ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM
(USA PATRIOT ACT)

A. General. The Midwest Holding Inc. & Affiliates Policy Statement against Money Laundering ("Policy Statement") is annexed hereto as Exhibit A. All Associated Person of the Company are responsible for having an understanding of money laundering and are required immediately to report suspected money laundering activities to the CEO. The CEO, or designee, is responsible for ensuring that this Policy Statement is made available to all Associated Person on a continual basis. The Policy Statement will be available in either hard copy or on the Midwest Holding Inc. & Affiliates internal website.

   It is Midwest Holding Inc. & Affiliates' policy to prohibit and actively prevent money- laundering and activities that facilitate money laundering or the funding of terrorist or criminal activities. These procedures have been designed to comply with the Policy Statement in conjunction with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "PATRIOT Act"), the Bank Secrecy Act ("BSA") and the implementing regulations to be promulgated thereunder by the U.S. Treasury Department.

B. The PATRIOT Act. The PATRIOT Act is designed to deter and punish terrorists in the United States and abroad, to enhance law enforcement investigating tools by prescribing, among other things, new surveillance procedures, new immigration laws, and for the Midwest Holding Inc. & Affiliates purposes, new and more stringent anti-money laundering laws. Title III of the PATRIOT Act, referred to as the International Money Laundering Abatement and Anti- Terrorist Financing Act of 2001, or the "IMLA," imposes certain obligations on broker-dealers through new anti-money laundering provisions and amendments to the BSA, as set forth below.

C. Designation of Compliance Officer. The CEO has approved these written procedures and is responsible for implementing and monitoring the day-to-day operations and internal controls of the Company, as set forth herein. The CEO, or designee, will ensure that copies of these procedures are made available to all current Associated Persons of the Company, as well as newly hired Associated Persons of the Company either in hard copy or on the Midwest Holding Inc. & Affiliates internal website.

D. Knowing Your Clients. The Company has separate procedures that are followed for acceptance of new clients. Below are factors to be considered in carrying out the "Know Your Client" duty. The New Business and Agency supervisors will be responsible for reviewing all new applicants to consider the following factors:

   a. whether the client is an individual, an intermediary, public, private or domestic corporation, a financial or non-financial institution, or regulated person or entity;

   b. whether the client has been an existing client for a significant period;

   c. whether the business of the client, or the particular type of account, is the type more susceptible to be utilized for illicit activity (e.g., cash intensive businesses);

   d. whether the client is operating through an offshore account or offshore trust (does the Agent know the actual principal owners of the account or trust?); and

E. Risk Indicators. The following are potential risk indicators for money laundering activities and must be immediately brought to the attention of the CEO:

   a. the client exhibits unusual concern for secrecy, particularly with respect to its identity, type of business, assets, or dealings with Companies;

   b. upon request, the client refuses to identify or fails to indicate a legitimate source of the investment funds and other assets;

   c. the client lacks concern regarding risks, penalties, or other transaction costs;

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d. the client appears to act as agent for an undisclosed principal and is reluctant to provide information about the principal;

e. the client or an agent of the client has difficulty describing the nature of his company's business;

f. the client lacks general knowledge of his company's industry;

g. for no apparent reason, the client has multiple accounts under a single or multiple names with a large number of inter-account or third party transfers;

h. the client, or a person publicly associated with the client, has a questionable background including prior criminal convictions;

i. a pattern of receipt of funds (particularly from foreign sources) followed by an immediate request for wire transfer, withdrawal or other disbursement;

j. numerous currency or cashiers check transactions aggregating to significant sums;

k. receipt of disbursement of funds inconsistent with the client's known business activities and financial situation (i.e., large deposits, receipts or disbursements of funds from or to entities with no logical relation to the client's business);

l. requests for disbursements of large sums or attempts to deposit large sums of cash, money orders, or traveler checks;

m. repeated requests for exceptions to cash or travelers checks and money order deposit policies;

n. deposits of several cashier checks, all in amounts under $10,000.

All Midwest Holding Inc., personnel must have an awareness of the above red flags to help ensure that such personnel can identify, on an ongoing basis, the foregoing risk indicators with respect to the Midwest Holding Inc. & Affiliates client account activity. In the event any of the activities identified in subsection E. occur, the CEO must be immediately notified. The CEO will then review the client's file and interview the Agent responsible for such client. He or she will evidence this review by preparing a memorandum to the file setting forth the circumstances surrounding the activity. If the CEO is not satisfied with the information received, he will contact the client. A memorandum to the file will be recorded accordingly and the CEO will file a Suspicious Activity Report ("SAR") as described below, if he deems necessary.

F. BSA Reporting Requirements. It is the Midwest Holding Inc. & Affiliates policy not to accept currency, or drafts (domestic or foreign) from any client. The following summarizes the reporting requirements under the BSA.

a. Transactions Involving Currency over $10,000. In the event the Company accepts cash, or a cash equivalent, exceeding $10,000, the CEO or his designee in conjunction with the CFO and COO is required to file a Currency Transaction Report ("CTR") within 15 calendar days of the transaction(s), with the IRS. Multiple transactions by the same person equaling over $10,000 in any one day must also be reported. If a transaction in currency of more than such amount has occurred, it does not matter if the transaction was conducted by one person with one account, several persons with the same account, or one person with several accounts.

b. Transactions Involving Currency or Bearer Instruments over $10,000 Transferred Into or Outside the U.S. The CEO in conjunction with the CFO and COO will file with the Commissioner of Customs a Financial Crimes Enforcement Network ("FinCEN") Form 105 with respect to report client transactions in currency and/or bearer instruments which alone or in combination exceed $10,000 and which are shipped or transported into or outside the U.S. This filing is not required for currency or other monetary instruments mailed or shipped through the postal service or by common carrier.

G. Foreign Financial Accounts. If the Company has a financial interest in or signature or other authority over any foreign financial accounts, including bank, securities, or other types of financial accounts, in a foreign country and the aggregate balance of such account(s) exceeds $10,000 at any time during the calendar year, it is required to file Department of Treasury Form 90-22.1 with the IRS on or before June 30th of each calendar year for accounts maintained during the previous calendar year. The CEO, CFO or COO is responsible for making such filings. The CEO will maintain such forms in a file labeled "Form 90-22.1" and will review the Midwest Holding Inc. & Affiliates

own accounts on an annual basis to ensure that all accounts being maintained that fall within the foregoing requirements have been properly reported.

H. Requests from Federal Banking Agencies (120 Hour Rule). Under the BSA, financial institutions are required to respond to federal banking agency requests for information relating to anti-money laundering compliance. The 120 Hour Rule requires the provision of information and account documentation for any account opened, maintained, administered, or managed in the U.S.

   Any requests should be directed immediately to the CEO. The CEO will be responsible for ensuring that the requested information is provided within 120 hours (5 days) of receiving the request or will make such information available for inspection by the requesting agency. A record of the response provided, and the date it was provided, will be maintained by the CEO, CFO or COO in a file labeled "Federal Banking Agency Requests for Information."

I. Executive Order 13224, OFAC List, and Blocked Property. The Company is obligated to comply with the requirements to block the property of sanctioned persons or entities and prevent the transfer of assets to such persons or entities in order to disrupt the support network for terrorists. In addition, the Company must block securities issued by sanctioned countries and other sanctioned issuers. OFAC (the Office of Foreign Assets Control of the U.S. Treasury Department) is responsible for enforcing the sanctions and publishes on its website, http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, information about such sanctions.

   a. OFAC Sanction Information. The information is divided into several categories including:

      i. Persons and entities subject to sanctions, Specially Designated Nationals and Blocked Persons (SDN list). The following entities, as an example, are, or have been, on the SDN list: American Air Ways Charters, Inc., Hialeah, Florida; Associated Engineers, England; Bay Industries, Inc., Santa Monica, California; Etco International Company, Limited, Tokyo, Japan.

      ii. Persons and entities engaged in drug trafficking, Specially Designated Narcotics Traffickers (SDNTKs);

      iii. Terrorists and terrorist organizations, Specially Designated Terrorists (SDTs);

      iv. Countries, governments, and other entities subject to sanctions.

   OFAC requirements apply to all persons and entities under U.S. jurisdiction, including foreign branches of U.S. institutions. This also includes foreign institutions operating in the U.S.

   The Company will prevent prohibited transactions with sanctioned parties, as described below, and will file reports with OFAC if a sanctioned party ever attempts to transact business through the Company. The CEO will be responsible for filing such reports when necessary.

J. Prohibited Accounts and Transactions. Prior to issuing a policy, the underwriter, or designee must ensure that the client, or the person on whose behalf the client is acting, is not on the OFAC list. The Company utilizes OFAC for screening. The CEO will ensure that the Company does not effect transactions in OFAC listed securities or otherwise deal with entities owned or controlled by commercial or government entities or individuals listed by OFAC and will evidence his comparison and review of any accounts or transactions considered suspicious by copying, initialing and dating all documentation reviewed to ensure that the account holder or the agent is not subject to an OFAC sanction.

   In the event it is determined that the policy will not be approved, then no funds of the client may be released. Funds may be deposited to a blocked account, but no funds will be released until the account is no longer subject to OFAC sanction. The CEO or designee is responsible for ensuring that the obligations and responsibilities of this section are implemented.

K. Blocking Requirements. The Company will block an account or transaction under the following circumstances:

   a. an account is opened for someone included on the OFAC list;

   b. the owner of an existing account is added to the OFAC list;

   c. a request is made by a client to pay or transfer funds or securities to a blocked person or entity.

The CEO in conjunction with the COO and CFO or designee is responsible for reviewing account documents, and will determine whether a client account must be blocked. However, managers, and clerical employees, in the regular course of business, are also responsible for identifying any accounts that raise suspicion. For a list of red flags, please see the “Risk Indicators” set forth above. The CEO and the COO, together with the CFO, will then determine whether to block the account in accordance with these procedures. While title to blocked property remains with the blocked person or entity, transactions affecting the property cannot be made without authorization from OFAC. Cash balances in blocked accounts must earn interest at commercially reasonable rates.

L. Blocking Property. The CEO will be responsible to ensure that account assets are blocked and that any additional contributions of funds or securities by sanctioned parties to such blocked accounts are not accepted. Any account or security included on the OFAC list will be blocked immediately and will be identified, in the name of the account, as a blocked account. No transactions will be permitted in a blocked account with the exception of accepting deposits of funds.

M. Blocking Disbursements. Disbursements of funds may not be made to sanctioned parties.