlements industry. If a Holder is not able to adequately predict future cash flows and does not continually have enough cash to make a policy portfolio's premium payments, the policies in the portfolio may lapse and we may lose our right to receive the proceeds from the settlement of the policies at maturity. Prediction of future cash flow requires the use of financial models, which rely on various assumptions. These assumptions include the amount and timing of projected net cash receipts, expected maturity events, counter party performance risk, changes to applicable regulation of the investment, shortage of funds needed to maintain the asset until maturity, changes in discount rates, life expectancy estimates and their relation to premiums, interest, and other costs incurred, among other items. These uncertainties and contingencies are difficult to predict and are subject to future events that may impact our estimates and interest income. As a result, actual results could differ significantly from those estimates. If projections of life expectancies are wrong, Holders may be obligated to service the related insurance policies for longer than expected, thereby increasing their costs and reducing the net insurance benefit available to us.

Financing a portion of the purchase price. Financing a portion of the purchase price of a policy portfolio allows the Holder to leverage its investment and create a larger and diversified policy portfolio. When making an investment in a portfolio of life insurance policies, a Holder utilizes actuarial tables to determine when the policies in the portfolio can be expected to come to maturity. However, the Holder assumes the risk that the policies in the portfolio will come to maturity later than was predicted by the actuarial tables used at the time of purchase. The life expectancies provided by the actuarial tables are based on actual death rates in large populations of individuals with similar demographic characteristics. Thus, the more policies underlying a policy portfolio, the more reliable the use of actuarial tables becomes. In other words, the larger the policy portfolio, the more closely the underlying insureds would be expected to, on average, follow actuarial predictions and the lower the risk associated with future cash flows will be. Because we want predictability and stability in the cash flows generated by our NIBs, we have only purchased NIBs where the Holder of the underlying policy portfolio has maximized its investment in the policy portfolios by financing a portion of the purchase price.

Financing premium payments. Holding NIBs where the Holder of the policy portfolio has ensured its ability to pay policy premiums by financing such premium payments and ensured the predictability of future cash flows by obtaining MRI provides us with a more stable cash position and enables us to focus on long term growth.

Mortality Re-Insurance (MRI) Coverage. Because of the uncertainty of maturity of insurance policies the Holders had, on occasion, previously contracted with an insurance provider for MRI coverage. We do not have a contract with the MRI provider and the MRI provider has not provided any insurance to us but, rather, provided MRI coverage to the various Holders of life insurance policies underlying our NIBs. MRI coverage typically provides guaranteed cash flow based on the expected death benefits of the pool of policies being insured calculated at the issuance of the coverage and thereby provides credit enhancement to any bank providing financing to a Holder. The term of the MRI policies is usually 15 years. Any claims paid by the MRI to the Holder must be paid back to the MRI provider out of death benefit proceeds from the pool of policies being insured when such death benefit proceeds are eventually received. This enables the Holder to receive a smoother cash flow from a pool of policies over time and avoid “lumpiness” in the cash flows that would otherwise be more pronounced in the absence of the MRI coverage. Any claim payment balances would accrue interest, typically at a spread of 250 basis points over LIBOR, to the extent they remain outstanding. The MRI coverage is obtained by paying an MRI premium, typically at equal to 2% of the cumulative death benefit of the covered life insurance policies, at the outset of the coverage and, depending on the specific terms of the MRI policy, possibly an additional premium amount at a predetermined time during the effective coverage period (the “Commitment Fee”), which is typically 1% of the cumulative death benefits of the covered policies. The insurer under the MRI policy typically must approve the sale of any life insurance policies covered by the MRI policy if such sale does not result in the full repayment of any outstanding recovery amounts. It is our understanding that there is only one MRI Provider. While the MRI coverage is relatively expensive, we believe that insurance policies underlying NIBs that are covered by MRI have less volatility, are more liquid and should achieve higher values for purposes of financing and secondary market sales.

Financing a policy portfolio’s premium payments gives a Holder additional cash needed to satisfy the premium obligations of its portfolio. In addition, obtaining MRI increases the probability that the Holder will receive future cash flows in the event the underlying insureds live longer than expected. This combination provides the Holder with sufficient liquidity to stabilize its cash position and, in turn, increases the likelihood that we will receive the NIB we have purchased related to the Holder’s portfolio.

Life Settlement Financing Market

Because of the uncertainty of maturity of life insurance policies, financing for the purchase and servicing of life insurance policies has historically been difficult to secure. The lender (the “Holders’ Lender”) has provided financing to the Holders to finance the purchase of the insurance policies underlying our NIBs. To be clear, the Holders’ Lender does not provide any financing to us but, rather, provides financing to the various Holders of life insurance policies underlying our NIBs. We have no contract, arrangement or understanding with the Holders’ Lender. The Holders’ Lender contracts with the Holders for financing to purchase the insurance policies underlying our NIBs. We believe there are few lenders within this market. The failure of the Holders’ Lender or other lenders to make loans to Holders may result in Holders’ inability to provide NIBs to us for purchase and our business model of purchasing and holding NIBs will suffer substantially. We do not have a direct contractual relationship with the Holders’ Lender.

The loans from the original Holders’ Lender had a term of 4 to 5 years at an interest rate between 4.5% and 8% compounded quarterly (12.1% in the event of default) and was secured by the life insurance policies owned by the Holder. During October 2017, the entities completed a refinancing of the loans that had matured. The agreements were with a new senior lending facility who previously provided MRI for the underlying policies. Between May 2018 and July 2018, the Holders entered into agreements that completed a strict foreclosure transaction that transferred the underlying life insurance policies relating to the Company’s NIBs to the lenders in full satisfaction of the loan obligation.

Our NIB Purchasing Guidelines

Our objective is to acquire NIBs based on insurance policy portfolios that will produce returns in excess of the purchase, financing, servicing and insuring costs incurred by the Holder and hold those NIBs to maturity. The guidelines we generally follow regarding the purchase of NIBs include:

- the insured is 75 years old or older;
- all NIBs relate to U.S. Universal Life Insurance policies;
- all underlying insurance policies have qualified for financing that will cover at least four years of premiums following the date on which we acquire the NIBs;
- each policy must first be reviewed by the legal due diligence team of the lender providing financing for the acquisition and servicing of the life insurance policies, second by the MRI company's due diligence team and then finally approved by our due diligence processes;
- all policies must qualify for MRI; and
- the projected proceeds payable on each life insurance policy upon the death of the underlying insured are projected to exceed the costs to service the life insurance policies, amounts due to creditors secured by such life insurance policy, such as the Holders' Lender or the MRI provider, other costs and fees incurred by the Holder and the percentage of the remaining insurance benefit retained by the Holder before payment is made to us in satisfaction of our NIBs.

Competition

We are not aware of any other company engaged in the business of buying NIBs. However, we encounter significant competition in the life settlements industry generally from numerous companies, including hedge funds, investment banks, secured lenders, specialty life insurance finance companies and life insurance companies themselves who purchase life settlements. 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 also have greater market share. For example, Berkshire Hathaway purchased a portfolio of \$300 million (face value) in life insurance policies in 2013. According to The Deal Pipeline, total life settlement transactions grew to \$2.57 billion (face value) in 2013. In 2014 transaction volumes were reported higher by market participants in all major segments of the industry and Conning & Co. forecast an average annual gross market potential for life settlements of \$180 billion from 2014-2023, with an average volume of approximately \$3 billion per year in life settlement transactions.

A report from the AAP Life Settlement Market Update indicated that internal rates of return for life settlement transactions conducted in 2013 were in the high-teens, an attractive return at a time when fixed income and other hedge positions were delivering minimal rates of return. In the event that certain better-financed companies make a significant effort to compete against our business or the secondary market in general, prices paid for existing portfolios of life insurance policies may rise and our ability to purchase NIBs or realize a return on NIBs may decline. In addition, recent shrinking of the market for life settlements has resulted in fewer available pools of insurance policies. As a result, price competition for the remaining pools has increased. Our limited resources prohibit us from competing for larger pools. These factors could adversely affect our profitability by reducing our return on investment or increasing our risk.

Our NIB Portfolio

During October 2017, the Holders of the life settlements completed a refinancing of the loans that had matured. The agreements were with a new senior lending facility who previously provided MRI for the underlying policies. Between May 2018 and July 2018, the Holders entered into agreements that completed a strict foreclosure transaction that transferred the underlying life insurance policies relating to the Company's NIBs to the lenders in full satisfaction of the loan obligation. As a result of the foreclosure, the Company has lost its position in the residual benefits of the policies and reduced the carrying value of the NIBs at March 31, 2018 to zero. The Company held no NIBs during the fiscal years ended March 31, 2019 or 2020.

Employees

On March 31, 2020, we had two full-time employees: Randall F. Pearson, our President; and Lisa L. Fuller, Esq., our general legal counsel. On March 31, 2020, the Company had two total employees.

Available Information

Our website address is www.sundancestrategies.com. We make available free of charge on the Investor Relations portion of our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

Item 1A. Risk Factors

We have identified the following risks and uncertainties that may have a material adverse effect on our business, financial condition, results of operations and future growth prospects. Our business could be harmed by any of these risks. The risks and uncertainties described below are not the only ones we face. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. In assessing these risks, you should also refer to other information contained in this Form 10-K, including our consolidated financial statements and related notes.

Risk Factors relating to Our Company

A pandemic, epidemic or outbreak of an infectious disease in the United States or elsewhere may adversely affect our business.

If a pandemic, epidemic or outbreak of an infectious disease occurs in the United States or elsewhere, our business may be adversely affected. In December 2019, a novel strain of coronavirus, COVID-19, was identified in Wuhan, China. This virus continues to spread globally and, as of March 2020, has spread to over 100 countries, including the United States. The spread of COVID-19 from China to other countries has resulted in the World Health Organization declaring the outbreak of COVID-19 as a “pandemic,” or a worldwide spread of a new disease, on March 11, 2020.

Federal, state, and local government actions to address and contain the impact of COVID-19 may adversely affect us. For example, we could be subject to proposed legislative and/or regulatory action that seeks to regulate the insurance industry to mitigate the effects of the COVID-19 pandemic. It is also possible that changes in economic conditions and steps taken by federal, state, and local governments in response to COVID-19 could require an increase in taxes at the federal, state, and local levels, which would adversely impact our results of operations.

Though some jurisdictions have begun to ease certain restriction related to the COVID-19 pandemic, recent spikes in the spread of the disease have caused governmental authority to slow the re-opening to reinstate restrictions on businesses. We are still assessing the effect on our business, from the spread of COVID-19 and the actions implemented by the governments across the globe. A significant outbreak of contagious diseases, such as COVID-19, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn. As a result, our ability to raise additional funds, if necessary, may be adversely impacted by risks, or the public perception of the risks, related to the recent outbreak of COVID-19. Furthermore, the third parties we engage, or seek to engage, with respect to OEM manufacturing relationships, and, for supply and development activities, may be adversely impacted by risks, or the public perception of the risks, related to the recent outbreak of COVID-19, which may delay OEM relationships, and, product development opportunities, and increase our costs.

We have historically used significant amounts of cash in operating activities since our inception and may continue to use significant amounts of cash for operating activities in the foreseeable future.

We have historically used substantial amounts of cash in operating activities. When we hold NIBs, we are not responsible for maintaining any premiums or other expenses related to maintaining the underlying life settlement or life insurance policies. Ownership of the underlying life settlement or life insurance policies, and the related obligation to maintain such policies, remains with the entity that holds such policies. However, in the event of default of the owner, the Company may be required to expend funds on premiums, interest and servicing costs to protect its interest in NIBs, though the Company has no legal responsibility nor adequate funds for these payments.

Our inability to access capital may limit our ability to adequately fund our operations. In order to continue to purchase NIBs, we will need to raise substantial amounts of capital. Absent additional financing, we will not have the resources to execute our business plan.

In the past, we have relied on cash provided by financing activities, including amounts received under notes payable and lines-of-credit with related parties or the 8% convertible debenture agreement entered into on June 2, 2015. Our default under these obligations may also limit our ability to obtain future financing from related or third parties.

Historically, 99% of our total assets are interests in life settlement policies, resulting in a lack of diversification of assets and concentration in assets that are subject to significant fluctuations in value.

Although we currently have no interest in life settlement policies, generally speaking, our investment in NIBs is usually the primary asset on our balance sheet. Life settlement products like NIBs are subject to substantial fluctuations in value, primarily based upon matters that are not within our control, such as the current health and life expectancy of the insureds underlying our NIBs, the solvency of the Holders of the policies and the Holders' Lender, the Holders' financing costs and ability to acquire policies and the solvency of the insurance companies. Each of these factors can result in significant fluctuations of the value of the life insurance policies underlying the NIBs, thereby affecting our potential future interests.

Limitations to the financial model we use may result in inaccurate or incomplete projections of future cash flow from the insurance policies underlying our NIBs.

Our financial model used to project our future cash flows from potential NIBs was chosen because of its straight-forward approach in calculating expected cash flows. We believe the methodology used in the model is particularly desirable because it has parameters that are easily verifiable and does not require complex calculations or mathematic simulations to confirm results. However, with every financial model, there are limitations. Most require assumptions to be made. Our model is no exception. Our assumptions may prove to be incorrect and, therefore, our model may be incorrect. Our model relies on actuarial life-expectancy reports prepared by third parties from which the estimated date of maturity is calculated. It is assumed that these reports were accurately made and properly reflect real life expectancies. Our model then uses minimum premiums generated by the industry-standard MAPS model as the assumed premium payments up until the date of maturity. We assume that such results are accurate and capture all the terms of a given policy. Our model also requires other inputs including but not limited to the following: (i) a 15-year period for projections; (ii) a distinct number of lives; (iii) a distinct number of policies; (iv) life expectancy tables and projections; (v) premiums; (vi) senior lending fees; (vii) MRI fees; and (viii) insurance, servicing and custodial fees. While this method of modeling cash flows is helpful in setting general expectations of potential returns that might be produced from a given portfolio, there is no way such results can be guaranteed. In addition to our assumptions, there are many factors that may affect the selection of inputs for the model.

The individuals insured by the life insurance policies underlying our NIBs may live longer than their actuarial life expectancies and thereby, our cash flows from life insurance policies underlying our NIBs coming to maturity may be delayed.

The actual date of death of an insured with respect to a life insurance policy is uncertain. Life expectancies are projected from the medical records of the insured and actuarial data based upon the historical experience of similarly situated persons. However, it is impossible to predict with certainty any insured's life expectancy. We have and will continue to base our longevity assumptions on the reports of third-party life expectancy providers, among whom there is no uniformity of assumptions, approach or procedure. There are also significant disputes among third-party life expectancy providers regarding the mortality rate relating to certain disease states and the efficacy of certain treatments. Some factors that may affect the accuracy of a life expectancy report or other calculation of the estimated length of an individual's life are:

- the experience and qualifications of the medical professional or life expectancy company providing the life expectancy estimate;
- the completeness and accuracy of medical records received by the life expectancy company;
- the reliability of, and revisions to, actuarial tables or other mortality data published by public and private organizations or developed by a life expectancy company and utilized by its medical professionals;
- the nature of any illness or health conditions of the insured disclosed or undisclosed;
- changes in living habits and lifestyle of an insured and medical treatments, medications and therapies available to and used by an insured; and
- future improvements in medical treatments and cures, and the quality of medical care the insured receives.

We rely primarily on four different life expectancy providers, 21st Services LLC, American Viatical Services LLC, Fasano Associates and EMSI. A life expectancy, or LE, can be considered the life expectancy provider's "best estimate" as to how long a person would live. We assume that the life expectancies were accurately calculated and properly assessed for purposes of our model. To introduce some "checks and balances" into our cash flow projections, we use at least two LE reports from different third-party LE providers for each policy. We do this to try to avoid any systemic bias introduced by dependency on life expectancies produced by a single source. In addition, our model gives greater weight to the longer (and more conservative) of the two LEs. By using such a long/short weighted average, our model attempts to hedge against unexpected longevities in a portfolio.

Changes in actuarial based life expectancy methodologies (which are determined by the Society of Actuaries and are amended every three to five years) could have the effect of reducing the internal rate of return on the life insurance policies underlying our NIBs and could cause increased difficulty in financing premiums. If changes are significant, they could lower prices for future NIBs (to our benefit), but could also lower the value of the life insurance policies underlying our NIBs due to the lower resulting present value of the death benefits forecasted to be paid at later dates. Holders' senior loans require that certain loan to value ratios be maintained and decreases in policy values could result in violations of these provisions. Default by Holders on their senior loans may impair their ability to obtain financing necessary to maintain the life insurance policies underlying our NIBs, which could reduce the value of our NIBs. If Holders are unable to make premium payments and the insurance policies lapse, our NIBs related to such policies would be worthless.

In addition, because our cash flow is usually dependent on the life insurance policies underlying our NIBs coming to maturity, if life expectancies prove wrong we may not receive cash as projected. If the insured lives longer than any or all of the life expectancy appraisals predict, then the amounts available to us on our NIBs or other life settlement interests could be diminished, perhaps significantly, due to the additional time during which premiums will have to be paid and financing and other related expenses incurred in order to keep the related policy in force. If the insureds with respect to too many life insurance policies underlying our NIBs live longer than their respective life expectancies, then Holders may have to liquidate such life insurance policies. The market value of such Policies will necessarily be significantly less than the related death benefits, which could result in the NIBs held by us losing some or all of their value.

Having relatively few insureds underlying our NIBs could cause the overall performance of our NIBs to be unduly influenced by a relatively small number of underlying policies that perform better or worse than expected.

Our life expectancy actuarial results related to our portfolios may not be as reliable as they would be if the underlying portfolios were larger. We understand that Standard & Poors has stated that at least 1,000 lives are required to achieve actuarial stability, while A.M. Best concluded that at least 300 lives are necessary. Having fewer lives in a policy portfolio can cause the overall performance of such portfolio to be unduly influenced by a relatively small number of "outliers" where the assets perform better or worse than expected. We have sought to mitigate this risk by obtaining MRI coverage, which has the effect of accelerating cash flows in cases where the assets underperform and reducing the volatility normally associated with a portfolio with fewer lives.

Increased general market interest rates could increase the carrying costs of the life insurance policies underlying our NIBs and correspondingly reduce the cash flows from our NIBs.

If general market interest rates increase, the value of any NIBs we might hold would likely decrease. Some of the Holder's carrying costs associated with the life insurance policy portfolios underlying our NIBs (specifically interest payments on the MRI coverage outstanding balance) are tied to interest rates. If interest rates increase, the Holder's carrying costs will increase and the return on our investment will decrease. Because the Holders pay all of the costs associated with the life insurance policy portfolios underlying our NIBs before they pay us, an increase in the Holder's carrying costs will correspondingly decrease the amount we receive from any NIBs we might hold.

In addition, if the interest rates used to determine the market value of a life insurance policy change, the present value of the policy may also change. Generally, as interest rates increase, the present value of a life insurance policy decreases. If a Holder is forced to sell a policy in a higher interest rate environment, the market price for the policies underlying our NIBs may be less than the price at which such policy was acquired. Furthermore, Holders are generally obligated under the senior loans financing the purchase of life insurance policies to maintain certain loan to value ratios. If the present value of the life insurance policies decreases significantly, the Holder may be in breach of such obligations, which could impair the Holder's ability to obtain financing necessary to service existing life insurance policies or acquire new policies. As a result, any NIBs we might hold may decline in value or become worthless.

The Holders' Lender is believed to be one of only one or two current sources for financing the Senior Loans.

We currently believe there are only two current sources of financing for senior loans, which included the Holders' previous Lenders that had provided the senior loans for servicing the life insurance policies underlying our prior NIBs portfolio. The Holders' Lender ceased making loans to Holders to finance purchases or servicing of life settlement policies and we are unable to purchase NIBs in the manner that we have historically, unless another lender or financing source can be located by Holders on terms that make NIBs a valuable asset. Without financing from the Holders' prior Lenders or other sources, Holders may not be able to purchase policies and sell us NIBs. Our business of purchasing and holding NIBs has been materially and adversely harmed.

Changes to foreign banking laws and regulations or decreased lending capacity for life settlements could have a negative impact on ability of Holders to obtain loans with respect to purchases of life settlements and, thereby, limit our ability to acquire additional NIBs.

Our current business model relies on the availability to the Holders of senior loans from the Holders' Lender or any other lender. In the event of adverse regulatory changes or reduced capacity for life settlement lending, the Holders could experience the same liquidity issues that have plagued other market participants. Changes to the Holders' Lender's loan to value requirements, compliance with regulatory large exposure limits and changes to regulatory large exposure limits could also result in liquidity issues for the Holders and corresponding liquidity issues for us. As mentioned above, changes in life expectancies could cause decreases in policy values, which could result in loan to value violations and violations of large exposure limits.

We may be required to obtain MRI coverage as a condition of our business model, which, if unavailable, could potentially increase our risk of failure.

The MRI is a relatively new product and there are no guarantees that the MRI provider will be able to meet the Holders' coverage needs. In addition, it is our understanding that there is only one MRI provider. The MRI provider has refused to provide future coverage to the Holders. Without the MRI coverage, the Holders have limited options when the senior loans mature. The Holders' Lender has demanded repayment of all outstanding amounts under the senior loans, which resulted in the complete loss of the value of our NIBs.

The lapse of life insurance policies underlying our NIBs will result in the entire loss of our interest in the death benefits from those particular policies.

The Holders are required to make premium payments on the life insurance policies underlying our NIBs in order to keep such policies in force. These payments generally will be made from amounts available to the Holders pursuant to the senior loans, death benefits, and MRI payments, if available.

The Holders we contract with for the ownership of our NIBs and their related business partners and service providers may not have financial strength, be solvent or have integrity.

The value of NIBs is based on contracts with the Holders and is dependent on the financial strength, solvency and integrity of the Holders and their various business partners and service providers. We have been exposed to financial risk as the Lenders have foreclosed on the loans underlying the Policies.

Our management team relies on outside consultants and others in our industry to make informed business decisions; potential conflicts of interest involving those parties who are relied upon could adversely affect the value of our NIBs.

Our management team has relied and will continue to rely on consultants and service providers in our industry, in evaluating life insurance products for purchase. Many of these consultants or service providers represent or provide services to others in this industry, and no assurance can be given that we, as a small competitor competing with larger competitors in our industry, will be able to engage these consultants. In addition, our inability to retain such consultants would negatively affect our ability to identify and evaluate life insurance products for purchase. Even as our management accumulates expertise in this industry, we will still rely on the expertise of outside consultants for a variety of information, including valuation, life expectancies, actuarials and other matters specific to life insurance policies. If we cannot obtain such services at an affordable price, our business will be harmed.

Actual results from our NIBs and similar life settlement products may not match our expected results, which could reduce our return on investment in our NIBs and also adversely affect our ability to service and grow our NIB portfolio for actuarial stability.

Our business model relies on achieving actual results that are in line with the results we expect to attain from our investments in NIBs. We believe that the larger the portfolio of policies underlying the NIBs we own, the more reliable our actuarial estimates will be and, likewise, the greater the likelihood that we will achieve our expected results.

In a study published in 2012, A.M. Best concluded that at least 300 lives are necessary to narrow the band of cash flow volatility and achieve actuarial stability, while Standard & Poor's has indicated that actuarial stability is unlikely to be achieved with a pool of less than 1,000 lives. While there is a risk with a portfolio of any size that actual yield may be less than expected, we believe that the risk we face is presently more significant given the relatively low number of insureds underlying our potential NIBs as compared to rating agency recommendations. Even if our portfolio reaches the size that is actuarially stable according to the rating agencies, we still may experience differences between the actuarial models we use and actual mortalities. Differences between our expectations and actuarial models, and actual mortality results, could have a materially adverse effect on our operating results and cash flow. In such a case, we would face liquidity problems, including difficulties acquiring new NIBs and other life settlement products. Continued or material failures to meet our expected results could decrease the attractiveness of our securities in the eyes of potential investors, thereby making it even more difficult to obtain capital needed to acquire additional NIBs and obtain desired diversification and expansion of the underlying insureds.

The limited number of sellers of NIBs and similar life settlement products in the secondary market may limit our ability to negotiate favorable prices in the acquisition of such life settlement interests.

To our knowledge, Del Mar, PCH and HFII, the three sellers from whom we have acquired all of our prior interests in NIBs are the only sellers of NIBs. Because we are not currently licensed to purchase life insurance policies directly from the insureds, we rely on re-sellers like Del Mar, PCH and HFII for such products.

Unless other sources become available or we are able to create our own NIBs, our ability to purchase the life settlement products desired under our business model may be limited. In addition, the limited number of sellers could limit our ability to negotiate favorable prices to purchase NIBs and similar life settlement products, which could reduce the profitability of the NIBs and other products we purchase. Furthermore, recent declines in the secondary market for life settlements have limited the availability of pools of life insurance policies, resulting in increased price competition. Holders facing increased prices may in turn demand higher prices for the NIBs we purchase under our business model, which would reduce the profitability of any future acquisition of NIBs.

We do not track concentrations of pre-existing medical conditions of insureds in our guidelines for purchasing NIBs.

Concentrations of pre-existing medical conditions in insureds could affect the valuation of the portfolios and NIBs that such policies underlie. We do not track concentrations of pre-existing medical conditions in our purchases of NIBs and similar life settlement products. Thus, the valuation of such interests and our estimates of cash flows therefrom could be inaccurate.

Current and future federal regulation under the Dodd-Frank Act's consumer protection provisions may have an adverse effect on our business and our planned business operations.

On July 21, 2010, President Barack Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"). The Dodd-Frank Act contains significant changes to the regulation of financial institutions including the creation of new federal regulatory agencies and the granting of additional authorities and responsibilities to existing regulatory agencies to identify and address emerging systemic risks posed by the activities of financial services firms. The Dodd-Frank Act also provides for enhanced regulation of derivatives and asset-backed securities offerings, restrictions on executive compensation and enhanced oversight of credit rating agencies. The provisions include a new independent Bureau of Consumer Financial Protection to regulate consumer financial services and products, and life settlement transactions may be within the scope of its jurisdiction. Actions taken by the Bureau of Consumer Financial Protection may have material adverse effects on the life settlement industry and could affect the value of the insurance policies underlying our NIBs and the value of our NIBs. In addition, the Dodd-Frank Act also limits the ability of federal laws to preempt state and local consumer laws. Prospective investors should be aware that the changes in the regulatory and business landscape as a result of the Dodd-Frank Act could have an adverse impact on us and the entities from which we acquire NIBs and similar life settlement products.

On February 3, 2017, President Donald Trump signed an executive order pursuant to which he ordered the Secretary of the Treasury to consult with the heads of the member agencies of the Financial Stability Oversight Council on the extent to which existing laws, treaties, regulations, guidance, reporting and recordkeeping requirements, and other government policies promote certain core principles laid out in the executive order. This may result in repeals of or amendments to existing laws, treaties, regulations, guidance, reporting and recordkeeping requirements and other government policies, including regulations implementing the Dodd-Frank Act. In addition, President Trump's new administration has discussed the possibility of repealing or amending the Dodd-Frank Act and the February 3, 2017 executive order could lead to such repeals or amendments. The changes resulting from this executive order and the continuing implementation of the Dodd-Frank Act may impact the profitability of our business activities or otherwise adversely affect our business. Failure to comply with the requirements may negatively impact our results of operations and financial condition. While we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on us, these changes could be materially adverse to investors in our common stock.

If NIBs and related life settlement products we purchase are determined to be "securities," we may be required to register as an investment company under the Investment Company Act, which would substantially increase our SEC reporting costs and oversight of our business operations.

On July 22, 2010, the SEC released a Staff Report by the Life Settlements Task Force that recommended the SEC consider recommending to Congress that it amend the definition of "security" under the federal securities laws to include life settlement policies as securities. One U.S. Congressman has sought to introduce a bill to make such amendment. While that attempt did not result in any action, there can be no assurance that such a bill will not be passed at some future date. If federal securities laws are indeed amended to include such policies within the definition of "security," or if courts with relevant jurisdiction interpret existing securities laws to that effect, our ability to operate our business under our current business model may be constrained by additional regulatory requirements under the Securities Act, the Exchange Act and the Investment Company Act.

Such requirements could, among other things, limit our ability to change investment policies without stockholder approval, prohibit our acquisition of assets from an affiliate without SEC approval, limit leveraging of our assets to one-third of our total asset value, require accounting for all derivatives as a leverage of assets to the extent that they create an obligation on our part to pay out assets to a counterparty ahead of our stockholders and generally and require 40% of our directors to be independent directors. In addition, intermediaries with whom we work to purchase NIBs and similar life settlement products may be required to register as broker-dealers or registered investment advisers and would otherwise be subject to oversight by the SEC and the Financial Industry Regulatory Authority, which require adherence to numerous rules and regulations. Such regulations could substantially increase our compliance and reporting costs, which would negatively affect our profitability.

There is poor liquidity in the secondary market for life insurance and life settlements.

The secondary market for life insurance policies and life settlements is relatively illiquid, and it is often difficult to sell life insurance policies or interests in life insurance policies at attractive prices, if at all. The ability to sell life insurance policies may be made even more difficult due to the nature in which the policies were originated, especially with respect to policies where the premiums were financed by the original owner, creating an increased risk associated with holding such policies. Holders may be limited in their ability to liquidate assets if they need to do so in order to raise funds to pay premiums, or otherwise. We may experience a loss of the value of our potential NIBs (including a total loss) if the life insurance policies underlying our NIBs must be liquidated under adverse circumstances.

NIBs, and therefore our common stock, are highly speculative and may lose all of their value.

Life settlements are highly speculative investments. It is not possible with respect to the life insurance policies underlying NIBs, to determine in advance either the exact time that a life insurance policy will reach maturity (i.e., at the death of the insured) or the profit, loss or return on an investment in a life insurance policy. NIBs are net interest benefits in life insurance policies that will mature at uncertain times and bear associated premium and other costs. The longer the period between our purchase of NIBs and the payout on the underlying policy at maturity, the lower return will be on NIBs because of the cost to maintain the underlying policies. This renders NIBs, and therefore our common stock, highly speculative investments.

In addition, no assurance can be given that any life insurance policy will perform in accordance with projections, and any such life insurance policy may decline in value. Consequently, there can be no assurance that we will realize a positive return on our investment and these types of investments should be considered to be highly speculative in nature. This, in turn, may directly affect the amount and timing of funding sought or received by us, which in turn will affect our ability to conduct our business. Thus, an investment in our Company is suitable only for investors having substantial financial resources, a clear understanding of the risk factors associated with such investments and the ability to withstand the potential loss of their entire investment.

General economic conditions could have an adverse effect on our business.

Changes in general economic conditions, including, for example, interest rates, investor sentiment, market and regulatory changes specifically affecting the insurance industry, competition, technological developments, political and diplomatic events, tax laws, and other factors not known to us today, can substantially and adversely affect our business and prospects. There continues to be uncertainty about the prospects for growth in the U.S. economy as well as economies of other countries, driven by factors such as high current unemployment, rising government debt levels, prospective Federal Reserve (and similar foreign bodies) policy shifts, the withdrawal of government interventions in financial markets, changing consumer spending patterns, and changing expectations for inflation and deflation. These factors have adversely affected the financial markets and the claims-paying ability of many insurers. Such uncertainties and general economic trends can affect our ability to obtain funds to finance our purchase of NIBs and similar life settlement products and the ability of the Holders we rely on for such products to acquire and market them. None of these risks are or will be within our control.

The costs in time and expense of being a publicly-held company are substantial and will only increase if our business model is successful.

We are a “reporting issuer” under Section 13 of the Exchange Act, required to file annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports respecting certain events on Form 8-K, along with proxy or information statements for any meeting of stockholders or written consents of stockholders holding sufficient securities to effect corporate actions. Most of these reports require generating and compiling significant accounting, legal and financial information, including audited year-end financial statements and reviewed quarterly financial statements. The preparation of these reports, their review by management and professionals and the auditing and review process of such financial statements consumes significant resources, in terms of management time and focus, as well as expenses related to legal, accounting and audit fees. It is difficult to quantify these costs, but we believe them to be not less than between approximately \$175,000 and \$250,000 annually. As our business grows, these costs can only increase.

Inadequate funding will impede our planned purchase of NIBs.

We began purchasing NIBs during our fiscal year ended March 31, 2013. At present, we are a minor participant in this market and face significant competition from much larger competitors. We will need substantial additional funds to effectively compete in this industry, and no assurance can be given that we will be able to adequately fund our current and intended operations, whether through revenues generated from our current interests in the NIBs or through debt or equity financing. We expect to finance NIB purchases, as well as our operating working capital requirements, with proceeds from planned public and/or private offerings of our securities and debt financing. There can be no assurance that we will be successful in raising debt or equity capital or that we will be successful in raising additional capital in the future on terms acceptable to us, or at all.

We may be unable to access capital on a timely basis to fund our operations, which would adversely affect our ability to continue as a going concern.

Our inability to access capital may limit our ability to adequately fund our operations and continue as a going concern. To continue as a going concern and in order to continue to purchase NIBs, we will need to raise substantial amounts of capital. Absent additional financing, we will not have the resources to execute our business plan and continue as a going concern.

We may default on our obligations under various debt arrangements, which may accelerate our repayment obligations or otherwise limit our access to future financing.

If we fail to make timely repayments of amounts received under notes payable and lines-of-credit with related parties or the 8% convertible debenture agreement we will be in default of such obligations. Our default under these obligations may also limit our ability to obtain future financing from related or third parties.

Risks Related to the Life Insurance Policies underlying NIBs

Our Policies may be determined to have been issued without an “insurable interest” and could be void or voidable.

State insurance laws in the United States require that an insurance policy may only be initially procured by a person that has an insurable interest in the continuance of the life of the insured. Whether an owner has an insurable interest in the insured is a question of applicable state law. The general concept is that a person with an insurable interest is a person that has a continuing interest in the insured remaining alive, whether through the bonds of love and affection or due to certain recognized economic relationships. Typically this includes the insured, the insured’s spouse and children, and in some states, other close relatives. In some jurisdictions, however, this could also include entities such as the insured’s creditors, employer, business partners or certain charitable institutions. It also typically includes a trust that owns a life insurance policy insuring the life of the grantor or settlor of the trust where the beneficiaries of the trust are persons, who, by virtue of certain familial relationships with the grantor or settlor, also have an insurable interest in the life of the insured.

A policy purchased by a person without an insurable interest may, depending on relevant state insurance law, be (i) void, (ii) voidable by the insurer that issued the policy and/or (iii) subject to the claims of the insured’s presumptive beneficiaries, such as his or her spouse or other family members. In some states, the insured must consent to the purchase of a policy by a person other than the insured.

Generally, state insurance law is clear that an individual has an insurable interest in his or her own life and may procure life insurance on his or her own life and may name any person as beneficiary. However, if a person purchases insurance on his or her own life for the benefit of a party who does not have an insurable interest in the life of the insured for the purpose of evading the insurable interest laws, the purchase may be viewed under applicable state law as a violation of the state's insurable interest laws. Should the issuer own an interest in a policy that was originally issued to an owner or for the benefit of a beneficiary (if required) that did not have an insurable interest, it is possible that the issuer may not have a valid claim for the death benefits on such policy, and upon the death of the insured, the issuing insurance company may refuse to pay the death benefits on the policy to us or may be required to pay the death benefit to other beneficiaries of the insured. Should any such claims be successful in relation to the policies underlying NIBs, we could lose some or all of the amounts we have invested in NIBs, although in some states the issuing insurance company may be required to repay the premiums if it rescinds the policy. Some states, such as New Jersey, allow the carrier to retain all the premiums in the event the policy is rescinded, and some states, such as Delaware, require premiums to be returned in cases where the policy is successfully challenged by the carrier. Even if such claims are unsuccessful, significant amounts may need to be expended in defending such claims, thereby reducing the amounts we may receive from NIBs and other life settlement interests we may purchase.

Concern also exists regarding the applicability of state insurable interest requirements applicable to the purchase of a policy by an insured or a person with an insurable interest in the life of the insured in circumstances in which the owner of the policy obtains a loan secured by the policy to finance the payment of premiums on the policy, often referred to as a premium finance transaction. A substantial number of the life insurance policies underlying NIBs have been originated pursuant to premium finance transactions. While it is generally accepted by state law that an individual has an insurable interest in his or her own life, it is possible that a court might construe a premium finance transaction as an attempt to evade the requirement that an insurable interest exist at the time an insurance policy is issued. If the borrower in such a transaction is found to be acting, in fact, on behalf of a premium finance company to procure an insurance policy, it is possible that a court might find that the real party in interest is the premium finance company, which by itself would not have an insurable interest sufficient to support the insurance policy. As a result, the insurance policy may be void or subject to attack, which could diminish the value of the policy. States have varying precedent on this subject. California, New York and Florida have case law that is very favorable to the policy owner (see Lincoln v. Jack Teren and Jonathan S. Berck, as trustee of the Jack Teren Insurance Trust (Superior Court of the State of California, San Diego), Alice Kramer v. Lockwood Pension Services, Inc., et al., (United States District Court – Southern District of New York)). These courts have held life insurance policies to be enforceable even where the policies were clearly purchased with an intent to sell the policies in the future. Florida has case law that is also favorable (see PrucoLife Insurance Company v. Wells Fargo (Florida Supreme Court, which held that a policy may not be contested after the expiration of the policy's contestability period). Delaware has laws which benefit the insurance carrier and others that are more favorable to the policy owner (see PHL Variable Insurance Co. vs. Price Dawe, (Supreme Court of Delaware) and Principal Life Insurance Company v. Lawrence Rucker 2007 Insurance Trust (District Court of Delaware)). These courts have invalidated policies where the original policy owners financed the policies and did not intend to purchase the policies with their own money and further intended to ultimately sell the policies in the life settlement markets. However, the Rucker case did provide that premium financing could qualify as an insured procuring a policy and satisfy requirements related to insurable interest. There is also legislation in most states regulating premium financing that must be complied with for policies originated after the legislation was enacted.

Also, in every state that has addressed the question other than New York and Michigan, the expiration of an insurance policy's contestability period may not cut off the insurer's ability to raise the insurable interest issue as a defense to the payment of the policy proceeds.

One or more states could adopt legislation that would require a holder of an insurance policy to have an insurable interest in the insured at the time a policy is purchased and at the time of death of the insured. Neither us nor the Holders will have an insurable interest in the insureds policies acquired by or on our behalf. If such legislation were to be adopted without a 'grandfathering' provision (i.e., so as not to be applicable to insurance policies then in force), then we may be unable to collect the proceeds on the death benefits of the insured persons under our NIBs purchased prior to the enactment of such legislation and our NIBs would be worthless.

Additional insurable interest concerns regarding life insurance policies originated pursuant to premium finance transactions may also result in adverse decisions that could affect our NIBS.

The legality and merit of “investor-initiated” or “stranger-originated” life insurance products have been questioned by members of the insurance industry, including by many life insurance companies and insurance regulators. For example, the New York Department of Insurance issued a General Counsel’s opinion in 2005 concluding that a premium finance program that was coupled with the right of the policy owner to put the financed insurance policy to a third party violated New York’s insurable interest statute and may also constitute a violation of New York State’s prohibition against premium rebates/free insurance. More recently, many states have enacted laws expressly defining and prohibiting stranger-originated life insurance (“STOLI”) practices, which in general involve the issuance of life insurance policies as part of or in connection with a practice or plan to initiate life insurance policies for the benefit of a third-party investor who, at the time of the policy issuance, lacks a valid insurable interest in the life of the insured. Under these laws, certain premium finance loan structures are treated as life settlements and, accordingly, may not be entered into at the time of policy issuance and for a two or five year period thereafter, depending on the state. Certain court decisions issued over the past few years may also increase concerns with premium financed policies. In 2011, the Delaware Supreme Court stated in PHL Variable Insurance Company v. Price Dawe 2006 Insurance Trust that the key focus in insurable interest cases is who paid the premiums. While the decision was not issued in connection with a premium financed policy, investors were concerned with how the court would apply such reasoning to premium financed policies. This concern was alleviated in the 2012 Delaware District Court case of Principal Life Insurance Company v. Lawrence Rucker 2007 Insurance Trust that concluded that “an insured’s ability to procure a policy is not limited to paying the premiums with his own funds; borrowing money with an obligation to repay would also qualify as an insured procuring a policy.”

We cannot predict whether a state regulator, insurance carrier or other party will assert that any of the policies underlying NIBs should be treated as having been issued as part of a STOLI transaction or otherwise were issued in contravention of applicable insurable interest laws. This risk is greater where the insured materially misstated his or her income and/or net worth in the life insurance application. Decisions in Florida have increased the risk that challenges to premium financed policies may be decided in favor of the issuing insurance company. Moreover, because the life insurance policies underlying NIBs are often originated in the same or a similar manner and in a limited number of states (generally, California and Wisconsin, although the insured may reside in other states), there is a heightened risk that an adverse court decision or other challenge or determination by a regulatory or other interested party with respect to a policy could have a material adverse effect on a significant number of other policies, including the rescission of policies or the occurrence of other actions that prevent us from being entitled to receive or retain the net death benefit related to the policies underlying or NIBs. Concerns of such nature could also negatively affect the market value and/or liquidity of the life insurance policies underlying NIBs. In the event of such adverse legal or regulatory developments, NIBs would be worthless.

Fraud in the application for life insurance can also affect assets and interest in our NIBs.

There are risks that the policies underlying NIBs may be procured on the basis of fraud or misrepresentation in connection with the application for the policy. Types of fraud that have enabled carriers to successfully rescind or void the related policies include, among others, misrepresentations concerning an insured’s financial net worth and/or income, need for and purpose of the life insurance protection, medical history and current physical condition, including age and whether the insured is a smoker. Such risk of fraud and misrepresentation is heightened in connection with life insurance policies for which the premiums are financed through premium finance loans or other structured programs. In particular, there is a significant risk that applicants and potential insureds may not answer truthfully or completely questions related to whether the life insurance policy premiums will be financed through a premium finance loan or otherwise, the applicants’ purpose for purchasing the policy or the applicants’ intention regarding the future sale or transfer of the life insurance policy. Such risk may be further increased to the extent life insurance agents communicate to applicants and potential insureds regarding potential premium finance arrangements or profits to be made on policies that will be sold after the contestability period. If an insured has made any material misrepresentation on his/her application for life insurance, there is a heightened risk that the insurance company will contest or successfully rescind or void the related policy, although an issuing insurance company may not be able to raise such claims after the expiration of the contestability period. There has been significant litigation regarding whether or not a policy can be contested for fraud after the expiration of the contestability period. Florida, California and New York have concluded that a carrier may not contest a policy after the contestability period. New Jersey and Delaware have allowed such contests by the carriers. Even if such fraud in the application could not serve as a basis to challenge a policy because the contestability period has expired, it may be raised as evidence that the policy was provided as part of a STOLI arrangement. Furthermore, such misrepresentations can adversely affect the actuarial value of the death benefit under the related life insurance policies underlying NIBs.

The risk of litigation with issuing insurance companies could substantially raise our costs of operation and increase our risk of loss.

Some of the programs relating to the premium finance transactions through which the underlying insurance policies were originated, or other programs having similar characteristics, may be objectionable to certain life insurance companies and other parties, including certain regulators, on the basis of constituting a means of originating stranger-originated life insurance. Additionally, as described above, life insurance policies that are originated through the use of premium finance programs often present a greater risk of there having been fraud and/or misrepresentations in connection with the issuance of the policies. For these reasons, among others, it is possible that we may become subject to, or may otherwise become affected by, litigation involving one or more issuing insurance companies (either as a plaintiff or a defendant), including claims by an issuing insurance company seeking to rescind a policy prior to or after the death of the related insured. Moreover, such risk may be enhanced with respect to an issuing insurance company that is experiencing financial difficulty, since a successful claim by an issuing insurance company could reduce its financial liabilities. In the event any litigation involving us was to occur, we would bear the costs of such litigation, and would be unable to predict its outcome, which could include losing our right to receive (or retain) the proceeds otherwise payable under one or more of the underlying policies.

The contestation of the life insurance policies underlying our NIBs by the applicable issuing insurance companies could result in the loss of the benefits from such life insurance policies and materially and adversely affect our business and the results of our operations.

The ability of an issuing insurance company to seek to rescind one or more of the life insurance policies underlying our potential NIBs depends on whether such issuing insurance company is barred from bringing a rescission action by operation of an incontestability clause contained in the life insurance policies or contestability limitations applicable as a matter of state law. Each life insurance policy, in accordance with laws adopted in virtually every state in the United States, contains a provision that provides that, absent a failure to pay premiums, a policy shall be incontestable after it has been in force during the lifetime of the insured for a period of not more than two years after its date of issue. However, as stated above, some states recognize an exception to incontestability where there was actual fraud in the procurement of the policy. A new contestability period may also arise in connection with information provided on any application for reinstatement of a life insurance policy following lapse of a policy due to non-payment of premiums, or an application for an increase in policy benefits. The successful contestation of the life insurance policies underlying our potential NIBs by the applicable issuing insurance companies could materially and adversely affect our business and the results of our operations.

Increases in cost of insurance could reduce estimated returns and lower revenues.

Insurers pass on a portion of their expenses to operate their business and administer their life insurance policies in the form of policy charges borne by each policyholder. In the event an insurer experiences significantly higher than anticipated expenses associated with operation and/or policy administration, the insurer has the right to increase the charges to each of its policy owners. In the event the charges to a life insurance policy are materially increased, additional premium payments may be required to maintain enforceability of such policy.

AXA Equitable issued cost-of-insurance, referred to herein as “COI,” increases on eleven (11) of the previously held life insurance policies underlying our prior NIBs. In addition, one Transamerica and one Lincoln policy, both of which were Policies underlying our prior NIBs, have been subject to increased COI’s. Other carriers have been issuing COI increases that impact life insurance policies held by large settlement funds. Multiple lawsuits, including class actions, against Phoenix Life, Lincoln National Insurance Company, AXA Equitable, Banner Life, and Transamerica Life Insurance Company are currently ongoing. However, most of these lawsuits are in the very early stages.

Carrier and service partner credit risk can adversely affect our interest in NIBs or other life settlements.

We are subject to the credit risk associated with the viability of the various insurance companies that issued the life insurance policies underlying our potential NIBs. The insolvency of an issuing insurance company or a downgrade in the ratings of an issuing insurance company could have a material adverse impact on the value of the policies underlying NIBs issued by such issuing insurance company, the collectability of the related death benefits and the ability of such issuing insurance company to pay the cash surrender value or other amounts agreed to be paid by the issuing insurance company. Any such impairment of the claims-paying ability of the issuing insurance company could materially and adversely affect the value of the policies issued by such insurance company, the ability of the Holder to pay the premiums due on other insurance policies and the Holders ability to pay any required policy premiums, fees and expenses of the service providers and our other expenses, which could materially and adversely affect the value of our potential NIBs.

The inability to keep track of the insureds could keep us from updating the medical records of the insured.

It is important for the Holder of the life insurance policies underlying our potential NIBs to track the health status of an insured and keep information current, which is done by contacting the insured and/or other designated persons and obtaining updated medical records from an insured's physician. There are significant U.S. federal and state laws relating to privacy of personal information that affect the operations of the servicer and its ability to properly service the policies underlying our potential NIBs, especially with regard to obtaining current information from an insured's physician.

Under the Health Insurance Portability and Accountability Act or HIPAA, the federal law that governs the release of medical records from medical record custodians, an insured may revoke his or her authorization for previously authorized third parties to receive medical records at any time, leaving the Holder unable to receive additional medical records.

The Holder may have to rely on a third party servicer to track an insured, especially if states continue to adopt laws that would limit the ability of person other than a licensed life settlement provider or its authorized representative to contact insureds for tracking purposes, and the servicer may lose contact with such insured. For example, the insured may move and not notify the servicer or any other third party that has authority to contact the insured. The servicer attempts to maintain contact information for the insured and/or one or more close family friends or relatives whenever possible so it can maintain contact with the insured. Additionally, the servicer subscribes to various databases that use public records and other information to track individuals. The servicer also subscribes to death notification services which use Social Security and public records information to notify the servicer if an insured has passed away so that it can begin the process of obtaining a death certificate and arranging for the payout of the policy. Changes to the Social Security Administration's Death Master File have resulted in the elimination of many state records that were previously included in the Death Master File. The number of new records being added to the Death Master File has been reduced by approximately 40%. Thus, it has become necessary to enhance alternative methods for learning of an insured's death. On average, it now takes longer to learn about an insured's death as compared to periods prior to the changes in the Death Master File.

Despite these various tracking methods, it is still possible for the Holder to lose contact with an insured, making any additional updates of medical condition for the insured impossible. There can also be no assurance that the Holder will learn of an insured's death on a timely basis. Delays in receiving insurance proceeds result in a decrease in the death benefit.

Lost insureds can result in a delay or a loss of an insurance benefit that would have a negative effect on our revenues and prospects.

Occasionally, the issuing insurance company may encounter (or assert) situations where the body of the insured or reasonable other evidence of death cannot be located and/or identified. For example, the insured may have been lost at sea and there may not be proof of death available for several years or at all. Alternatively, the fact that the original beneficiaries no longer have any financial interest in a claim under the policy may mean that the issuing insurance company faces practical obstructions to recording accurately and in a timely manner the death of the insured. In the event of a "lost" insured, the death claim may be delayed for up to seven years by the issuing insurance company. Under these circumstances, typically, the claim will then be paid with interest from the date that the insured was originally presumed lost. Nonetheless, it remains possible that it will be difficult or impossible to locate and/or identify an insured to establish proof of death and, as a result, the related issuing insurance company may significantly delay (but not ultimately avoid) payment of the underlying death benefit. This delay could result in a longer than anticipated holding period for a policy which, in turn, could result in a loss to us.

The death of an insured must have occurred to permit the servicer to file a claim with the issuing insurance company for the death benefit. Obtaining actual knowledge of death of an insured, as discussed above, may prove difficult and time-consuming due to the need to comply with applicable law regarding the contacting of the insured's family to ascertain the fact of death and to obtain a copy of the death certificate or other necessary documents in order to file the claim. The death benefit typically increases subsequent to death by an interest rate that is less than the interest rate under the senior loan; thus, the policy proceeds become less valuable as time passes.

U.S. life settlement and viatical regulations may result in our being determined to have violated applicable law.

The purchase and sale of insurance policies in the secondary market from the policy's original owner and among secondary market participants is subject to regulation in approximately 45 states and Puerto Rico. The scope of the regulations and the consequences of their violation vary from state to state. In addition, within a given state, the regulations may vary based upon the life expectancy of the insured at the time of sale or purchase. In many states, a policy on an insured with a life expectancy of two years or less is referred to as a "viatical settlement" or a "viatical." A policy on an insured with a life expectancy of more than two years is referred to as a "life settlement." The Holders have not, and do not intend to, purchase viatical settlements and should not be subject to the regulatory regimes that govern these policies. However, the states vary in their technical definitions of viatical settlements and life settlements, and state insurance regulators, who are charged with interpretation and administration of insurance laws and regulations, vary in their interpretations. Therefore, despite our expectations, it may be possible that under the rules of a particular state, a policy underlying our potential NIBs that is not commonly thought of as a viatical settlement may meet the technical definition thereof. Engaging in the purchase or sale of life settlements or viatical settlements in violation of applicable regulatory regimes could result in fines, administrative and civil sanctions and, in some instances, criminal sanctions. United States and state securities laws could have an adverse effect on the Holders' ability to liquidate any policies we or they believe should be sold.

It is possible that, depending on the facts and circumstances attending a particular sale of a life insurance policy, a sale could implicate state and federal securities laws. The failure to comply with applicable securities laws in connection with dealings in life settlement transactions could result in fines, administrative and civil sanctions and, in some instances, criminal sanctions. In addition, parties may be entitled to a remedy of rescission regarding such transactions. State guaranteed funds give some protection for payments under life insurance policies, but no assurance can be given that we will benefit from them.

State protections for the insolvency of an insurance company are limited.

With respect to the life insurance policies underlying our potential NIBs, the payment of death benefits by issuing insurance companies is supported by state regulated reserves held by the issuing insurance companies and, under certain circumstances and in limited amounts that vary from state to state, state-supported life and health insurance guaranty associations or funds. However, such reserves and guaranty funds, to the extent in existence, may be insufficient to pay all death benefits under the life insurance policies underlying our NIBs issued by an issuing insurance company if such issuing insurance company becomes insolvent. Even if such guaranty funds are sufficient, the obligation of a state guaranty fund to make payments may not be triggered in certain circumstances.

The benefits of most or all of such state supported guaranty funds are capped per insured life (irrespective of the number of policies issued and outstanding on the life of such individual), which caps are generally less than the net death benefits of the insurance policies. Guaranty fund laws often include aggregate limits payable with respect to any one life across different types of insurance policies, generally \$300,000 to \$500,000 depending on the state. Most state guaranty funds are statutorily created and the legislatures may amend or repeal the laws that govern them. In addition, most state guaranty fund laws were enacted with the stated goal of assisting policy holders resident in such states. Therefore, non-resident policyholders, beneficiaries, and claimants may not be covered or may be covered only in limited circumstances. As a result, state guaranty funds will likely provide little protection to us in the event of the insolvency of an issuing insurance company. In addition, in the event of an issuing insurance company's insolvency, courts and receivers may impose moratoriums or delays on payments of cash surrender values and/or death benefits.

We may incur liability for failing to comply with U.S. privacy safeguards.

Both federal and state statutes safeguard an insured's private health information. In addition, insureds frequently have an expectation of confidentiality even if they are not legally entitled to it. If any of the entities providing services related to the life insurance policies underlying our NIBs properly obtains and uses otherwise private health information, but fails to maintain the confidentiality of such information, such service provider may receive complaints from the affected individuals, their families and relatives and, potentially, interested regulatory authorities. Because of the uncertainty of applicable law, it is not possible to predict the outcome of such disputes.

Additionally, it is possible that, due to a misunderstanding regarding the scope of consents that a service provider possesses, such service provider may request and receive from health care providers information that it in fact did not have a right to request or receive. Once again, if a service provider receives complaints for these acts, it is not possible to predict what the results will be. This uncertainty also increases the likelihood that a service provider may sell, or cause to be sold, life insurance policies in violation of applicable law, which could potentially result in additional costs related to defending claims or enduring regulatory inquiries, rescinding such transactions, possible legal damages and penalties and probable reduced market value of the affected life insurance policies. Each of the foregoing factors may delay or reduce the return on the life insurance policies underlying NIBs.

Cyber-attacks or other security breaches could have a material adverse effect on our business.

In the normal course of business, we have access to sensitive and confidential information regarding the insureds underlying our NIBs. Although we devote significant resources and management focus to ensuring the integrity of our systems through information security and business continuity programs, our facilities and systems, and those of third party service providers, are vulnerable to external or internal security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar events.

Information security risks have increased recently in part because of new technologies, the use of the Internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized crime, perpetrators of fraud, hackers, terrorists and others. In addition to cyber-attacks or other security breaches involving the theft of sensitive and confidential information, hackers recently have engaged in attacks designed to disrupt key business services, such as customer-facing websites. We are not able to anticipate or implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently and because attacks can originate from a wide variety of sources. We employ detection and response mechanisms designed to contain and mitigate security incidents, but early detection may be thwarted by sophisticated attacks and malware designed to avoid detection.

The access by unauthorized persons to, or the improper disclosure by us of, confidential information regarding the insureds underlying our potential NIBs could result in significant legal and financial exposure, supervisory liability, damage to our reputation or a loss of confidence in our business, which could have a material adverse effect on our business, financial condition or results of operations.

U.S. privacy concerns may affect the access to accurate and current medical information regarding the insured under the life insurance policies underlying NIBs.

The value of a life insurance policy underlying NIBs is inherently tied to the remaining life expectancy of the insured and information necessary to perform this valuation may not be available at the time of purchase or sale. For example, if a policy is being purchased in the secondary market from an entity that had earlier purchased the policy directly from the insured, it is likely that the insured made his or her medical records available at the time of his or her sale of the policy to the initial purchaser. However, if necessary consents were not obtained from the insured, it is possible that this information cannot legally be made available at the time of the subsequent purchase of the policy. If it is legally available to the subsequent purchaser, it is possible that such information is outdated and of little utility for a current evaluation of the remaining life expectancy of the insured. Even if the insured granted a general consent that gave the owner of the policy the right to subsequently request and receive medical information from the insured's health providers, it is possible for the insured to subsequently revoke such consent. Likewise, it is possible that, under applicable law, the consent expires after a certain period of time. Even if the consent is effective, without the cooperation of the insured, it may be difficult to convince the insured's health care providers of the consent's efficacy and such health providers may be reluctant to release medical information. These impediments to accessing current medical information can prove to be a significant obstacle to the proper valuation of a policy at the time of either the policy's purchase or sale.

Risk Factors Related To Our Common Stock

There is a limited public market for our common stock, and any market that may develop could be volatile.

The market for our common stock has been limited due to, among other factors, low public float of our common stock, low trading volume and the small number of brokerage firms acting as market makers. There were approximately 14,641,922 shares of our common stock held by non-affiliates as of March 31, 2020. Thus, our common stock will be less liquid than the stock of companies with broader public ownership, and, as a result, the trading price for shares of our common stock may be more volatile. Among other things, trading of a relatively small volume of our common stock may have a greater impact on the trading price for our stock than would be the case if our public float were larger. In addition, because our common stock is thinly traded, its market price may fluctuate significantly more than the stock market in general or the stock prices of other companies listed on major stock exchanges. The average daily trading volume for our stock has varied significantly from week to week and from month to month, and the trading volume often varies widely from day to day. Because of the limitations of our market and volatility of the market price of our stock, investors may face difficulties in selling shares at attractive prices when they want to.

An active trading market for shares of our common stock may never develop or be sustained. If no trading market develops, securities analysts may not initiate or maintain research coverage of our company, which could further depress the market for our common stock. As a result, investors may not be able to sell their shares of our common stock at the time that they would like to sell. The limited market for our shares may also impair our ability to raise capital by selling additional shares and our ability to acquire other companies or technologies by using our common stock as consideration. The following may result in short-term or long-term negative pressure on the trading price of our shares, among other factors:

- Conditions and publicity regarding the life settlement market and related regulations generally;
- Regulatory developments in the life settlement market;
- Lack of listing for our common stock;
- Lack of shares of our common stock in public float;
- Lack of market makers with respect to our common stock;
- Inability to raise needed capital;
- Low volume of trading of our common stock;
- Price and volume fluctuations in the stock market at large, which do not relate to our operating performance; and
- Comments by securities analysts or government officials, including those with regard to the viability or profitability of the life settlement industry generally or with regard to our ability to meet market expectations.

The stock market has from time to time experienced extreme price and volume fluctuations that are unrelated to the operating performance of particular companies.

We are an emerging growth company and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an emerging growth company under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we continue to be an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, exemptions from the requirements of holding a nonbinding advisory stockholder vote on executive compensation and any golden parachute payments not previously approved, exemption from the requirement of auditor attestation in the assessment of our internal control over financial reporting and exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board. If we do, the information that we provide stockholders may be different than what is available with respect to other public companies. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an emerging growth company until the earliest of (1) the end of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the end of the second fiscal quarter, (2) the end of the fiscal year in which we have total annual gross revenues of \$1.07 billion or more during such fiscal year, (3) the date on which we issue more than \$1 billion in non-convertible debt in a three-year period or (4) the end of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement filed under the Securities Act. Decreased disclosures in our SEC filings due to our status as an “emerging growth company” may make it harder for investors to analyze our results of operations and financial prospects.

Our management and two stockholders beneficially own approximately 61% of our outstanding common stock and therefore can exert control over our business.

Members of our management team and two stockholders together beneficially own approximately 61% of our outstanding common stock. This percentage of stock ownership is significant in that it could carry any vote on any matter requiring stockholder approval, including the subsequent election of directors, who in turn appoint all officers. As a result, these persons control the Company, regardless of the vote of other stockholders. As a result, other stockholders may not have an effective voice in our affairs.

Future sales of our common stock could adversely affect our stock price and our ability to raise capital in the future, resulting in our inability to raise required funding for our operations.

Sales of substantial amounts of our common stock could harm the market price of our common stock. This also could harm our ability to raise capital in the future. Of the 37,828,441 shares of our common stock that were outstanding as of March 31, 2020, 225,000 of such shares are subject to leak-out agreements. Pursuant to such agreements, each of these stockholder’s common stock can only be sold in an amount equal to 0.0025% (1/4%) of our outstanding securities (to be defined for all purposes thereof as the amount indicated in our most recent filing with the SEC) during each of the four quarterly periods beginning on January 1, 2017; 0.01 (1%) of our outstanding securities during each of the next four successive quarterly periods, all on a non-cumulative basis, meaning that if no common stock was sold during any quarterly period while common stock was qualified to be sold, such shares of common stock cannot be sold in the next successive quarterly period (the “Leak-Out Period”). Notwithstanding the foregoing, any stockholder subject to a lock-up/leak-out agreement that owns less than 100,000 shares of common stock that are covered thereby, is allowed to sell such stockholder’s common stock. Our remaining outstanding shares are mostly freely tradable under Rule 144 and certain limitations on the number of shares that can be sold quarterly by “affiliates” of the Company as defined under the Securities Act. Any sales of substantial amounts of our common stock in the public market, or the perception that those sales might occur, could harm the market price of our common stock. See the captions “Market Price of Common Stock and Related Matters” and “Security Ownership of Certain Beneficial Owners and Management” of Part II, Item 5, below for further information. Further, certain stockholders have “piggy-back” registration rights afforded to them if we file a registration statement with the SEC; these shares or any registered securities we may register can also have an adverse effect on any market for our common stock.

We will not solicit the approval of our stockholders for the issuance of authorized but unissued shares of our common stock unless this approval is deemed advisable by our Board of Directors or is required by applicable law, regulation or any applicable stock exchange listing requirements. The issuance of additional shares would dilute the value of our outstanding shares of common stock.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We conduct our business through our executive office, located in Provo, Utah, with approximately 1,600 square feet of office space. We believe that the lease to which we are subject is generally on terms consistent with prevailing market terms, and none of the leases are with our affiliates. We believe that our facilities are in good condition and are adequate to meet our operating needs for the foreseeable future.

Item 3. Legal Proceedings

To the best of our knowledge, there are no legal proceedings pending or threatened against us; and there are no actions pending or threatened against any of our directors or officers that are adverse to us.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is traded on the OTC Pink under the symbol "SUND." There is no "established trading market" for our shares of common stock. No assurance can be given that any established trading market for our common stock will develop or be maintained, and if an established trading market develops in the future, the sale of shares of our common stock that are deemed to be "restricted securities" or "control securities" pursuant to Rule 144 of the SEC by members of management or others may have a substantial adverse impact on any such market.

Holders

We had 85 stockholders of record as of August 10, 2020, and an indeterminate number of stockholders who hold shares in "street name."

Dividends

There are no present material restrictions that limit our ability to pay dividends on our common or preferred stock. Presently, we have no plans to pay any dividends in the foreseeable future. Our Board of Directors intends to pursue a policy of retaining earnings, if any, for use in our operations and to finance expansion of our business. Any declaration and payment of dividends in the future, of which there can be no assurance, will be determined by our Board of Directors in light of conditions then existing, including our earnings, financial condition, capital requirements and other factors. There are presently no dividends which are accrued or owing with respect to our outstanding common stock. No assurance can be given that dividends will ever be declared or paid on our common stock in the future.

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by Us and Affiliated Purchasers

None.

Item 6. Selected Financial Data

Not required of smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-looking Statements

When used in this Annual Report, the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," and similar expressions are intended to identify forward-looking statements regarding events, conditions, and financial trends that may affect our future plans of operations, business strategy, operating results, and financial position. Persons reviewing this Annual Report are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Such factors are discussed further below under "Trends and Uncertainties," and also include general economic factors and conditions that may directly or indirectly impact our financial condition or results of operations. Reference is also made to the caption "Forward-Looking Statements" at the forepart of this Annual Report, which information is incorporated herein by reference.

Overview

We are currently focused on the business of purchasing residual economic interests in a portfolio of life settlements. A life settlement is the sale of an existing life insurance policy to a third party for more than the policy's cash surrender value, but less than the face value of the policy benefit. After the sale, the new policy holder will pay the premiums due on the policy until maturity and then collect the settlement proceeds at maturity.

We currently do not purchase or hold life settlement or life insurance policies but, rather, previously held a contractual right to receive the net insurance benefits, or NIBs, from a portfolio of life insurance policies held by a third party ("the Owners" or "the Holders"). These NIBs represent an indirect, residual ownership interest in a portfolio of individual life insurance policies and they allowed us to receive a portion of the settlement proceeds from such policies, after expenses related to the acquisition, financing, insuring and servicing of the policies underlying our NIBs have been paid.

We were not responsible for maintaining premiums or other expenses related to maintaining the underlying life settlement or life insurance policies. Ownership of the underlying life settlement or life insurance policies, and the related obligation to maintain such policies, remains with the entity that holds such policies. However, in the event of default of the owner, the Company may choose to expend funds on premiums, interest and servicing costs to protect its interest in NIBs, though the Company has no legal responsibility nor adequate funds for these payments.

NIBs are generally sold by an entity that holds the underlying life settlement or life insurance policies, either directly or indirectly through a subsidiary, such an entity being referred to herein as a "Holder." A Holder, either directly or through a wholly owned subsidiary, purchases life insurance policies either from the insured or on the secondary market and aggregates them into a portfolio of policies. At the time of purchase, the Holder also (i) contracts with a service provider to manage the servicing of the policies until maturity, (ii) consider purchasing mortality re-insurance ("MRI") coverage under which payments will be made to the Holder in the event the insurance policies do not mature according to actuarial life expectancies, and (iii) arranges financing to cover the initial purchase of the insurance policies, the servicing of the life insurance policies until maturity and the payment of the MRI premiums. The financing obtained by the Holder for a portfolio of life settlement or life insurance policies is secured by the insurance policies for which the financing was obtained. After a Holder purchases policies, aggregates them into a portfolio and arranges for the servicing, MRI coverage and financing, the Holder contracts to sell NIBs related to the policies, which gives the holder of the NIBs the right to receive the proceeds from the settlement of the insurance policies after all of the expenses related to such policies have been paid. When an insurance policy underlying our NIBs comes to maturity, the insurance proceeds are first used to pay expenses associated with such policy. Once all of the expenses have been paid, the Holder will retain a small percentage of the proceeds and then will pay the remaining insurance proceeds to us.

We began purchasing NIBs during our fiscal year ended March 31, 2013.

Plan of Operations

At present, we are a minor competitor in the Life Settlements market sector. We will need substantial additional funds to effectively compete in this industry and no assurance can be given that we will be able to adequately fund our current and intended operations through debt or equity financing. In addition, due to the foreclosure on the NIBs described below, the company has no current source of operating revenues. We may be required to expend funds on premiums, interest and servicing costs to protect our interest in NIBs, though we have no legal responsibility nor adequate funds for these payments. In the event that neither party fulfils the financial obligations pertaining to the premiums, interest and servicing costs, we would be required to evaluate our investment in NIBs for possible adverse impairment. During October 2017, the entities completed a refinancing of the loans that had matured. The agreements are with a new senior lending facility who previously provided MRI for the underlying policies. Between May 2018 and July 2018, the Holders entered into agreements that completed a strict foreclosure transaction that transferred the underlying life insurance policies relating to the Company's NIBs to the lenders in full satisfaction of the loan obligation. As a result of the foreclosure, the Company has lost its position in the residual benefits of the policies and has reduced the carrying value of the NIBs at March 31, 2018 to zero. The Company held no NIBs during the fiscal year ended March 31, 2020.

When we hold NIBs, we use an estimation methodology to project cash flows and returns as presented. The estimation model requires many assumptions, including, but not limited to the following: (i) an assumption that the distinct number of lives in our portfolio would exhibit similar experience to a statistically diverse portfolio from which mortality tables have been created; (ii) an assumption that the life expectancies (the "LE" or "LEs") provided by LE providers represent the actuarial mean of the life expectancies of the insureds in our portfolio, (iii) the weighted average of the LEs provided by the LE providers represents an appropriate method for adjusting for discrepancies in the LEs; (iv) life expectancy tables and projections are accurate; (v) the minimum premiums calculated based on the in-force illustrations provided by life insurance carriers are accurate and will not change over the course of the lifetime of our portfolio; and (vi) the Holders' Lender fees, MRI fees, and insurance, servicing and custodial fees will not change materially over time. While this method of modeling cash flows is helpful in providing a theoretical expectation of potential returns that might be produced from our NIBs portfolio, actual cash flows and returns inevitably will be different (possibly materially) due to the fact that predicting the exact date of death of any individual is virtually impossible. The provision of a theoretical cash flow model is by no means any guarantee of any results. The actual performance of these NIB interests (as well as our future expectations as to what such performance might be) may differ substantially from our expectations, especially if any of the assumptions change or differ from our initial assumptions.

Results of Operations

2020 Compared to 2019

Income Recognition

Due to the foreclosure agreement previously mentioned, no interest income was recorded for the fiscal years ended March 31, 2020 and 2019.

General & Administrative Expenses

General and administrative expenses totaled \$828,447 and \$1,094,917 during the years ended March 31, 2020, and 2019, respectively. A significant portion of these expenses were professional fees, payroll and travel expenses. Reduced operational needs from the year ended March 31, 2019 to March 31, 2020 resulted in decreases in each of the areas previously mentioned.

Other Income and Expenses

For the year ended March 31, 2020, other income and expenses totaled \$284,388, consisting of \$110,000 of expenses incurred pursuing potential financing alternatives and \$174,388 in interest expense.

For the year ended March 31, 2019, other income and expenses totaled \$961,201, consisting of \$849,806 of expenses incurred pursuing potential financing alternatives, \$17,840 additional NIBs impairment on newly acquired NIBs and \$93,555 in interest expense.

Income Taxes

During the years ended March 31, 2020 and 2019, the Company recorded a net loss before income taxes of \$1,112,834 and \$2,056,118, respectively, and had no income tax expense or benefit during either year as a result of a full valuation allowance on the net deferred tax asset.

Liquidity and Capital Resources

Since our inception our operations have been primarily financed through sales of equity instruments, debt financing, lines of credit and notes payable from related parties and the issuance of convertible debentures. As of March 31, 2020, we had \$28,784 of cash, compared to \$579 as of March 31, 2019. As of March 31, 2020, the Company had access to draw an additional \$5,105,492 on the notes payable, related party and \$3,000,000 on the Convertible Debenture Agreement. Our monthly expenses are approximately \$70,000, which includes salaries of our employees, policy servicing expenses, consulting agreements and contract labor, general and administrative expenses and estimated legal and accounting expenses. Outstanding Accounts Payable as of March 31, 2020 totaled \$481,716, and other accrued liabilities totaled \$424,954. We believe that our availability under our existing lines of credit with related parties, our existing capital resources, together with the issuance of additional notes payable and convertible debentures and will be sufficient to fund our operating working capital requirements for at least the next 12 months, or through August 2021.

2020 Cash Flows Compared to 2019 Cash Flows

For the year ended March 31, 2020, we recorded net cash used in operating activities of \$750,295, compared to \$1,778,823 used in operating activities during the year ended March 31, 2019. The decrease in cash used in operating activities was primarily due to the overall reduction of operating expenses and cash used in exploring potential financing options.

For the years ended March 31, 2020 and 2019 no cash was used in or provided by investing activities.

During the year ended March 31, 2020 and 2019 net cash provided by financing activities was \$778,500, and \$842,500, respectively. Financing activities for both years consisted of borrowing on new related party promissory notes and existing notes payable and lines-of-credits.

Debt

At March 31, 2020, we owed 2,863,102, including accrued interest, for debt obligations. We owed \$2,450,508 in principal pursuant to notes payable and lines-of-credits from related parties and had fully paid off the principal owing on the 8% Convertible Debenture. As of March 31, 2020, one note payable and line-of-credit had a principal balance of \$829,508 and is due on August 31, 2021, or when the Company completes a successful equity raise, at which time principal and interest is due in full. The second note payable and line-of-credit had a principal balance of \$795,000, and the line of credit is currently extended through August 31, 2021. A third series of promissory notes had a total principal balance of \$826,000 and are due on November 30, 2021. The convertible debenture agreement, which has no principal balance due as of March 31, 2020 is open through November 30, 2021. As of August 10, 2020, there was \$4,931,991 available under the lines-of-credit we currently have with related parties and \$3,000,000 available under the 8% convertible debenture agreement.

Effective December 6, 2018, three existing stockholders have contributed to the Company a portion of their common shares held at a repurchase price to the Company of \$0.05 per share. The Company has cancelled the acquired shares, which decreased the outstanding common shares on the books of the Company. The total number of common shares canceled/retired was 8,000,000. The total liability related to the repurchase of these shares is \$400,000, with repayment contingent on a major financing event.

We may borrow money in the future to finance our operations but can make no guarantees that such credit will be made available to us. Any such borrowing will increase the risk of loss to the debt holder in the event we are unsuccessful in repaying such loans.

The accompanying financial statements have been prepared on a going concern basis under which the Company is expected to be able to realize its assets and satisfy its liabilities in the normal course of business. Due to the foreclosure on the NIBs mentioned above, the company has no current source of future revenues. In order to meet financial obligations, the Company will need to continue to rely on debt financing from related parties and/or raise additional capital. Management has concluded that its existing capital resources and availability under its existing convertible debentures and debt agreements with related parties will be sufficient to fund its operating working capital requirements for at least the next 12 months, or through August 2021. Related parties have given assurance that their continued support, by way of either extensions of due dates, or increases in lines-of-credit, can be relied on. The Company also continues to evaluate other debt and equity financing opportunities.

Contractual Obligations and Contingencies

The following table sets forth payments due by period for fixed contractual obligations by maturity date as of March 31, 2020:

	Total	Maturity Date		Thereafter
		Year Ended March 31, 2021	Year Ended March 31, 2022	
Debt Obligations	\$ 2,450,508	\$ -	\$ 2,450,508	\$ -
Interest payable	412,594	-	412,594	-
Total	<u>\$ 2,863,102</u>	<u>\$ -</u>	<u>\$ 2,863,102</u>	<u>\$ -</u>

Critical Accounting Policies and Estimates

The preparation of our financial statements requires that we make estimates and judgments. We base these on historical experience and on other assumptions that we believe to be reasonable.

Income Taxes, The Company accounts for income taxes under FASB ASC 740, "Income Taxes". Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Accounting standards require the consideration of a valuation allowance for deferred tax assets if it is "more likely than not" that some component or all of the benefits of deferred tax assets will not be realized. The primary factor management considers when evaluating the realization of the deferred tax assets is the amount of cash flows (which represents taxable income) to be received from the Company's NIBs prior the expiration of the tax net loss carryforwards.

The tax effects from an uncertain tax position can be recognized in the financial statements only if the position is more likely than not of being sustained if the position were to be challenged by a taxing authority. The Company has examined the tax positions taken in its tax returns and determined that there are no uncertain tax positions. As a result, the Company has recorded no uncertain tax liabilities in its balance sheet. Interest and penalties for uncertain positions, when applicable, would be recognized as a component of income tax expense.

Off Balance Sheet Arrangements

None.

Item 8. Financial Statements and Supplementary Data

**SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Sundance Strategies, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sundance Strategies, Inc. (“the Company”) as of March 31, 2020 and 2019, the related consolidated statements of operations, stockholders’ deficit, and cash flows for each of the years in the two-year period ended March 31, 2020 and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2020 and 2019 and the results of its operations and its cash flows for each of the years in the two-year period ended March 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Sadler, Gibb & Associates, LLC

We have served as the Company’s auditor since 2018.

Salt Lake City, UT
August 10, 2020

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SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
Consolidated Balance Sheets

	<u>March 31,</u> 2020	<u>March 31,</u> 2019
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 28,784	\$ 579
Prepaid expenses and other assets	<u>2,205</u>	<u>5,108</u>
Total Current Assets	<u>\$ 30,989</u>	<u>\$ 5,687</u>
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
Current Liabilities		
Accounts payable	\$ 481,716	\$ 306,871
Stock repurchase payable	<u>400,000</u>	<u>400,000</u>
Total Current Liabilities	881,716	706,871
Long-Term Liabilities		
Notes payable, related parties	2,450,508	1,672,008
Accrued expenses	<u>424,954</u>	<u>240,163</u>
Total Long-Term Liabilities	<u>2,875,462</u>	<u>1,912,171</u>
Total Liabilities	<u>3,757,178</u>	<u>2,619,042</u>
Stockholders' Deficit		
Preferred stock, authorized 10,000,000 shares, par value \$0.001; -0- shares issued and outstanding	-	-
Common stock, authorized 500,000,000 shares, par value \$0.001; 37,828,441 shares issued and outstanding	37,829	37,829
Additional paid in capital	24,191,224	24,191,224
Accumulated deficit	<u>(27,955,242)</u>	<u>(26,842,408)</u>
Total Stockholders' Deficit	<u>(3,726,189)</u>	<u>(2,613,355)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 30,989</u>	<u>\$ 5,687</u>

The accompanying notes are an integral part of these consolidated financial statements.

SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
Consolidated Statements of Operations

	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income on Investment in Net Insurance Benefits	\$ -	\$ -
General and Administrative Expenses	828,446	1,094,917
Loss from Operations	(828,446)	(1,094,917)
Other Expense		
Impairment of investment in net insurance benefits	-	(17,840)
Interest expense	(174,388)	(93,555)
Financing expense	(110,000)	(849,806)
Total Other Expense	(284,388)	(961,201)
Loss Before Income Taxes	(1,112,834)	(2,056,118)
Income Tax Provision (Benefit)	-	-
Net Loss	\$ (1,112,834)	\$ (2,056,118)
Basic and Diluted:		
Basic and diluted loss per share	\$ (0.03)	\$ (0.05)
Basic and diluted weighted average number of shares outstanding	37,828,441	42,455,217

The accompanying notes are an integral part of these consolidated financial statements.

SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
Consolidated Statements of Stockholders' Deficit
For the Years Ended March 31, 2020 and 2019

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance, March 31, 2018	44,128,441	\$ 44,129	\$ 24,547,014	\$ (24,786,290)	\$ (195,147)
Issuance of Common Stock in exchange for Net Insurance Benefits	800,000	800	17,040	-	17,840
Cancellation of repurchased shares	(8,000,000)	(8,000)	(392,000)	-	(400,000)
Issuance of Common Stock in lieu of Director Compensation	900,000	900	19,170	-	20,070
Net loss	-	-	-	(2,056,118)	(2,056,118)
Balance, March 31, 2019	<u>37,828,441</u>	<u>\$ 37,829</u>	<u>\$ 24,191,224</u>	<u>\$ (26,842,408)</u>	<u>\$ (2,613,355)</u>
Net Loss	-	-	-	(1,112,834)	(1,112,834)
Balance, March 31, 2020	<u>37,828,441</u>	<u>\$ 37,829</u>	<u>\$ 24,191,224</u>	<u>\$ (27,955,242)</u>	<u>\$ (3,726,189)</u>

The accompanying notes are an integral part of these consolidated financial statements.

SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows

	Year Ended March 31, 2020	Year Ended March 31, 2019
Operating Activities		
Net Loss	\$ (1,112,834)	\$ (2,056,118)
Adjustments to reconcile to net cash provided by (used in) operating activities:		
Share based compensation - common stock	-	20,070
Impairment of net insurance benefits	-	17,840
Changes in operating assets and liabilities		
Prepaid expenses and other assets	2,903	(403)
Accounts payable	174,845	144,277
Accrued expenses	184,791	95,511
	<u>(750,295)</u>	<u>(1,778,823)</u>
Net Cash used in Operating Activities		
Financing Activities		
Proceeds from issuance of notes payable, related party	778,500	842,500
	<u>778,500</u>	<u>842,500</u>
Net Cash provided by Financing Activities		
	<u>778,500</u>	<u>842,500</u>
Net Change in Cash and Cash Equivalents	28,205	(936,323)
Cash and Cash Equivalents at Beginning of Period	579	936,902
	<u>579</u>	<u>936,902</u>
Cash and Cash Equivalents at End of Period	<u>\$ 28,784</u>	<u>\$ 579</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Non Cash Financing & Investing Activities, and Other Disclosures		
Exchange common stock for Investment in Net Insurance Benefits	\$ -	\$ 17,840
Repurchase of stock in exchange for Stock Repurchase Payable	\$ -	\$ 400,000

The accompanying notes are an integral part of these audited consolidated financial statements.

SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020 and 2019

(1) ORGANIZATION AND BASIS OF PRESENTATION

Sundance Strategies, Inc. (formerly known as Java Express, Inc.) was organized under the laws of the State of Nevada on December 14, 2001, and engaged in the retail selling of beverage products to the general public until these endeavors ceased in 2006; it had no material business operations from 2006, until its acquisition of ANEW LIFE, INC. (“ANEW LIFE”), a subsidiary of Sundance Strategies, Inc. (“Sundance Strategies”, “the Company”, “we” or “our”). The Company is engaged in the business of purchasing or acquiring life insurance policies and residual interests in or financial products tied to life insurance policies, including notes, drafts, acceptances, open accounts receivable and other obligations representing part or all of the sales price of insurance, life settlements and related insurance contracts being traded in the secondary marketplace, often referred to as the “life settlements market.” Since the Company’s inception its operations have been primarily financed through sales of equity, debt financing from related parties and the issuance of notes payable and convertible debentures. Currently, the Company is focused on the purchase of net insurance benefit contracts (“NIBs”) based on life settlements or life insurance policies.

Accounting Treatment When the Company Holds NIBs

The Company does not take possession or control of the policies. The owners of the life settlements or life insurance policies (the “Owners” or “the Holders”) acquire such policies at a discount to their face value. On settlement, the Company receives the net insurance benefit after all borrowings, interest and expenses have been paid by the Owners out of the settlement proceeds.

The Owners are variable interest entities (VIEs), for which the Company has a variable interest, but is not the primary beneficiary. The Company’s investment in NIBs were issued by the Owners (i.e. the VIEs). The Company’s maximum exposure to loss in the variable interest entities is limited to the investment in NIBs balance. The Company does not have the power to direct activities of the VIEs. Further, the Company does not have the contractual obligation to absorb losses of the VIEs.

The investment in NIBs is a residual economic beneficial interest in a portfolio of life insurance contracts that have been financed by an independent third party via a loan from a lender and, in certain cases, insured via a mortality risk insurance product or mortality re-insurance (“MRI”). Future expected cash flow and positive profits are defined as the net insurance proceeds from death benefits after senior debt repayment, mortality risk repayment, and service provider or other third-party payments.

When NIBs held by the Company are classified as held-to-maturity the Company accounted for its investment in NIBs at the initial investment value increased for interest income and decreased for cash receipts received by the Company and impairment losses. At the time of transfer or purchase of an investment in NIBs, we estimated the future expected cash flows and determine the effective interest rate based on these estimated cash flows and our initial investment. Based on this effective interest rate, the Company calculated accretible income, which was recorded as interest income on investment in NIBs in the statement of operations. Our projections were based on various assumptions that are subject to uncertainties and contingencies including, but not limited to, the amount and timing of projected net cash receipts, expected maturity events, counter party performance risk, changes to applicable regulation of the investment, shortage of funds needed to maintain the asset until maturity, changes in discount rates, life expectancy estimates and their relation to premiums, interest, and other costs incurred, among other items. These uncertainties and contingencies are difficult to predict and are subject to future events that may impact our estimates and interest income. As a result, actual results could differ significantly from these projections. Therefore, subsequent to the purchase and on a regular basis, these future estimated cash flows were evaluated for changes. If the determination was made that the future estimated cash flows should be adjusted to the point of a material change in revenue, a revised effective yield was calculated prospectively based on the current amortized cost of the investment, including accrued accretion. Any positive or adverse change in cash flows would result in a prospective increase or decrease in the effective interest rate used to recognize interest income. Any significant adverse change in the cash flows that may have resulted in the recognition of an “other-than-temporary impairment” (“OTTI”), and would be evaluated by the Company accordingly.

SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020 and 2019

We evaluate the carrying value of our investment in NIBs for impairment on a regular basis and adjust our total basis in the NIBs using new or updated information that affects our assumptions. We recognized impairment on a NIB contract when the fair value of the beneficial interest was less than the carrying amount of the investment, plus anticipated undiscounted future premiums and direct external costs, if any, and if there are adverse changes in cash flow. We had not recognized any impairment on our investment in NIBs from inception, through the year ended March 31, 2017.

When the Company holds NIBs classified as available-for-sale the investment in NIBs are recorded at fair value.

Prior Operations

Between May 2018 and July 2018, the Owners entered into agreements that completed a strict foreclosure transaction that transferred these policies from the owners to the lenders in full satisfaction of the loan obligation. As a result of the foreclosure, the Company has lost its position in the residual benefits of the policies and recognized a \$22,950,126 impairment on the NIBs and \$1,936,311 impairment of related interest receivable during the year ended March 31, 2018. Management concluded that the foreclosure event represented the culmination of conditions that provided indications affecting the realization of the Company's investment in NIBs assets during the fiscal year ended March 31, 2018. As a result, the Company recorded the impairment of the NIBs during the fiscal year ended March 31, 2018, and changed the classification of the Investment in NIBs from held-to-maturity to available-for-sale.

On July 11, 2018, the Company issued 800,000 common shares in return for obtaining the remaining 27.8% ownership of certain NIBs. The transaction was recorded at \$17,840, the estimated fair value of the common stock issued (which management believes approximated the fair value of the NIBs received on the date of the transaction). The additional NIBs acquired were reflected as an increase to the Investment in NIBs account, and the NIBs were immediately impaired on the date of the transaction, bringing the total impairment recognized on the NIBs to \$22,967,966 plus \$1,936,311 of impairment on accrued interest receivable.

At March 31, 2020 and 2019, the Company had fully impaired the Investment in NIBs, and the value of those assets were zero.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents. For purposes of reporting cash flows, the Company considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Income Recognition. Interest income on investment in NIBs represents the excess of all cash flows attributable to the investment in net insurance benefits greater than the initial investment over the life of each pool of net insurance benefits using the effective yield method. Changes in the estimate of expected cash flows from investments in NIBs are adjusted prospectively.

Basic and Diluted Net Loss Per Common Share. Basic net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the periods presented using the treasury stock method. Diluted net loss per common share is computed by including common shares that may be issued subject to existing rights with dilutive potential, when applicable. Potential dilutive common stock equivalents are primarily comprised of potential dilutive shares resulting from convertible debt agreements and common stock warrants. Potentially dilutive shares resulting from convertible debt agreements are evaluated using the if-converted method. Potentially dilutive securities are not included in the calculation of diluted net loss per share for the years ended March 31, 2020 and 2019, because to do so would be anti-dilutive. Potentially dilutive securities outstanding as of March 31, 2020 include warrants convertible into 1,702,000 shares of common stock. No potentially dilutive securities were outstanding as of March 31, 2019.

SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020 and 2019

Stock Based Compensation. The Company measures stock-based compensation expense related to employee stock-based awards based on the estimated fair value of the awards as determined on the date of grant and is recognized as expense over the remaining requisite service period. The Company utilizes the Black-Scholes option pricing model to estimate the fair value of stock options issued as compensation. The Black-Scholes model requires the input of highly subjective and complex assumptions, including the estimated fair value of the Company's common stock on the date of grant, the expected term of the stock option, and the expected volatility of the Company's common stock over the period equal to the expected term of the grant. The Company estimates forfeitures at the date of grant and revises the estimates, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Investment in Net Insurance Benefits. The investment in NIBs is a residual economic beneficial interest in a portfolio of life insurance contracts that have been financed by an independent third party via a loan from a lender and insured, on occasion, via a mortality risk insurance product or mortality re-insurance ("MRI"). Future expected cash flow is defined as the net insurance proceeds from death benefits after senior debt repayment, mortality risk repayment, and service provider or other third-party payments. The Company is not responsible for maintaining premiums or other expenses related to maintaining the underlying life insurance contracts. Therefore, the investment in NIBs balance on the Company's balance sheet does not increase when premiums or other expenses are paid. At March 31, 2020, we have determined our investment in NIBs to have no fair value, as all remaining benefits had been received and the underlying policies have been subject to foreclosure (see Note 1).

In estimating these cash flows for purposes of interest income and impairment calculations, there are a number of assumptions that are subject to uncertainties and contingencies. These include the amount and timing of projected net cash receipts, expected maturity events, counter party performance risk, changes to applicable regulation of the investment, shortage of funds needed to maintain the asset until maturity, changes in discount rates, life expectancy estimates and their relation to premiums, interest, and other costs incurred, among other items. These uncertainties and contingencies are difficult to predict and are subject to future events that may impact our estimates and interest income. As a result, actual results could differ significantly from those estimates.

Income Taxes. The Company accounts for income taxes under FASB ASC 740, "Income Taxes". Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Accounting standards require the consideration of a valuation allowance for deferred tax assets if it is "more likely than not" that some component or all of the benefits of deferred tax assets will not be realized.

The tax effects from an uncertain tax position can be recognized in the financial statements only if the position is more likely than not of being sustained if the position were to be challenged by a taxing authority. The Company has examined the tax positions taken in its tax returns and determined that there are no uncertain tax positions. As a result, the Company has recorded no uncertain tax liabilities in its balance sheet. Interest and penalties for uncertain positions, when applicable, would be recognized as a component of income tax expense.

The Company files United States Federal and State income tax returns. The income tax returns of the Company are subject to examination by taxing authorities for three to five years from the date they are filed. The Company has tax returns subject to examination for 2014-2019.

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and its subsidiary. The subsidiary is wholly owned. All intercompany accounts and transactions are eliminated in consolidation.

Variable Interest Entities ("VIEs"). When the Company holds NIBs the owners of the underlying Life Insurance Policies are often considered variable interest entities (VIEs), for which the Company has a variable interest, but is not the primary beneficiary, as it does not have control over the significant activities affecting the economic performance of the owners. The Company's maximum exposure to loss in the variable interest entities is limited to the investment in NIBs balance, which has a carrying value of zero as of March 31, 2020 and 2019. The Company does not have the power to direct activities of the VIEs. Further, the Company does not have the contractual obligation to absorb losses of the VIE beyond the Company's initial investment.

SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020 and 2019

Fair Value, As defined by ASC Topic 820, “Fair Value Measurements and Disclosures” (“ASC 820”), fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also requires the consideration of differing levels of inputs in the determination of fair values.

Those levels of input are summarized as follows:

- Level 1: Quoted prices in active markets for identical assets and liabilities.
- Level 2: Observable inputs other than Level 1 quoted prices, such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Unobservable inputs that are supported by little or no market activity. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Company did not have any transfers of assets and liabilities between Levels 1, 2 and 3 of the fair value measurement hierarchy during the years ended March 31, 2020 and 2019.

The Company’s recorded values of cash and cash equivalents, accounts payable and accrued liabilities approximate their fair values based on their short-term nature. The recorded values of the Notes Payable, Related Parties and Convertible Debenture approximates the fair values as the interest rate approximates market interest rates.

(3) NEW ACCOUNTING PRONOUNCEMENTS

Adopted During the Year Ended March 31, 2020

In February 2016, the FASB issued ASU 2016-02 related to the accounting for leases. This pronouncement requires lessees to record most leases on their balance sheet, while expense recognition on the income statement remains similar to current lease accounting guidance. The guidance also eliminates real estate-specific provisions and modifies certain aspects of lessor accounting. Under the new guidance, lease classification as either a finance lease or an operating lease will determine how lease-related revenue and expense are recognized. The pronouncement is effective for the Company’s fiscal year beginning April 1, 2019, and for interim periods within that fiscal year. The adoption of this standard did not have an impact on the consolidated financial statements because leases are month-to-month and not material to the Company’s financial statements.

Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses. ASU 2016-13 requires entities to report “expected” credit losses on financial instruments and other commitments to extend credit rather than the current “incurred loss” model. These expected credit losses for financial assets held at the reporting date are to be based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU will also require enhanced disclosures relating to significant estimates and judgments used in estimating credit losses, as well as the credit quality. The amendments are effective for the Company’s fiscal year beginning April 1, 2020, including interim periods within that fiscal year. The Company is currently evaluating the impact the adoption of ASU 2016-13 will have on its consolidated financial statements and results of operations.

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The Company has reviewed all other recently issued, but not yet adopted, accounting standards, in order to determine their effects, if any, on its results of operations, financial position or cash flows. Based on that review, the Company believes that none of these pronouncements will have a significant effect on its financial statements.

(4) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist principally of currency on hand and demand deposits at commercial banks. The Company had \$28,784 and \$579 in cash and cash equivalents as of March 31, 2020, and 2019, respectively. The Company maintains non-interest-bearing accounts at one financial institution. The accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

(5) STOCKHOLDERS' EQUITY

Common Stock

Effective December 6, 2018, three existing stockholders have contributed to the Company a portion of their common shares held at a repurchase price to the Company of \$0.05 per share. The Company has cancelled the acquired shares, which decreased the outstanding common shares on the books of the Company. The total number of common shares canceled/retired was 8,000,000. The total liability related to the repurchase of these shares is \$400,000, with repayment contingent on a major financing event.

On July 11, 2018, the Company issued 800,000 common shares in return for obtaining the remaining 27.8% ownership of certain NIBs. The transaction was recorded at \$17,840, the estimated fair value of the common stock issued (which management believes approximated the fair value of the NIBs received on the date of the transaction). The additional NIBs acquired were reflected as an increase to the Investment in NIBs account, and the NIBs were immediately impaired on the date of the transaction, bringing the total impairment recognized on the NIBs to \$22,967,966 plus \$1,936,311 of impairment on accrued interest receivable.

Warrants to Purchase Common Stock

As explained in Note 6, the related party lenders have received warrants to purchase common stock of the Company if extensions of due dates had been granted or additional monies had been loaned under the agreements.

Effective April 3, 2020, the related party, note payable and line of credit agreement with the Chairman of the Board of Directors and a stockholder (see Note 6) was amended to include a formal provision that provides the related party lender with common stock warrants upon the lenders extension of a maturity due date or upon the loaning of additional monies. The number of warrants issued will be based on the following formula: 10,000 warrants per month the due date is extended plus 1 warrant for every \$2 of the principal balance outstanding (not including interest) at the time of the extension (rounded to the nearest whole warrant). Effective April 3, 2020, the number of warrants to be issued upon the loaning of additional monies is 2 warrants for each dollar loaned.

In addition, Mr. Dickman, the holder of the related party, unsecured promissory notes (see Note 6) has informed the Company that, at such time the Company requests either an extension or additional monies from the lender, in addition to interest, the lender will require 10,000 warrants per month the due date is extended plus 1 warrant for every \$2 of the principal balance outstanding (not including interest) at the time of the extension (rounded to the nearest whole warrant). Upon the loaning of additional monies, the lender will also require 2 warrants for each dollar loaned.

As of March 31, 2020, the Company held outstanding warrants to related parties totaling 1,702,000 (none as of March 31, 2019). All warrants have an exercise price of \$0.05 per share, a five-year life as of the date of grant and expire between November 2024 and February 2025. The average remaining outstanding life of the warrants as of March 31, 2020, was 4.75 years. The common stock issued upon exercise of the warrants are not registered with the Securities and Exchange Commission and do not have registration rights.

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(6) NOTES PAYABLE, RELATED PARTY

As of March 31, 2020 and 2019, the Company had borrowed \$2,450,508 and \$1,672,008 respectively, excluding accrued interest, from related parties. The interest associated with the Notes Payable, Related Party of \$288,369 and \$113,981 is recorded on the balance sheet as an Accrued Expense obligation at March 31, 2020 and March 31, 2019, respectively.

Related Party Promissory Notes

As of March 31, 2020 and 2019, the Company owed \$826,000 and \$450,000, respectively, under the unsecured promissory notes from Mr. Glenn S. Dickman, a stockholder and member of the Board of Directors. The promissory notes bear interest at a rate of 8% annually. On November 5, 2019, the Company agreed to amend the agreements to extend the due date on the promissory notes from August 31, 2020 to November 30, 2021 or at the immediate time when alternative financing or other proceeds are received. In addition, the Company agreed to provide Mr. Dickman warrants for 450,000 shares of common stock at an exercise price of \$0.05 per share and a five-year life. The value of the warrants on the date of grant, as calculated by the Black-Scholes-Merton valuation model, was not significant. The inputs used in this calculation included a risk-free rate of 1.66%, volatility of 27.29% and a dividend rate of 0%. On February 4, 2020, the Company borrowed an additional \$230,000 from Mr. Dickman, and agreed to provide him with an additional 752,000 warrants for shares of common stock at an exercise price of \$0.05 per share. The value of the warrants on the date of grant, as calculated by the Black-Scholes-Merton valuation model, was not significant. The inputs used in this calculation included a risk-free rate of 1.66%, volatility of 27.29% and a dividend rate of 0%. During the year ended March 31, 2020, the Company borrowed a total of \$376,000 of principal under this agreement and made no repayments. As of March 31, 2020, accrued interest on the notes totaled \$67,752. In the event the Company completes a successful equity raise all principal and interest on the notes are due in full at that time.

Related Party Note Payable and Line of Credit Agreements

As of March 31, 2020 and 2019, the Company owed \$795,000 and \$392,500, respectively, exclusive of accrued interest, under the note payable and line of credit agreement with the Chairman of the Board of Directors and a stockholder. The agreement allows for borrowings of up to \$4,600,000. On January 8, 2020, the note payable and the line of credit agreement was extended from November 30, 2020 to August 31, 2021. In addition, the Company agreed to provide the Chairman with warrants for 500,000 shares of common stock at an exercise price of \$0.05 per share and a five-year life. The value of the warrants on the date of grant, as calculated by the Black-Scholes-Merton valuation model, was not significant. The inputs used in this calculation included a risk-free rate of 1.66%, volatility of 27.29% and a dividend rate of 0%. The note payable and line of credit agreement incurs interest at 7.5% per annum and are collateralized by the Company's NIBS, if any. During the year ended March 31, 2020 the Company borrowed \$402,500 of principal under this agreement and made no repayments. As of March 31, 2020, accrued interest on totaled \$69,209. In the event the Company completes a successful equity raise all principal and interest on this note are due in full at that time.

As of March 31, 2020 and 2019, the Company owed \$829,508, exclusive of accrued interest, under the note payable and lines of credit agreement with Radiant Life, LLC, an entity partially owned by the Chairman of the Board of Directors. The agreement allows for borrowings of up to \$2,130,000. On December 19, 2019, the Company agreed to amend the agreement to extend the due date on the note payable and line of credit agreement from November 30, 2020 to August 31, 2021, or at the immediate time when alternative financing or other proceeds are received. The note payable and line of credit agreement incurs interest at 7.5% per annum and is collateralized by the Company's NIBS, if any. During the year ended March 31, 2020 the Company neither borrowed nor repaid any principal under this agreement. As of March 31, 2020, accrued interest on this agreement totaled \$151,408. In the event the Company completes a successful equity raise, all principal and interest on this note are due in full at that time.

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(7) CONVERTIBLE DEBENTURE AGREEMENT

The Company has entered into an 8% convertible debenture agreement with Satco International, Ltd., that allows for borrowings of up to \$3,000,000 and is not collateralized. The holder originally had the option to convert the outstanding principal and accrued interest to unregistered, restricted common stock of the Company on June 2, 2016. Per the agreement, the number of shares issuable at conversion shall be determined by the quotient obtained by dividing the outstanding principal and accrued and unpaid interest by 90% of the 90 day average closing price of the Company's common stock from the date the notice of conversion is received; and the price at which the Debenture may be converted will be no lower than \$1.00 per share. The original maturity date was June 2, 2016, but was later extended, through a series of extensions, to August 31, 2019. On October 29, 2019, the Company agreed to amend the 8% Convertible Debenture Agreement and extended the due date and conversion rights to December 1, 2020. Subsequent to March 31, 2020, the Company agreed to further extend the due date and conversion rights to November 30, 2021. As of March 31, 2020 and 2019, the Company owed no principal under the agreement. The associated interest of \$124,225 is recorded on the balance sheet as an Accrued Expense obligation at March 31, 2020 and 2019.

(8) LIQUIDITY REQUIREMENTS

Since the Company's inception on January 31, 2013, its operations have been primarily financed through sales of equity, debt financing from related parties and the issuance of notes payable and convertible debentures. As of March 31, 2020, the Company had \$28,784 of cash assets, compared to \$579 as of March 31, 2019. As of March 31, 2020, the Company had access to draw an additional \$5,105,492 on the notes payable, related party (see Note 6) and \$3,000,000 on the Convertible Debenture Agreement (See Note 7). For the year ended March 31, 2020, the Company's average monthly operating expenses were approximately \$70,000, which includes salaries of our employees, consulting agreements and contract labor, general and administrative expenses and legal and accounting expenses. The Company anticipates the average monthly expenses of \$70,000 to decrease by approximately \$10,000 over the next 12 months, resulting in ongoing, average monthly expenses of approximately \$60,000. In addition to the monthly operating expenses, the Company continues to pursue other debt and equity financing opportunities, and as a result, financing expenses of \$110,000 and \$849,806 were incurred during the years ended March 31, 2020, and 2019, respectively. As management continues to explore additional financing alternatives, beginning April 1, 2020 the Company is expected to spend up to an additional \$400,000 on these efforts. Outstanding Accounts Payable as of March 31, 2020 totaled \$481,716. Management has concluded that its existing capital resources and availability under its existing convertible debentures and debt agreements with related parties will be sufficient to fund its operating working capital requirements for at least the next 12 months, or through June 2020. Related parties have given assurance that their continued support, by way of either extensions of due dates, or increases in lines-of-credit, can be relied on. As mentioned above, the Company also continues to evaluate other debt and equity financing opportunities.

The recent outbreak of COVID-19 originated in Wuhan, China, in December 2019 and has since spread to multiple countries, including the United States and several European countries. On March 11, 2020, the World Health Organization declared the outbreak a pandemic. The COVID-19 pandemic is affecting the United States and global economies and may affect the Company's operations and those of third parties on which the Company relies. While the potential economic impact brought by, and the duration of, the COVID-19 pandemic is difficult to assess or predict, the impact of the COVID-19 pandemic on the global financial markets may reduce the Company's ability to access capital, which could negatively impact the Company's short-term and long-term liquidity. The ultimate impact of the COVID-19 pandemic is highly uncertain and subject to change. The Company does not yet know the full extent of potential delays or impacts on its business, financing or other activities or on healthcare systems or the global economy as a whole. However, these effects could have a material impact on the Company's liquidity, capital resources, operations and business and those of the third parties on which we rely.

The accompanying financial statements have been prepared on a going concern basis under which the Company is expected to be able to realize its assets and satisfy its liabilities in the normal course of business. Due to the foreclosure on the NIBs mentioned above, the Company has no current source of operating revenues. In order to purchase NIBs, the Company will need to raise additional capital or secure alternative sources of debt financing.

(9) INCOME TAXES

The Company provides for income taxes under ASC 740, Income Taxes. ASC 740 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

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The Company recorded no provision for income taxes for the years ended March 31, 2020 and 2019.

The income tax provision differs from the amount of income tax determined by applying the U.S. federal tax rate of 21% to pretax income from continuing operations for the years ended March 31, 2020 and 2019, due to the following:

	2020	2019
Income tax benefit at U. S. federal statutory rates:	\$ (233,695)	\$ (431,785)
State tax, net of federal benefit	(43,517)	(80,405)
Permanent and other differences	20	11
Net operating losses	-	-
Change in valuation allowance	277,273	512,179
Change in statutory rate	-	-
Other	(81)	-
	<u>\$ -</u>	<u>\$ -</u>

The tax effects of significant items comprising the Company's net deferred taxes as of March 31, 2020 and 2019 were as follows:

	2020	2019
Deferred Tax assets:		
Net operating loss carry forwards	\$ 6,574,104	\$ 6,296,831
Stock and warrant compensation	479,708	479,708
Valuation allowance	(7,053,812)	(6,776,539)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The Company assesses the need for a valuation allowance against its deferred income tax assets at March 31, 2020. Factors considered in this assessment include recent and expected future earnings and the Company's liquidity and equity positions. During the year ended March 31, 2018, the underlying policies related to the Company's NIBs were subject to foreclosure (see Note 1). As a result, the Company has placed a 100% valuation allowance on the deferred tax assets. The deferred tax assets primarily relate to net operating loss carryforwards and the deferred tax liabilities primarily related to revenue recognized for financial reporting purposes, but not for tax reporting purposes.

As of March 31, 2020, the Company has U.S. federal net operating loss carryforwards of \$26,390,855. These carry forwards are available to offset future taxable income, if any, and begin to expire in 2021. The utilization of the net operating loss carry forwards is dependent upon the tax laws in effect at the time the net operating loss carry forwards can be utilized and may be significantly limited based on ownership changes within the meaning of section 382 of the Internal Revenue Code.

Under FASB ASC 740-10-05-6, tax benefits are recognized only for the tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon ultimate settlement. Unrecognized tax benefits are tax benefits claimed in the company's tax return that do not meet these recognition and measurement standards.

The Company had no liabilities for unrecognized tax benefits and the Company has recorded no additional interest or penalties.

SUNDANCE STRATEGIES, INC. AND SUBSIDIARY
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(10) SUBSEQUENT EVENTS

Subsequent to year end, the following events transpired:

On July 13, 2020, the Company agreed to amend the 8% convertible debenture agreement with Satco International, Ltd., to extend the due date and conversion rights from December 1, 2020 to November 30, 2021.

Subsequent to March 31, 2020, the Company borrowed an additional \$173,500 on Notes Payable, Related Party and issued 347,000 warrants.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified by the Commission’s rules and forms.

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of these disclosure controls and procedures, as such term is defined in Exchange Act Rule 13a-15(e), as of March 31, 2020. Based on this evaluation, our principal executive officer and principal financial officer concluded our disclosure controls and procedures were effective as of March 31, 2020, the end of the period covered by this Annual Report on Form 10-K.

(b) Management’s Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our internal control over financial reporting is designed to provide reasonable assurance of achieving its objectives as specified above. Management does not expect, however, that our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Management, including our principal executive officer and principal financial officer, has assessed the effectiveness of our internal control over financial reporting as of March 31, 2020. In making our assessment of the effectiveness of internal control over financial reporting, management used the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on this assessment, management has concluded that, as of March 31, 2020, our internal control over financial reporting was effective.

This Annual Report does not include an attestation report of our registered public accounting firm regarding our internal controls over financial reporting. Management’s report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit us to provide only management’s report in this Annual Report.

(c) Changes in Internal Control Over Financial Reporting

During the first, second and third quarters of the year ended March 31, 2020, we concluded the design and operation of our controls contained a material weakness related to adequate segregation of duties in some areas of finance. As of March 31, 2020, our material weakness was remedied. The following controls were implemented as of March 31, 2020, to specifically address the material weaknesses that the Company did not maintain adequate segregation of duties in some areas of finance:

- Due to the low cash balance maintained in the Company's bank accounts, any significant expenditures require management to request funds from related party lenders, who are also members of the Company's Board of Directors—thus representing the Board's acknowledgement and approval.
- Check preparation is performed by a CPA firm the Company has contracted with to help with the accounting. Management does not enter transactions into the Company's accounting system. The contracted CPA firm looks at all transactions and bank activity and reports unusual items, if any, to the Company's Board of Directors.

Other than described above, there were no changes in our internal control over financial reporting that occurred during the fourth quarter of 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Subsequent to year end, the following events transpired:

On July 13, 2020, the Company agreed to amend the 8% convertible debenture agreement with Satco International, Ltd., to extend the due date and conversion rights from December 1, 2020 to November 30, 2021.

Subsequent to March 31, 2020, the Company borrowed an additional \$173,500 on Notes Payable, Related Party and issued 347,000 warrants.

PART III

ITEM 10: DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Identification of Directors and Executive Officers

Our executive officers and directors and their respective ages, positions and biographical information are set forth below.

<u>Name</u>	<u>Positions Held</u>	<u>Date of Election or Designation</u>	<u>Date of Termination or Resignation</u>
Kraig T. Higginson	Chairman of the Board	1/12/2015	*
Glenn S. Dickman	Director	12/6/18	*
Stephen E. Quesenberry	Director	12/6/18	*
Randall F. Pearson	President	03/29/13	*
Randall F. Pearson	Principal Executive Officer	03/29/13	*
Randall F. Pearson	Principal Financial Officer	03/29/13	*
Randall F. Pearson	Director	04/01/13	*

* Presently serves in the capacities indicated opposite his name.

The Board of Directors has set the size of the Company's Board of Directors at four, which is within the number allowed by our Bylaws.

Director Qualifications

In evaluating members for services on the Board of Directors, emphasis was placed on the following factors: (i) the appropriate size of our Board of Directors; (ii) our needs with respect to the particular talents and experience of our directors; (iii) the knowledge, skills and experience of the directors, including experience in development stage companies and new enterprises and innovations, finance, administration and management skills; and (iv) the dedication of the directors to familiarize themselves with the our selected business industry.

Our goal was to assemble a Board of Directors that brings together a variety of perspectives and skills derived from high quality business and professional experience. We believe each of the members of our Board of Directors possesses these qualities.

Background and Business Experience

Kraig T. Higginson is 63 years of age and was appointed to the position of Chairman of the Board of Directors. Mr. Higginson served as Chief Executive Officer of VIA Motors, Inc. (“Via Motors”), a hybrid electric vehicle company (PHEV), from November 2010 to January 2014, where he was responsible for overseeing the management and business of Via Motors and its employees. From October 2003 until November 2010, he served as Chairman of the Board of Directors of Raser Technologies, Inc. (“Raser Technologies”), which was an NYSE listed company at that time. Mr. Higginson resigned as a director of Raser Technologies on February 11, 2011. Raser Technologies filed bankruptcy proceedings on April 29, 2011, and was subsequently delisted from NYSE. Mr. Higginson also founded American Telemedia Network, Inc. (“American Telemedia”), a publicly-traded NASDAQ company that developed a nationwide satellite network broadcasting data, video programming and advertising to shopping centers and malls, and he served as President and Chief Executive Officer of American Telemedia from 1984 through 1988.

Mr. Glenn S. Dickman is 70 years of age. In 1984, Mr. Dickman started a “sales rack” jobbing operation supplying grocery stores with movies for rent and purchase. As founder and CEO of Video II, the business grew from servicing one store to over 1,400 located in 38 states. Video II had over 400 employees at one time, with Mr. Dickman overseeing all facets of the business as its CEO. In 2005, Mr. Dickman sold his interest in Video II, and has since concentrated his efforts on a variety of investments, including stocks and real estate.

Stephen Quesenberry is 57 years old. He has practiced law since 1989 in Washington and Utah, including complex business litigation and SEC matters. Mr. Quesenberry was one of the (many) attorneys representing Exxon Shipping in the Exxon Valdez litigation in Alaska in the early 1990s. Mr. Quesenberry has also been a principal in various property development projects in Washington and elsewhere. Mr. Quesenberry graduated from Brigham Young University in 1986 with a degree in English and was a pitcher for the BYU Cougars varsity baseball team from 1983-1986. He attended law school at the University of Kansas from 1986-1989, where he was an editor of the Kansas Law Review and a member of the Order of the Coif. He also speaks fluent German.

Mr. Randall F. Pearson is 64 years old. Mr. Pearson was employed by JWD Management Corp., dba, Video II for 26 years, resigning in May, 2011. He became the President of ANEW LIFE in February, 2013. While working at JWD, he served in various positions, including National Sales Manager, Vice President of Operations, Vice President, President and CEO. Video II has provided movie and DVD rental and other related services for grocery chains nationwide. Mr. Pearson managed the video rental program in 900 different grocery store locations. He has also fully managed the program that included videos and DVDs for sale, as well as other products in over 1,400 locations. He oversaw a full service merchandising program with representatives that serviced the products Video II supplied to the grocery stores, supervising over 70 employees at Video II’s corporate offices and over 450 employees in 33 states. Video II was one of the larger video “rackers” in the U.S. During this same time frame, Mr. Pearson also owned and managed his own residential and commercial investment properties, and has focused on those activities since leaving JWD in 2011. Mr. Pearson attended Brigham Young University from 1972 to 1977, in Business Management, obtained a real estate brokers license in 1977; and received Series 7 Securities License in 1978.

Significant Employee

Lisa L. Fuller, Esq. is 51 years of age and is our general legal counsel. She is licensed in California, Texas and Oklahoma, with 15 years of law firm experience and 10 years of in-house counsel experience in the areas of tax, contracts, corporations and partnerships, estate planning, insurance and exempt organizations. From 2009 to the beginning of April 2013, she was general legal counsel for NorthStar Life Services, LLC, of Irvine, California, the Servicer, of the current portfolio of policies underlying the Company’s NIBs, where she managed a four person legal department; Structured international and domestic companies and transactions, reviewed and negotiated contracts; Managed all company litigation; tax planning (U.S. and internationally, with a focus in Luxembourg, Germany and the Cayman Islands); and oversaw purchase of a European financial institution and assisted with obtaining various approvals from regulators related to business plans and deposits. She also served as general legal counsel for Pacifica Group, LLC, of Irvine, California, a predecessor of NorthStar, from 2006 until 2009, where, in addition to other services similar to those performed for NorthStar, she lobbied for the passage of regulations related to life settlements. She graduated from New York University, New York, NY, with an LL.M. Degree in Taxation, 1993; the University of Oklahoma, Norman, OK, receiving a J.D. Degree, 1992; and Trinity University, San Antonio, TX, receiving a B.A. Degree in Finance, 1988. Lisa is a member of the Bar Associations of Oklahoma and Texas.

Directorships Held in Other Reporting Companies

None of our directors or executive officer is a director of a company that is required to file reports under Sections 15 or 13(d) of the Exchange Act.

Promoters and control person

To the best of our management's knowledge, and except as indicated below, no person who may be deemed to have been a promoter or founder of our Company was the subject of any of the legal proceedings listed under the heading "Involvement in Certain Legal Proceedings" above; however, Kraig T. Higginson, our Board Chairman, and who was the incorporator and one of the founding directors of ANEW LIFE, resigned as a director of Raser Technologies, Inc., a Delaware corporation, on February 11, 2011. Raser Technologies, Inc. filed bankruptcy proceedings on April 29, 2011.

Corporate Governance

Overview

Our Bylaws provide that the size of our Board is to be determined by resolution of the Board. Our Board has fixed the exact number of directors at four. Our Board currently consists of four members.

We are subject to a number of technological, regulatory, product, legal and other types of risks. The Board is responsible for overseeing these risks, and we employ a number of procedures to help them carry out that duty. For example, Board members regularly consult with executive management about pending issues and expected challenges, and at each Board meeting directors receive updates from, and have an opportunity to interview and ask questions of, key personnel and management. Furthermore, because our President serves as a member of our Board, we believe that the Board has a direct channel and better access to insights into our performance, business and challenges.

Board Leadership Structure

The Board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board as the Board believes it is in the best interests of the Company to make that determination based upon the position and direction of the Company and the membership of the Board. The Board has determined at this time that the Company's Chairman should not be its President.

The Board has determined that of the current directors or nominees, Messrs. Higginson, Dickman and Quesenberry would qualify as independent directors as that term is defined in the listing standards of The NASDAQ Capital Market if we were listed on The NASDAQ Capital Market. Such independence definition includes a series of objective tests, including that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. As Mr. Pearson is also employed by the Company, the Board has determined that Mr. Pearson is not currently independent. Although the Company's common stock is not listed on The NASDAQ Capital Market, the Company has applied The NASDAQ Capital Market independence rules to make its independence determinations.

Committees of the Board of Directors

The Board has not established an Audit Committee, a Compensation Committee or a Nominating Committee. Therefore, the Board has not adopted written charters for any of these committees. Because we have only four directors and one executive officer, we believe that we are able to effectively manage the issues normally considered by such committees. The Board also does not have an audit committee financial expert. We believe we are currently able to manage our audit and financial reporting obligations without an audit committee financial expert. However, as we grow, we will consider adding an audit committee financial expert.

In evaluating a director candidate, our Board of Directors will review his or her qualifications including capability, availability to serve, conflicts of interest, general understanding of business, understanding of the Company's business and technology, educational and professional background, personal accomplishment and other relevant factors. Our Board of Directors has not established any specific qualification standards for director nominees and we do not have a formal diversity policy relating to the identification and evaluation of nominees for director, although from time to time the Board of Directors may identify certain skills or attributes as being particularly desirable to help meet specific needs that have arisen. Our Board of Directors may also interview prospective nominees in person or by telephone. After completing this evaluation, the Board of Directors will determine the nominees.

The Board has not adopted a formal process for considering director candidates who may be recommended by stockholders. However, our policy is to give due consideration to any and all such candidates. A stockholder may submit a recommendation for director candidates to us at our corporate offices, to the attention of Randall F. Pearson. We do not pay fees to any third parties to assist us in identifying potential nominees.

Number of Meetings

The Board held a total of two (2) meetings during the fiscal year ended March 31, 2020. Each incumbent director attended all of the Board meetings. Although we do not have a formal policy regarding attendance by directors at our annual meeting, we encourage directors to attend.

Codes of Ethics and Business Conduct

We have adopted a corporate Code of Ethics and Business Conduct which is available as Exhibit 14.1 to this filing. The Code of Ethics and Business Conduct applies to all our officers, directors and employees, including our principal executive officer, principal financial officer and controller, or persons performing similar functions. If we effect an amendment to, or waiver from, a provision of our Code of Ethics and Business Conduct, we intend to satisfy our disclosure requirements by posting a description of such amendment or waiver on our website at www.sundancestrategies.com.

ITEM 11: EXECUTIVE COMPENSATION

Director Compensation

Non-employee directors received no compensation during the fiscal year ended March 31, 2020.

The following table outlines information regarding equity awards held by our named executive officers or directors as of the fiscal year ended March 31, 2020:

Outstanding Equity Awards Held at March 31, 2020

<u>Name</u>	<u>Date of Grant</u>	<u>Shares</u>	<u>\$ Value</u>
Randall F. Pearson	12/6/18	300,000	\$6,900
Glenn S. Dickman	12/6/18	300,000	\$6,900
Stephen E. Quesenberry	12/6/18	300,000	\$6,900

Executive Compensation Objectives and Principles

The overall objective of our executive compensation program is to help create long-term value for our stockholders by attracting and retaining talented executives, rewarding superior operating and financial performance, and aligning the long-term interests of our executives with those of our stockholders. Accordingly, our executive compensation program incorporates the following principles:

- Compensation should be based upon individual job responsibility, demonstrated leadership ability, management experience, individual performance, and Company performance.
- Compensation should reflect the fair market value of the services received. We believe that a fair and competitive pay package is essential to attract and retain talented executives in key positions.
- Compensation should reward executives for long-term strategic management and enhancement of stockholder value.
- Compensation should reward performance and promote a performance-oriented environment.

Executive Compensation Procedures

We believe that compensation paid to our executive officers should be closely aligned with our performance and the performance of each individual executive officer on both a short-term and a long-term basis, should be based upon the value each executive officer provides to us, and should be designed to assist us in attracting and retaining the best possible executive talent, which we believe is critical to our long-term success. To attain our executive compensation objectives and implement the underlying compensation principles, we follow the procedures described below.

Role of the Board. The Board has responsibility for establishing and monitoring our executive compensation programs and for making decisions regarding the compensation of our Named Executive Officers. The Board sets the compensation package of the Named Executive Officers. Our President, Mr. Randall Pearson, suggests items to be considered by the Board from time to time, including the compensation package for the other Named Executive Officer; and participates in meetings in which the compensation package of the other Named Executive Officer is discussed.

The Board relies on its judgment in making compensation decisions after reviewing our performance and evaluating our executives' leadership abilities and responsibilities with our Company and their current compensation arrangements. The Board's assessment process is designed to be flexible so as to better respond to the evolving business environment and individual circumstances.

Role of Compensation Consultant. We have not engaged a compensation consultant.

Elements of Compensation

Our executive compensation objectives and principles are implemented through the use of the following elements of compensation, each discussed more fully below:

- Base Salary
- Annual Incentive Bonuses
- Stock-Based Compensation
- Other Benefits

Base Salary. The Board approved the salaries of all our executive officers for Fiscal Year 2020. Base salaries are offered to ensure that our executive officers receive an ongoing level of compensation. Salary decisions concerning these officers were based upon a variety of considerations consistent with the compensation philosophy stated above. First, salaries were competitively set relative to both other companies in our industry and other comparable companies. The Board considered each officer's level of responsibility and individual performance, including an assessment of the person's overall value to the Company. In addition, internal equity among employees was factored into the decision. Finally, the Board considered our financial performance and our ability to absorb any increases in salaries.

Annual Incentive Bonuses. Annual incentive bonuses are designed to reward extraordinary performance by our executives. For Fiscal Year 2020, the Board did not precisely define the parameters of a bonus program for the Named Executive Officers, and no bonuses were awarded to the Named Executive Officers.

Stock-Based Compensation. Each Named Executive Officer is eligible to receive stock-based compensation. Stock-based compensation is designed to more closely align the interests of management with those of our stockholders. We do not have any securities authorized for issuance under an equity compensation plan, or any policies for allocating compensation between long-term and currently paid out compensation or between cash and non-cash compensation or among different forms of non-cash compensation. On December 6, 2018, the Company awarded three of its directors 300,000 shares each of the Company's stock, in lieu of director compensation. 25% of the shares vested immediately on the date of the agreement, and the remainder of the shares vested equally over the months January 2019 through March 2019. The transaction resulted in a compensation expense of \$20,070, which was recognized on a pro rata basis, following the vesting schedule. As of March 31, 2020, all of the compensation expensed was recognized.

Other Benefits. Our Named Executive Officers receive the same benefits that are available to all other full-time employees, including the payment of health, dental, life and disability insurance premiums.

Deductibility of Executive Compensation

Internal Revenue Service ("IRS") Code Section 162(m) limits the amount that we may deduct annually for compensation paid to our principal executive officer, principal financial officer, and to each of our three most highly compensated officers to \$1.0 million per person. According to the Tax Cuts and Jobs Act of 2017, exemptions to this deductibility limit for various forms of performance-based compensation have been repealed for compensation payable under a written binding contract put into effect after November 2, 2017. Written binding contracts regarding officer compensation are subject to a transition rule that states that contracts in effect prior to November 2, 2017 may continue to qualify for performance-based exemptions so long as the contract has not been materially modified after that date. In the past, annual salary and bonus compensation to our executive officers has not exceeded \$1.0 million per person, so the compensation has been deductible. In addition to salary and bonus compensation, upon the exercise of stock options that are not treated as incentive stock options, the excess of the current market price over the option price, or option spread, is treated as compensation and accordingly, in any year, such exercise may cause an officer's total compensation to exceed \$1.0 million. Under the aforementioned transition rule, option spread compensation from options that meet certain requirements will not be subject to the \$1.0 million cap on deductibility. The Board cannot predict how the deductibility limit may impact our compensation program in future years. The Board intends to pay competitive compensation consistent with our philosophy to attract, retain and motivate executive officers to manage our business in the best interests of the Company and our shareholders. The Board, therefore, may choose to provide non-deductible compensation to our executive officers if it deems such compensation to be in the best interests of the Company and our shareholders.

Summary Compensation Table

The following information presents the compensation paid to our executive officers in Fiscal Year 2020 and 2019. We refer to these executive officers as the Named Executive Officers.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Stock Awards (\$)</u>	<u>Option Awards (\$)</u>	<u>Non-Equity Incentive Plan Compensation (\$)</u>	<u>All Other Compensation (\$)</u>	<u>Total (\$)</u>
Randall F. Pearson	2020	120,000	—	—	—	—	—	120,000
President, Principal Executive Officer and Principal Financial Officer	2019	120,000	—	6,900	—	—	—	126,900

Outstanding Equity Awards at Fiscal Year End

The following table presents for each named executive officer, information regarding outstanding stock options and stock awards held as of March 31, 2020.

Named Executive Officer	Option Awards				Stock Awards	
	Number of securities underlying unexercised options exercisable	Number of securities underlying unexercised options unexercisable	Option exercise price (\$)	Option expiration date	Numbers of shares or units of stock granted(1)	Market value of shares or units of stock (\$)
Randall F. Pearson	—	—	—	N/A	300,000	\$ 6,900

(1) On December 6, 2018, Mr. Pearson was awarded 300,000 shares of the Company's stock, in lieu of director compensation. 25% of the shares vested immediately on the date of the agreement, and the remainder of the shares vested equally over the months January 2019 through March 2019.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners

The following table shows information regarding the beneficial ownership of our common stock as of the date of this filing by (a) each stockholder, or group of affiliated stockholders, that we know owns more than 5% of our outstanding common stock; (b) each of our named executive officers; (c) each of our directors; and (d) all of our current directors and executive officers as a group. The table is based upon information supplied by directors, executive officers and principal stockholders, and Schedules 13D and 13G filed with the Securities and Exchange Commission.

Percentage ownership in the table below is based on 37,828,441 shares of common stock outstanding as of August 10, 2020. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, and generally includes voting power and/or investment power with respect to the securities held. Any securities not outstanding but which are subject to options or warrants exercisable within 60 days of August 10, 2020 are deemed outstanding and beneficially owned for the purpose of computing the percentage of outstanding common stock beneficially owned by the stockholder holding such options or warrants, but are not deemed outstanding for the purpose of computing the percentage of common stock beneficially owned by any other stockholder.

Unless otherwise indicated, each of the stockholders listed below has sole voting and investment power with respect to the shares beneficially owned. The address for each director or named executive officer is c/o Sundance Strategies, Inc., Attention: Randall F. Pearson, 4626 North 300 West, Suite No. 365, Provo, Utah 84604.

Name and Address of Beneficial Owner	Shares Beneficially Owned	
	Number	Percent
Directors and Named Executive Officers		
Glenn S. Dickman (5)	3,369,881	8.9%
Kraig T. Higginson (1)	2,712,000	7.2%
Randall F. Pearson	591,432	1.6%
Stephen E. Quesenberry	370,206	1.0%
All executive officers and directors as a group (4 persons)	7,043,519	18.7%
5% Stockholders Not Listed Above		
ZOE, LLC (2)	10,100,000	25.4%
Ty Mattingly (3)	3,500,000	8.8%
Smartrade Consulting, Inc. (4)	4,000,000	10.0%
Radiant Life, LLC (2)	3,952,000	10.0%

- (1) Mr. Higginson's ownership includes 750,000 shares owned by Eclipse Fund LLC; 320,000 shares owned by Radion Energy LLC; 425,000 shares owned by Peoples Philanthropic, and 370,000 shares owned by Ecosystems Resources LLC. Also included are 847,000 warrants held by Mr. Higginson.
- (2) ZOE, LLC and Radiant Life, LLC are beneficially owned by Mitchell D. Burton, for an aggregate percentage of ownership of approximately 35.7%. On December 6, 2018, the Company agreed to repurchase 6,000,000 shares from ZOE, LLC (see note 5 for more detail). The address of ZOE, LLC is 4626 N. 300 W., Provo, Utah 84604. The address of Radiant Life, LLC is 4626 N. 300 W., Provo, Utah 84604.
- (3) Mr. Mattingly's ownership includes 3,500,000 shares owned in the name of Primary Colors, LLC. On December 6, 2018, the Company agreed to repurchase 1,500,000 shares from North Shore Foundation, LLP, an entity beneficially owned by Mr. Mattingly (see note 5 for more detail). Mr. Mattingly is the beneficial owner of Primary Colors, LLC.
- (4) Smartrade Consulting, Inc. is held by Summit Trustees PLLC for the beneficial owner, Lam Ping of Hong Kong. The address of Smartrade Consulting, Inc. is 22G Tower 4, The Metropolis, 8 Mau Yip Road, Tsung Kwan Q, N.T., Hong Kong.
- (5) Mr. Dickman's ownership includes 1,202,000 warrants.

Changes in Control

See the heading "Business Development" of Part I, Item 1. To the knowledge of management, there are no arrangements or understandings that may result in a change in control of the Company.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of March 31, 2020, about our common stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans (including individual arrangements):

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	-	-	-
Equity compensation plans not approved by security holders	-	\$ -	-
Total	-	\$ -	-

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTORS INDEPENDENCE

Review and Approval of Related Person Transactions

Before engaging in a related person transaction, the transaction is presented to non-interested board members for approval. In considering related person transactions, the non-interested board members are guided by their fiduciary duty to our stockholders. The Board of Directors does not have any written or oral policies or procedures regarding the review, approval and ratification of transactions with related person. Additionally, each of our directors and executive officers are required to annually complete a directors' and officers' questionnaire that elicits information about related person transactions. Approval of a related person transaction is provided either verbally or in writing.

Related Person Transactions

Other than as described below, there were no material transactions, or series of similar transactions, during our last two fiscal years, or any currently proposed transactions, or series of similar transactions, to which we or any of our subsidiaries was or is to be a party, in which the amount involved exceeded the lesser of \$120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years and in which any director, executive officer or any security holder who is known to us to own of record or beneficially more than 5% of any class of our common stock, or any member of the immediate family of any of the foregoing persons, had an interest, except as stated below.

As of March 31, 2020 and 2019, the Company had borrowed \$2,450,508 and \$1,672,008 respectively, excluding accrued interest, from related parties. The interest associated with the Notes Payable, Related Party of \$288,369 and \$113,981 is recorded on the balance sheet as an Accrued Expense obligation at March 31, 2020 and March 31, 2019, respectively.

Warrants to Purchase Common Stock

Effective April 3, 2020, the related party, note payable and line of credit agreement with the Chairman of the Board of Directors and a stockholder was amended to include a formal provision that provides the related party lender with common stock warrants upon the lenders extension of a maturity due date or upon the loaning of additional monies. The number of warrants issued will be based on the following formula: 10,000 warrants per month the due date is extended plus 1 warrant for every \$2 of the principal balance outstanding (not including interest) at the time of the extension (rounded to the nearest whole warrant). Effective April 3, 2020, the number of warrants to be issued upon the loaning of additional monies is 2 warrants for each dollar loaned.

In addition, Mr. Dickman, the holder of the related party, unsecured promissory notes (see Note 6) has informed the Company that, at such time the Company requests either an extension or additional monies from the lender, in addition to interest, the lender will require 10,000 warrants per month the due date is extended plus 1 warrant for every \$2 of the principal balance outstanding (not including interest) at the time of the extension (rounded to the nearest whole warrant). Upon the loaning of additional monies, the lender will also require 2 warrants for each dollar loaned.

As of March 31, 2020, the Company held outstanding warrants to related parties totaling 1,702,000 (none as of March 31, 2019). All warrants have an exercise price of \$0.05 per share, a five-year life as of the date of grant and expire between November 2024 and February 2025. The average remaining outstanding life of the warrants as of March 31, 2020, was 4.75 years. The common stock issued upon exercise of the warrants are not registered with the Securities and Exchange Commission and do not have registration rights.

Related Party Promissory Notes

As of March 31, 2020 and 2019, the Company owed \$826,000 and \$450,000, respectively, under the unsecured promissory notes from Mr. Glenn S. Dickman, a stockholder and member of the Board of Directors. The promissory notes bear interest at a rate of 8% annually. On November 5, 2019, the Company agreed to amend the agreements to extend the due date on the promissory notes from August 31, 2020 to November 30, 2021 or at the immediate time when alternative financing or other proceeds are received. In addition, the Company agreed to provide Mr. Dickman warrants for 450,000 shares of common stock at an exercise price of \$0.05 per share and a five-year life. The value of the warrants on the date of grant, as calculated by the Black-Scholes-Merton valuation model, was not significant. The inputs used in this calculation included a risk-free rate of 1.66%, volatility of 27.29% and a dividend rate of 0%. On February 4, 2020, the Company borrowed an additional \$230,000 from Mr. Dickman, and agreed to provide him with an additional 752,000 warrants for shares of common stock at an exercise price of \$0.05 per share. The value of the warrants on the date of grant, as calculated by the Black-Scholes-Merton valuation model, was not significant. The inputs used in this calculation included a risk-free rate of 1.66%, volatility of 27.29% and a dividend rate of 0%. During the year ended March 31, 2020, the Company borrowed a total of \$376,000 of principal under this agreement and made no repayments. As of March 31, 2020, accrued interest on the notes totaled \$67,752. In the event the Company completes a successful equity raise all principal and interest on the notes are due in full at that time.

Related Party Note Payable and Line of Credit Agreements

As of March 31, 2020 and 2019, the Company owed \$795,000 and \$392,500, respectively, exclusive of accrued interest, under the note payable and line of credit agreement with the Chairman of the Board of Directors and a stockholder. The agreement allows for borrowings of up to \$4,600,000. On January 8, 2020, the note payable and the line of credit agreement was extended from November 30, 2020 to August 31, 2021. In addition, the Company agreed to provide the Chairman with warrants for 500,000 shares of common stock at an exercise price of \$0.05 per share and a five-year life. The value of the warrants on the date of grant, as calculated by the Black-Scholes-Merton valuation model, was not significant. The inputs used in this calculation included a risk-free rate of 1.66%, volatility of 27.29% and a dividend rate of 0%. The note payable and line of credit agreement incurs interest at 7.5% per annum and are collateralized by the Company's NIBS, if any. During the year ended March 31, 2020 the Company borrowed \$402,500 of principal under this agreement and made no repayments. As of March 31, 2020, accrued interest on totaled \$69,209. In the event the Company completes a successful equity raise all principal and interest on this note are due in full at that time.

As of March 31, 2020 and 2019, the Company owed \$829,508, exclusive of accrued interest, under the note payable and lines of credit agreement with Radiant Life, LLC, an entity partially owned by the Chairman of the Board of Directors. The agreement allows for borrowings of up to \$2,130,000. On December 19, 2019, the Company agreed to amend the agreement to extend the due date on the note payable and line of credit agreement from November 30, 2020 to August 31, 2021, or at the immediate time when alternative financing or other proceeds are received. The note payable and line of credit agreement incurs interest at 7.5% per annum and is collateralized by the Company's NIBS, if any. During the year ended March 31, 2020 the Company neither borrowed nor repaid any principal under this agreement. As of March 31, 2020, accrued interest on this agreement totaled \$151,408. In the event the Company completes a successful equity raise, all principal and interest on this note are due in full at that time.

Parents

We have no parents.

Director Independence

The Board has determined that of the current directors or nominees, Messrs. Higginson, Dickman and Quesenberry would qualify as independent directors as that term is defined in the listing standards of The NASDAQ Capital Market if we were listed on The NASDAQ Capital Market. Such independence definition includes a series of objective tests, including that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. As Mr. Pearson is also employed by the Company, the Board has determined that Mr. Pearson is not currently independent. Although the Company's common stock is not listed on The NASDAQ Capital Market, the Company has applied The NASDAQ Capital Market independence rules to make its independence determinations.

ITEM 14: PRINCIPAL ACCOUNTING FEES AND SERVICES

The following is a summary of the fees billed to us by our principal accountants during fiscal years ended March 31, 2020, and 2019:

Fee Category	2020	2019
	Saddler Gibb	Saddler Gibb
Audit Fees	\$ 46,000	\$ 89,250
Audit-related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total Fees	\$ 46,000	\$ 89,250

Audit Fees - Consists of fees for professional services rendered by our principal accountants for the audit of our annual financial statements and review of the financial statements included in our Forms 10-Q or services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements including out of pocket expenses.

Audit-related Fees - Consists of fees for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit fees."

Tax Fees - Consists of fees for professional services rendered by our principal accountants for tax compliance, tax advice and tax planning.

All Other Fees - Consists of fees for products and services provided by our principal accountants, other than the services reported under "Audit fees," "Audit-related fees," and "Tax fees" above.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

We have not adopted an Audit Committee; therefore, there is no Audit Committee policy in this regard. However, we do require approval in advance of the performance of professional services to be provided to us by our principal accountant. Additionally, all services rendered by our principal accountant are performed pursuant to a written engagement letter between us and the principal accountant.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) Financial Statements

The financial statements listed on the accompanying Index to Consolidated Financial Statements are filed as part of this report.

(2) Financial statement schedules

There are no financial statements schedules included because they are either not applicable or the required information is shown in the consolidated financial statements or the notes thereto.

(3) Exhibits

The following exhibits are filed or incorporated by reference as part of this Form 10-K.

Exhibit No.	Exhibit Description
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3(i) to the Company's Current Report on Form 8-K filed April 5, 2013, file no. 000-50547)
3.2	Certificate of Amendment to the Amended and Restated Articles of Incorporation(incorporated by reference to Exhibit 3(i)(a) to the Company's Current Report on Form 8-K filed April 5, 2013, file no. 000-50547)
3.3	Certificate of Amendment to the Amended and Restated Articles of Incorporation(incorporated by reference to Exhibit 3(i)(b) to the Company's Current Report on Form 8-KA-1 filed May 24, 2013, file no. 000-50547)
3.4	Amended Bylaws (incorporated by reference to Exhibit 3(ii) to the Company's Current Report on Form 8-K filed April 5, 2013, file no. 000-50547)
4.10	Description of Securities Registered Under Section 12 of the Exchange Act
10.1	Agreement and Plan of Merger (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 5, 2013, file no. 000-50547)
10.2	Form of Lock-Up/Leak-Out Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed April 5, 2013, file no. 000-50547)
10.3	NIBs Asset Transfer Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-KA-1 filed May 24, 2013, file no. 000-50547)
10.4	Form of Senior Loan Agreement (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed April 5, 2013, file no. 000-50547)
10.5	Form of MRI Agreement (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed April 5, 2013, file no. 000-50547)
10.6	Europa Settlement Advisors Ltd. Structuring and Consulting Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed June 20, 2013, file no. 000-50547)
10.7	Del Mar Financial, S.a.r.l. Asset Transfer Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 20, 2013, file no. 000-50547)
10.8	Amendment No. 1 to Europa Settlement Advisors Ltd. Structuring and Consulting Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-KA-2 filed November 14, 2013, file no. 000-50547)
10.9	Collateral Release Agreement from PCH to the Company (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-KA-2 filed November 14, 2013, file no. 000-50547)
10.10	Amendment No. 2 to Europa Settlement Advisors Ltd. Structuring and Consulting Agreement (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-KA-2 filed November 14, 2013, file no. 000-50547)
10.11	Brown Exclusivity Agreement (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-KA-2 filed November 14, 2013, file no. 000-50547)
10.12	Amended and Restated Secured Promissory Note of ANEW LIFE, INC. to DMF (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-KA-2 filed November 14, 2013, file no. 000-50547)
10.13	Assignment Agreement of Amended and Restated Secured Promissory Note from the Company to DMF (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-KA-2 filed November 14, 2013, file no. 000-50547)

10.14	Amended and Restated Assignment Agreement from DMF to Hyperion (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-KA-2 filed November 14, 2013, file no. 000-50547)
10.15	Assignment of Buyback Rights of Amended and Restated Secured Promissory Note by DMF to the Company (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-KA-2 filed November 14, 2013, file no. 000-50547)
10.16	Amendment No. 3 to Europa Settlement Advisors Ltd. Structuring and Consulting Agreement (incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-KA-4 filed July 10, 2014, file no. 000-50547)
10.17	Form of Extension Agreement to Lock-Up/Leak-Out Agreement (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed November 14, 2014, file no. 000-50547)
10.18	HFII Letter of Intent (incorporated by reference to Exhibit 10 to the Company's Current Report on Form 8-K filed December 8, 2014, file no. 000-50547)
10.19	HFII Asset Transfer Agreement (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K filed June 15, 2015, file no. 000-50547)
10.20	Amendment No. 1 to HFII Asset Transfer Agreement (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K filed June 15, 2015, file no. 000-50547)
10.21	Debenture Agreement Dated June 2, 2015 (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed August 10, 2015, file no. 000-50547)
10.22	8% Convertible Debenture (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed August 10, 2015, file no. 000-50547)
10.23	Line-of-Credit Agreement (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed August 10, 2015, file no. 000-50547)
10.24	Amendment to the notes payable and lines-of-credit agreements, dated February 4, 2016, between the Company, Kraig Higginson and Radiant Life, LLC (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed February 9, 2016, file no. 000-50547)
10.25	Amendment to the Convertible Debenture Agreement, dated February 2, 2016, between the Company and Sactco International, Limited (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed February 9, 2016, file no. 000-50547)
10.26	Strict Foreclosure and Forbearance Agreement dated May 25, 2018 between the Company, Wells Fargo Bank, N.A. and the other parties thereto (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed June 11, 2018, file no. 000-50547)
10.27*	Promissory Note between Sundance Strategies, Inc. and Glenn S. Dickman, dated April 10, 2019.
10.28*	Promissory Note between Sundance Strategies, Inc. and Glenn S. Dickman, dated November 5, 2019
10.29*	Promissory Note between Sundance Strategies, Inc. and Glenn S. Dickman, dated February 4, 2020
10.30*	Extension to Promissory Note between Sundance Strategies, Inc. and Kraig T. Higginson, dated January 8, 2020
10.31*	First Amendment to the Note Payable and Line of Credit Agreement between Sundance Strategies, Inc. and Kraig Higginson, dated April 3, 2020
10.32*	Extension to Promissory Notes between Sundance Strategies, Inc. and Glenn S. Dickman, dated November 5, 2019
10.33*	Amendment to \$3,000,000 Convertible Debenture Agreement between Sundance Strategies, Inc. and Satco International, Limited, dated July 13, 2020
10.34*	Extension Agreement to Promissory Note between Sundance Strategies, Inc. and Radiant Life, dated December 19, 2019
14.1	Code of Ethics (incorporated by reference to Exhibit 14 to the Company's Current Report on Form 8-K filed April 5, 2013, file no. 000-50547)
16.1	Letter of BDO USA, LLP dated January 22, 2018
16.2	Letter of BDO USA, LLP dated April 18, 2018
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)*
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)*
32	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350*
101 INS	XBRL Instance Document**
101 SCH	XBRL Schema Document**
101 CAL	XBRL Calculation Linkbase Document**
101 DEF	XBRL Definition Linkbase Document**
101 LAB	XBRL Labels Linkbase Document**
101 PRE	XBRL Presentation Linkbase Document**

* Filed herewith.

** The XBRL related information in Exhibit 101 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed by the undersigned, thereunto duly authorized.

SUNDANCE STRATEGIES, INC.

Date: August 10, 2020

By: */s/ Randall F. Pearson*

Randall F. Pearson
President, Principal Executive Officer and Principal Financial Officer
(Duly Authorized Representative)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dated indicated.

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u><i>/s/ Kraig T. Higginson</i></u> Kraig T. Higginson	Chairman of the Board of Directors	August 10, 2020
<u><i>/s/ Randall F. Pearson</i></u> Randall F. Pearson	President (Principal Executive Officer), Director and Principal Financial Officer	August 10, 2020
<u><i>/s/ Glenn S. Dickman</i></u> Glenn S. Dickman	Director	August 10, 2020
<u><i>/s/ Stephen E. Quesenberry</i></u> Stephen E. Quesenberry	Director	August 10, 2020

EXHIBIT 4.10

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES
EXCHANGE ACT OF 1934**

Sundance Strategies, Inc. has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock.

DESCRIPTION OF CAPITAL STOCK

The following summary of the terms of our capital stock is based upon our Restated Articles of Incorporation (the "Articles of Incorporation") and our Amended and Restated Bylaws (the "Bylaws"). The summary is not complete, and is qualified by reference to our Articles of Incorporation and our Bylaws, which are filed as exhibits to this Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our Articles of Incorporation, our Bylaws and the applicable provisions of the Nevada Corporations Code for additional information.

Authorized Shares of Capital Stock

The aggregate number of shares which this Corporation have authority to issue is 510,000,000 shares, comprised of 500,000,000 shares of common stock of a par value of \$0.001 per share, and 10,000,000 shares of preferred stock of a par value of \$0.001 per share. The Board of Directors has the right to set the series, classes, rights, privileges and preferences of the preferred stock or any class or series thereof, by amendment hereto, without shareholder approval, as provided in the NRS. As of January __, 2020 the registrant had 37,828,441 shares of common stock, par value \$0.001, issued and outstanding.

Listing

Sundance Strategies common stock is currently listed on the "pink sheets" of the OTC markets under the symbol "SUND."

Voting Rights

Each outstanding share of the corporation entitled to vote shall be entitled to one (1) vote on each matter submitted to vote at a meeting of shareholders, except to the extent that the voting rights of the shares of any class or series of stock are determined and specified as greater or lesser than one (1) vote per share in the manner provided by the Articles of Incorporation. Pursuant to our Articles of Incorporation, shareholders do not have the right to vote cumulatively.

Dividend Rights

The Board of Directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and on the terms and conditions provided by the Articles of Incorporation and Bylaws.

Rights upon Liquidation

The rights of the shares or a series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation and the relative rights of priority of payment of a series is subject to determination by the Board of Directors.

Other Rights and Preferences

Our common stock has no sinking fund, redemption provision, or preemptive, conversion, or exchange rights. Special meetings of the shareholders may be called at any time by the Chairman of the Board, the President or member of the Board of Directors or by written request of holders of not less than one-tenth (1/10th) of all the shares entitled to vote at the meeting.

Transfer Agent and Registrar

Action Stock Transfer Corporation, located in Utah is the transfer agent and registrar for our common stock.

Certain Anti-Takeover Effects

Certain provisions of our Articles of Incorporation and Bylaws may be deemed to have an anti-takeover effect.

Additional Authorized Shares of Capital Stock. The additional shares of authorized common stock and preferred stock available for issuance under our Articles of Incorporation, could be issued at such times, under such circumstances and with such terms and conditions as to impede a change in control.

Issuance of Undesignated Preferred Stock. Our board of directors has the authority, without further action by the stockholders, to issue shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Exhibit 10.30**Extension To Kraig T. Higginson Promissory Note/LOC**

Reference is made to the Promissory note by and between the undersigned parties, Sundance Strategies, Inc. and Kraig T. Higginson, said note originally dated July 22, 2015, subsequently extended to August 31, 2021.

Be it known, that for good consideration the parties made the following additions or changes to said contract as if contained therein:

1. Total amount of the promissory note/line of credit to be increased to an amount not to exceed \$4,600,000.
2. Due date for the note is extended to the earlier of August 31, 2021 or at the time when the anticipated additional raise of funds is successful.
3. As consideration for extending this note, Kraig T. Higginson will receive 500,000 warrant shares of Sundance Strategies, Inc. stock. The warrant price will be \$.05 per share with a 5 year exercise period from the date of this note extension. The Company will have no obligation to register these shares.

All other terms and provisions shall remain in full force and effect.

Sundance Strategies, Inc.

/s/ Randall F. Pearson

By: Randall F. Pearson, It's President

Kraig T. Higginson

/s/ Kraig T. Higginson

By: Kraig T. Higginson

Signed this 8th day of January 2020.

Exhibit 10.31**First Amendment to the Note Payable and Line of Credit Agreement with Kraig Higginson**

Regardless of the date of execution, this First Amendment to the Note Payable and Line of Credit Agreement (“First Amendment”) shall be deemed made, entered into and effective as of April 3, 2020 for modification #1, below (“First Amendment Effective Date for Item #1”) and January 8, 2020 for modification #2, below (“First Amendment Effective Date for Item #2”) by and between Kraig Higginson and Sundance Strategies, Inc. (“the Company”). The Company and Kraig Higginson are collectively referred to as “the Parties”.

RECITALS:

- A. The Parties entered into that certain Note Payable and line of Credit Agreement (“the Agreement”) on or about July 22, 2015.
- B. The Company has, from time-to-time, requested Kraig Higginson extend the due date of the Agreement and increase the amounts available to borrow.
- C. Immediately prior to the First Amendment Effective Date for Item #2, the Agreement allowed for borrowings of up to \$4,600,000, with outstanding principal and interest due on November 30, 2020.
- D. Immediately prior to the First Amendment Effective Date for Item #2 the Company owed \$795,000 in principal and approximately \$54,343 in accrued interest on the Agreement
- E. The purpose of this First Amendment is to amend the Agreement to require the Company to issue warrants convertible into the Company’s common stock (“Warrants”) to Kraig Higginson when the Company requests that amounts be drawn on the Agreement or the Company requests that the Agreement due date be extended.

Now, therefore, in consideration of the mutual promises, conditions and covenants set forth in the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree that the foregoing recitals are true and correct and the Parties agree to amend the Agreement as follows:

MODIFICATIONS TO AGREEMENT

When money is loaned to the Company from Kraig Higginson under the Agreement or if Kraig Higginson is requested by the Company and is willing to extend the due date, the Company agrees to provide Kraig Higginson Warrants as follows.

1. **Monies being loaned to the Company.** Beginning the First Amendment Effective Date for Item #1 the Company agrees to issue Kraig Higginson two (2) Warrants for each incremental \$1 that is loaned to the Company with a due date no less than twelve months from the lending date. The Warrants shall have an exercise price of \$0.05 per share and expire in five years from the date of grant. The common shares issued in association with the exercise of the Warrants shall not have registration rights. By way of example, if Kraig Higginson loans the Company an additional \$1,000 with a due date of not less than twelve months from the lending date then the Company will issue 2,000 Warrants to Kraig Higginson.
-

2. **Due date extensions.** The Company agrees to issue Kraig Higginson Warrants in return for an extension of the due date of the Agreement. On the First Amendment Effective Date for Item #2 the Company will grant Kraig Higginson 500,000 warrants for extending the due date of the Agreement to August 31, 2021. Thereafter, Warrants will be issued upon Kraig Higginson granting a due date extension on the entire outstanding balance owed based on the following formula: 10,000 Warrants per month extended plus 1 Warrant for every \$2 of the principal balance outstanding (not including interest) at the time of the extension (rounded to the nearest whole Warrant). The Warrants shall have an exercise price of \$0.05 per share and expire five years from the date of grant. The common shares issued in association with the exercise of the Warrants shall not have registration rights. By way of example, if Mr. Higginson agrees to extend the due date of the Agreement from August 31, 2021 to November 30, 2022 (15 months), and the principal balance owed to Mr. Higginson on the date of the signing of the extension is \$600,000, Mr. Higginson would be awarded $((15 \times 10,000) + (600,000 \times 0.5)) = 450,000$ Warrants.

IN WITNESS WHEREOF, the Parties have executed this First Amendment on the respective date(s) indicated

Sundance Strategies, Inc.

By: /s/ Randall F. Pearson

Name: Randall F. Pearson

Title: President

Date: April 3, 2020

Kraig Higginson

By: /s/ Kraig T. Higginson

Name: Kraig T. Higginson

Title: Chairman

Date: 4/3/20

Exhibit 10.32**Extension to Glenn S. Dickman promissory notes**

Reference is made to the Promissory note by and between the undersigned parties Glenn S. Dickman and Sundance Strategies, Inc. dated December 4, 2018, October 9, 2018 and July 25, 2018 and August 4, 2019.

Be it known, that for good consideration the parties made the following additions or changes to the promissory notes as if contained therein:

1. Due date for these notes will be extended to the earlier of November 30, 2021 or at the immediate time when the anticipated additional funds from the first bond or other proceeds are received.
2. Sundance Strategies agrees to provide the lender 450,000 warrants for Sundance Strategies, Inc., shares at an exercise price of \$.05 per share. These warrants will have a 5 year available exercise window from the date of this extension. All other terms and provisions shall remain in full force and effect. The Company will have no obligation to register these shares.

Glenn S. Dickman

/s/ Glenn S. Dickman

By: Glenn S. Dickman

Date: November 5, 2019

Sundance Strategies, Inc.

/s/Randall F. Pearson

By: Randall F. Pearson, It's President

Date: November 5, 2019

Exhibit 10.34**Extension Agreement to Radiant Life Promissory Note**

Reference is made to the Promissory note by and between the undersigned parties, Sundance Strategies, Inc. and Radiant Life dated November 3, 2014.

Be it known, that for good consideration the parties made the following additions or changes to the contract as if contained therein:

1. Due date for this note is extended to the earlier of August 31, 2021 or at the immediate time when the anticipated additional raise of funds is successful. Radiant is also willing to continue to extend the due date of this note if requested in the future.

All other terms and provisions shall remain in full force and effect.

Radiant Life

/s/ Mitch Burton

By: Mitch Burton, It's Manager

Signed this 19 day of December 2019.

Sundance Strategies, Inc.

/s/ Randall F. Pearson

By: Randall F. Pearson, It's President

Signed this 18th day of December 2019.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Randall F. Pearson, certify that:

1. I have reviewed this annual report on Form 10-K of Sundance Strategies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2020

By: /s/ Randall F. Pearson

President
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Randall F. Pearson, certify that:

1. I have reviewed this annual report on Form 10-K of Sundance Strategies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2020

By: /s/ Randall F. Pearson

Randall F. Pearson
(Principal Financial Officer)

EXHIBIT 32

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this annual report of Sundance Strategies, Inc. (the "Company") on Form 10-K for the fiscal year ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "*Report*"), I, Randall F. Pearson, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 10, 2020

By: /s/ Randall F. Pearson

Randall F. Pearson

President (Principal Executive Officer) and Principal Financial Officer
