



Penn Treaty American Corporation

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Dear Penn Treaty American Corporation Shareholder:

We are pleased to inform you that, as part of its ongoing strategy to create shareholder value, Penn Treaty American Corporation (“PTAC”) will soon complete steps contemplated in its 2016 Memorandum of Understanding and Settlement with the Pennsylvania Insurance Commissioner. These agreements entitled PTAC to a cash payment, which was received in 2017, and the right to dispose of its ownership in its direct subsidiary, Penn Treaty Network America Insurance Company (“PTNA”).

As a final step in this process, PTAC will be disposing 100% of its interests in Penn Treaty Network America Insurance Company (“PTNA”), a wholly-owned subsidiary of PTAC which is in liquidation, through an in-kind distribution to PTAC shareholders.

The primary purpose of this transaction is to enable PTAC to maximize the value of its assets, which include approximately \$8.5 million in cash and over \$200 million in net operating losses. By divesting its interest in PTNA, PTAC will no longer be subject to the limitations of being affiliated with a regulated entity. In addition, PTAC and its subsidiaries will cease to be treated as a consolidated entity for tax purposes. This, in turn, will eliminate any potential adverse tax consequences to PTAC which may arise in the course of PTNA’s ongoing liquidation, including potentially significant liabilities due to cancellation of debt. In summary, the proposed transaction will eliminate potential tax liability to PTAC and greatly increase the Company’s ability to continue to build shareholder value.

Accordingly, on December 5, 2019 the board of directors of PTAC approved the distribution of the PTNA shares.

The distribution will occur on December 31, 2019 through a pro rata distribution of PTNA common stock to PTAC’s shareholders. This means that each PTAC shareholder will receive one share of PTNA common stock for every share of PTAC common stock held at 5 p.m., New York City time, on December 6, 2019, the record date for the distribution. The distribution will be made in book-entry form. We intend that the PTNA common stock you receive in the distribution will be treated as a taxable distribution for U.S. federal income tax purposes, though this does not imply it will generate taxable income. While we believe it is unlikely this transaction will generate taxable income to PTAC shareholders, we strongly encourage you to consult your own tax advisor regarding the particular consequences of the distribution to you.

Following the distribution, you will own shares in both PTAC and PTNA. PTAC common stock will continue to remain delisted for the foreseeable future, and subject to limitations on transfer. There is no active trading market for PTAC common stock. The shares of PTNA common stock will not be traded on any securities exchange or on the Over-the-Counter market, and will be non-transferable. Shareholder approval of the distribution is not required, and you do not need to take any action to receive your PTNA common stock.

The enclosed information statement is being mailed to all PTAC shareholders. It describes the distribution in detail and contains certain information about PTNA.

We will endeavor to provide our shareholders with periodic updates on our progress, which will be posted to the company's website. We encourage you to visit us at www.penntreatyamerican.com.

Sincerely,

Eugene J. Woznicki
Chairman and Chief Executive Officer

December 16, 2019

INFORMATION STATEMENT

PENN TREATY NETWORK AMERICA INSURANCE COMPANY

For the purpose of the following Information Statement, all references to “we”, “our”, “Company” or “PTNA” refer to Penn Treaty Network America, and not to Penn Treaty American Company or its common shares, other than as specifically described.

This information statement is being furnished in connection with the distribution to holders of common stock, par value \$.10 per share, of Penn Treaty American Corporation (“PTAC”) of all of the outstanding shares of common stock, no par value per share, of Penn Treaty Network America Insurance Company (“PTNA” or the “Company”), a wholly-owned subsidiary of PTAC.

Shares of our common stock will be distributed to holders of PTAC common stock of record as of the close of business on December 6, 2019 (the “record date”). These shareholders will receive one share of our common stock for every share of PTAC common stock held on the record date. The distribution of the shares of our common stock will be made in book-entry form. The distribution will be effective at 11:59 p.m., New York City time on December 31, 2019.

No shareholder approval of the distribution is required or sought. We are not asking you for a proxy and you are requested not to send us a proxy. PTAC shareholders will not be required to pay for the shares of our common stock to be received by them in the distribution or to surrender or exchange shares of PTAC common stock in order to receive our common stock or to take any other action in connection with the distribution.

There is no current trading market for our common stock and no trading market will exist following the distribution. The PTNA shares will not be registered and will be non-transferrable.

In reviewing this information statement, you should carefully consider the matters described under “Risk Factors” for a discussion of certain factors that should be considered by recipients of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is December 16, 2019.

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QUESTIONS AND ANSWERS ABOUT THE DISTRIBUTION

Q: Why am I receiving this document?

A: You are receiving this document because you were a holder of PTAC common stock on the record date for the distribution of shares of PTNA common stock. Accordingly, you are entitled to receive one share of PTNA common stock for every share of PTAC common stock that you held on the record date. No action is required for you to participate in the distribution.

Q: What is the distribution?

A: The distribution is the overall transaction of separating, or deconsolidating, the Company and its subsidiaries from the PTAC consolidated tax group. The final step of the separation will be the pro rata distribution of our common stock by PTAC to holders of PTAC common stock.

Q: Who is the Company?

A: The Company is currently an existing wholly-owned subsidiary of PTAC. Following the distribution, we will be owned directly by the shareholders of PTAC and PTAC will have no further interest in the Company. The Company is in liquidation under the control of the Pennsylvania Insurance Department.

Q: Who is PTAC?

A: PTAC was formerly an SEC registered publicly traded company. PTAC consummated its initial public offering in 1987, and its registration was revoked by the Securities and Exchange Commission in 2013.

Q: Why is PTAC separating the Company and distributing its stock?

A: PTAC's board of directors has determined that separating the PTNA business from PTAC is in the best interests of PTAC and its shareholders. Specifically, the deconsolidation is expected be beneficial to PTAC and its shareholders because doing so will enable PTAC to maximize the value of its assets, without the potential adverse consequences of remaining affiliated with a regulated company in liquidation. The contemplated transaction will eliminate all potential restrictions currently placed on PTAC by the Pennsylvania Insurance Holding Company Act, as well as eliminate all potential tax liabilities associated with cancellation of debt by the liquidating entities.

Q: Why is the separation of the two companies structured as a distribution?

A: PTAC's board of directors believes that a distribution of shares of our common stock is a cost-effective way to separate the companies.

Q: What is the record date for the distribution?

A: The record date is December 6, 2019, and ownership will be determined as of 5:00 p.m., New York City Time, on that date.

Q: When will the distribution occur?

A: Shares of our common stock will be distributed on December 31, 2019.

Q: Can PTAC decide to cancel the distribution of the Company common stock?

A: Yes. PTAC has the right to terminate the stock distribution if at any time PTAC's board of directors determines that the distribution is not in the best interest of PTAC and its shareholders.

Q: Will the distribution affect the market price of my shares of PTAC common stock?

A: The value of PTAC shares remains speculative, but it is anticipated the value ascribed by any market participant to PTAC stock would be reduced by the value of the PTNA stock being distributed. The Company's financial advisor, a nationally recognized valuation firm (the "Firm"), has valued the PTNA stock at a range of between \$0 and \$125,000 in the aggregate, or approximately \$0.0026 per PTAC share at the midpoint of the valuation range.

Q: What will PTAC shareholders receive in the distribution?

A: In the distribution, PTAC shareholders will receive one share of our common stock for every share of PTAC common stock they own as of the record date of the distribution. No fractional shares will be issued. Immediately after the distribution, PTAC shareholders will still own their shares of PTAC common stock and the same shareholders will still own shares of the Company, but they will own them as two separate investments rather than as a single investment.

Q: How does this transaction affect your tax basis in PTAC stock?

A: Following the transaction, shareholders generally may elect to allocate their cost basis in the PTAC stock between their PTAC stock and their PTNA stock. As a general matter, shareholders would typically reduce their basis in the original stock by the value of the shares received on the distribution date. You should consult your own tax advisor regarding the particular consequences of the transaction to you.

Q: What does a PTAC shareholder need to do now?

A: PTAC shareholders do not need to take any action, although we urge you to read this entire document carefully. The approval of the PTAC shareholders is neither required nor sought to effect the distribution and PTAC shareholders have no appraisal rights in connection with the distribution. PTAC is not seeking a proxy from any shareholders and you are requested not to send us a proxy.

PTAC shareholders will not be required to pay anything for the shares of our common stock distributed in the distribution or to surrender any shares of PTAC common stock. PTAC shareholders should not send in their PTAC share certificates. PTAC shareholders will automatically receive their shares of our common stock when the distribution is affected.

Q: Are there risks to owning the Company's common stock?

A: An investment in the Company's stock is speculative and contains certain risks, including lack of transparency, illiquidity and potential total loss of principal.

Shareholders of the Company will not receive financial or other information, and the shares will be non-transferable and will not be registered. PTNA, in liquidation, is currently prohibited from paying dividends on equity and is not expected to pay dividends for the foreseeable future, if ever.

Q: What are the U.S. federal income tax consequences of the distribution to PTAC shareholders?

A: It is intended that the distribution will be a taxable transaction for U.S. federal income tax purposes. However, this does not imply that the transaction will result in taxable income to shareholders. While the transaction is not expected to result in taxable income to PTAC shareholders, we nonetheless urge you to consult your own tax advisor regarding the particular consequences of the distribution to you. Based on the valuation report prepared by PTAC's financial advisor, the value of each share of the Company's common stock is approximately \$0.0026 per share at the midpoint of the valuation range. Accordingly, a taxable U.S. shareholder receiving shares of our common stock in the distribution may be treated as if such shareholder had received a taxable distribution in an amount equal to the fair market value of our common stock received. Such distribution will be treated as a dividend to the extent of PTAC's current and accumulated earnings and profits, which subject to certain limitations may be taxable to individuals at a reduced rate of 15%. PTAC currently believes it does not and will not have any current or accumulated earnings profits on the distribution date. To the extent the value of the distributed PTNA stock is in excess of our earnings and profits, the receipt of our common stock will generally result in a reduction of a shareholder's basis in PTAC common stock and capital gain to the extent of such excess. Capital gains may be taxable at a reduced rate of 15% for individuals that have held their shares of PTAC common stock for more than one year. In addition, a shareholder's tax basis in our common stock will generally be equal to its fair market value at the time of the distribution and the holding period in the distributed PTNA common stock will begin the day after the distribution. Depending on the circumstances, a non-U.S. shareholder may be subject to a withholding tax at a rate of 30% on the fair market value of the PTNA common stock received by such shareholder, unless such shareholder is entitled to an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or the amount treated as a taxable dividend is effectively connected with such non-U.S. shareholder's conduct of a trade or business in the United States, and the shareholder provides to PTAC appropriate certification. This is typically the case only when the

value of the distributed shares exceeds the investor's tax basis in the shares of the company making the distribution. For the purpose of this transaction, the shareholder's basis in the PTNA shares should be approximately \$0.0026 per share, the midpoint of the valuation range. In general, to the extent a shareholder has a tax basis in its PTAC shares of greater than this amount, the transaction is not expected to create taxable income to the PTAC shareholder. See "Material U.S. Federal Income Tax Consequences of the Distribution." You should consult your own tax advisor as to the particular consequences of the distribution to you.

Q: What if I want to sell my PTAC common stock?

A: There is no active trading market for PTAC common stock.

Q: Where will I be able to trade shares of the Company common stock?

A: There is not currently a public market for our common stock and no trading market is expected to develop. The shares are will be non-transferable and expected to remain so in perpetuity. Pursuant to our agreement with the Pennsylvania Insurance Department, shareholders may not transfer shares of the Company's common stock.

Q: Where can PTAC shareholders get more information?

A: If you have any questions relating to the distribution, you should contact:

Penn Treaty American Corporation
2500 Legacy Drive
Suite 130
Frisco, TX 75034
Telephone: 469-287-7044
Attention: Eugene J. Woznicki

SUMMARY OF THE DISTRIBUTION

The following is a summary of the terms of the distribution of PTNA common stock.

<i>Distributing company</i>	Penn Treaty American Corporation
<i>Distributed company</i>	Penn Treaty Network America
<i>Distribution ratio</i>	Each holder of PTAC common stock will receive a dividend of one share of our common stock for every share of PTAC common stock held on the record date.
<i>Securities to be distributed</i>	Shares of our common stock, which will constitute all of the outstanding shares of our common stock immediately after the distribution.
<i>Fractional shares</i>	No fractional shares will be issued.
<i>Record date</i>	The record date is the close of business on December 6, 2019. In order to be entitled to receive shares of our common stock in the distribution, holders of shares of PTAC common stock must be shareholders as of the close of business on the record date.
<i>Distribution date</i>	The distribution date will be December 31, 2019.
<i>Relationship between the Company and PTAC after the distribution</i>	After the distribution, neither PTAC nor the Company will have any ownership interest in the other.
<i>Dividend policy</i>	As a company in liquidation, we are currently prevented from paying any cash dividends.
<i>Risk factors</i>	You should carefully consider the matters discussed under the section entitled “Risk Factors.”
<i>Valuation</i>	PTAC received a valuation report from the Firm with respect to the value of the Company. The Firm estimated that each PTNA each share of common stock should be valued at \$0.0026 per share at the midpoint of the valuation range.

THE COMPANY

Corporate Background

PTAC was registered and approved as a holding company under the Pennsylvania Insurance Code. PTAC was incorporated in Pennsylvania on May 13, 1965 under the name Greater Keystone Investors, Inc. and changed its name to Penn Treaty American Corporation on March

25, 1987. PTAC consummated its initial public offering in 1987. By order dated May 8, 2013, PTAC's registration was revoked by the Securities and Exchange Commission. Its primary business was the sale of long-term care insurance, which we conducted through the following subsidiaries:

- Penn Treaty Network America Insurance Company (the "Company") – a Pennsylvania-domiciled insurance company (in liquidation, under the control of the Pennsylvania Insurance Department);
- American Network Insurance Company ("ANIC") – a Pennsylvania-domiciled insurance company (in liquidation, under the control of the Pennsylvania Insurance Department); and
- American Independent Network Insurance Company of New York – a New York-domiciled insurance company (regulated by the New York Department of Financial Services).

Through its subsidiaries, PTAC was a provider of long-term care insurance in the United States. Our principal products were individual, defined benefit accident and health insurance policies covering long-term care services, including confinement to nursing facilities and assisted living facilities, as well as home health care. Our policies were designed to provide benefits if and when the insured is no longer capable of functioning independently. We also owned insurance agencies that sell senior-market insurance products issued by us as well as other insurers.

Rehabilitation and Liquidation

In January 2009, PTNA and ANIC entered rehabilitation and were placed under the control of the Pennsylvania Insurance Department. In October 2009, the Insurance Commissioner of the Commonwealth of Pennsylvania filed petitions in the Commonwealth Court of Pennsylvania to liquidate PTNA and ANIC. In May 2012, the Commonwealth Court entered an order denying the liquidation petitions. Following several years of unsuccessful efforts to rehabilitate PTNA and ANIC, the Commonwealth Court entered Orders of Liquidation with regard to both companies. PTAC consented to the liquidation pursuant to a 2016 Memorandum of Understanding and Settlement that, among other things, provided for payment to PTAC of \$10 million and other valuable consideration.

THE VALUATION REPORT

PTAC retained the Firm to develop a range of fair market values of a 100% equity interest in the Company as of December 31, 2018. In its final report, dated October 2019, the Firm noted that the Company and its direct wholly-owned subsidiary, American Network Insurance Company (“ANIC”) both Pennsylvania-domiciled long-term care insurance companies, are currently in liquidation and are under the control of the Pennsylvania Insurance Department.

After performing a number of valuation methodologies on the fair market value of a 100% equity interest of the Company, the Firm concluded that such interest was valued at between \$0 and \$125,000 with a midpoint of \$62,500. For purposes of its analysis, “fair market value” was defined as “the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both having reasonable knowledge of relevant facts, “noting that fair market value does not include elements of strategic or investment value.”

The Firm noted that its valuation conclusions and report are to be used by PTAC’s board of directors in connection with the proposed distribution of the shares of the Company to PTAC’s shareholders and is not intended to be utilized as a fairness or solvency opinion.

RISK FACTORS

You should carefully consider the risks described below and all of the other information in this information statement. This information statement also contains forward-looking statements that involve risks and uncertainties. See also “Special Note Regarding Forward-Looking Statements.”

The distribution could result in tax liabilities to the holders of shares of PTAC’s common stock.

It is PTAC’s intent that the distribution be treated as a taxable transaction U.S. federal income tax purposes, though it is not anticipated that the transaction will generate taxable income to PTAC shareholders. We are not, however, obtaining an opinion from tax counsel that the distribution will in fact be taxable to PTAC shareholders for U.S. federal income tax purposes. If the factual assumptions underlying PTAC management’s views of the taxable nature of the distribution are inaccurate or incomplete in any material respect, it is possible that their conclusion could be incorrect. In any event, the IRS may challenge PTAC’s views and any such challenge could prevail. In addition, each holder of PTAC common stock who receives shares of the PTNA’s common stock in the distribution generally would be treated as receiving a taxable distribution of property in an amount equal to the fair market value of the shares received. Based on the report received from the Firm, value of each share of common stock of PTNA is valued at approximately \$0.0026 per share at the midpoint of the valuation range. See “Material U.S. Federal Income Tax Consequences of the Distribution,” for more information.

The combined post-separation value of PTAC’s and the Company’s common stock may not equal or exceed the pre-separation value of PTAC’s common stock.

As a result of the distribution, PTAC expects the value of PTAC common shares immediately following the distribution to be lower than the value of such shares immediately prior to the distribution. There can be no assurance that the aggregate value of PTAC’s common stock and the Company’s common stock following the separation will be higher than or the same as the value of PTAC’s common stock if the separation did not occur, particularly since the shares of common stock of the Company will not trade on any securities exchange.

The one-time and ongoing costs of the distribution may be greater than we expected.

There are risks and uncertainties relating to the execution of the distribution, particularly as PTAC does not intend to execute formal agreements documenting certain intended activities or transactions between the companies. For example, PTAC has not formally documented its negotiations with the Company in the context of the distribution, among other things, allocations of assets, liabilities, rights, indemnifications and other obligations among PTAC and the Company and there is no formal agreement relating to transition services. The lack of formal agreements may complicate, delay or even inhibit certain efficiencies and benefits anticipated as a result of the distribution and may result in increased costs, expenses or risks of litigation. These costs may be greater than anticipated and could have a material adverse effect on the financial position, results of operations and cash flows of PTAC and the Company.

The shares of the Company's common stock will not be registered for public trading under the Securities Act or the Securities Exchange Act, as amended, or listed on any stock exchange or traded on the OTC, and may not be transferred by the Company's shareholders.

The shares of the Company's common stock that will be distributed by PTAC are not being registered with the SEC under either the Securities Act or the Exchange Act, and will not be transferrable. Thus, there will be no public trading market for these shares. Pursuant to our agreement with the Pennsylvania Insurance Department, shareholders may not transfer shares of the Company's common stock.

The Company is not obligated to make publicly available the information that publicly-traded companies generally must disclose.

The Company does not and will not have a duty to file periodic reports with the SEC. Although the Company may voluntarily disseminate press releases, quarterly financial statements and audited annual financial statements, it is neither obligated nor expected to do so or to disclose the information that most publicly-traded companies must disclose. The Company will not be subject to certain liability provisions of the Exchange Act, and its officers will not have to make the certifications required by the Sarbanes-Oxley Act of 2002, as amended. The Company's shareholders may find that the information provided to them is significantly more limited than for publicly-traded companies generally, and that their recourse for any alleged disclosure deficiencies is also more limited.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This information statement contains forward-looking statements, which are subject to inherent uncertainties which are difficult to predict, and may be beyond the ability of the Company and PTAC to control. Certain statements in this letter constitute forward-looking statements with the meaning of the Private Securities Litigation Reform Act of 1995 that are not historical facts, but rather reflect current expectations concerning future results and events. The words “believes,” “expects,” “intends,” “plans,” “anticipates,” “hopes,” “likely,” “will,” and similar expressions identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company and PTAC or their subsidiaries or industry results, to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s view only as of the date of this letter.

MATERIAL U.S. FEDERAL TAX CONSEQUENCES OF THE DISTRIBUTION

This discussion of material U.S. federal income tax consequences is not a complete analysis or description of all potential U.S. federal income tax consequences of the distribution. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address any U.S. federal, estate, gift or other non-income tax or any non-U.S., state or local tax consequences of the distribution. **Accordingly, each holder of PTAC common stock should consult his, her or its tax adviser to determine the particular U.S. federal, state or local or non-U.S. income or other tax consequences of the distribution to such holder.**

Each taxable U.S. shareholder of PTAC receiving shares of Company common stock in the distribution will be treated as if such shareholder had received a taxable distribution in an amount equal to the fair market value of our common stock received. Such distribution will be treated as a dividend to the extent of the PTAC consolidated groups' current and accumulated earnings and profits, which subject to certain limitations may be taxable to individuals at a reduced rate of 0% - 15%. To the extent in excess of our earnings and profits, the receipt of our common stock will generally result in a reduction of a shareholder's basis in PTAC common stock and capital gain to the extent of any excess. Capital gains may be taxable at a reduced rate of 0% - 15% for individuals that (i) directly or indirectly hold their PTAC common stock through an entity taxable as a partnership and (ii) who have held their shares of PTAC common stock for more than one year. A shareholder's tax basis in our common stock will be equal to its fair market value at the time of the distribution of PTNA and the holding period in the distributed PTNA common stock will begin the day after the distribution and will reduce the shareholders basis in the shareholders' tax basis in its PTAC common stock by an amount equal to the fair market value of the stock on the distribution date.

In addition, non-U.S. shareholders may be subject to a withholding tax rate of up to 30% on the fair market value of the PTNA common stock received by them to the extent of their share of the PTAC consolidated group's earnings and profits, unless such non-U.S. shareholders provide to us or our distribution agent, as the case may be, a properly executed (i) Internal Revenue Service ("IRS") Form W-8BEN (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or (ii) IRS Form W-8ECI (or other applicable form) stating that the amount treated as a taxable dividend is not subject to withholding tax because it is effectively connected with such non-U.S. shareholder's conduct of a trade or business in the United States. Effectively connected dividends (and, if an income tax treaty applies, dividends attributable to a permanent establishment), although not subject to withholding tax, are subject to U.S. federal income tax at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. In addition, dividends received by corporate non-U.S. shareholders that are effectively connected with a United States trade or business of the corporate non-U.S. shareholder (and, if an income tax treaty applies, are attributable to a corporate non-U.S. shareholder's permanent establishment in the United States) may also be subject to a branch profits tax at the current rate of 21% (or such lower rate as may be specified in an applicable income tax treaty).

In addition, backup withholding may apply with respect to the amount of the distribution of the PTNA shares of common stock paid to a U.S. shareholder if such U.S. shareholder fails to

provide a taxpayer identification number or certificate of other exempt status or fails to report in full dividend and interest income. In general, no backup withholding will be required with respect to the amount of the distribution of our shares of PTNA common stock paid to a non-U.S. shareholder if such non-U.S. shareholder establishes an exemption, for example, by properly certifying its non-U.S. status on an IRS Form W-8BEN (or any other applicable form). Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a shareholder's U.S. federal income tax liability provided the required information is furnished to the IRS. In general, information regarding the amount of the distribution of our shares of common stock paid to a shareholder will be reported to the IRS unless an exception applies.

THE FOREGOING IS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION UNDER CURRENT LAW AND IS FOR GENERAL INFORMATION ONLY. THE FOREGOING DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OF OTHER JURISDICTIONS OR THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS. EACH SHAREHOLDER SHOULD CONSULT HIS, HER OR ITS TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO SUCH SHAREHOLDER, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

DESCRIPTION OF CAPITAL STOCK

The following is a summary description of the Company's common stock. The description is not complete and is qualified in its entirety by the full text of the Company's Articles of Incorporation and bylaws.

General

The Company is authorized under its Articles of Incorporation to issue up to [25,000,000] shares of its common stock. Such amount is sufficient for purposes of completing the transactions discussed in this information statement.

Voting

Each outstanding share of common stock is entitled to one vote on each matter submitted to a vote at any meeting of shareholders. Whenever any corporate action is to be taken by a vote of the shareholders of the Company, such action shall be authorized by a majority of the votes cast at a duly organized meeting of the shareholders by the holders of shares entitled to vote thereon. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person to act for him or her by proxy.

Special Meeting Shareholders

Special meetings of the shareholders may be called at any time by the Board of Directors or by the President of the Company.

Shareholder Action by Written Consent

Any action required or permitted to be taken at a meeting of the shareholders of the Company may be taken without a meeting if consents thereto by all shareholders are filed with the Secretary of the Company.

Shareholder Action by Majority Consent

Any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting upon the written consent of shareholders who would have been entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting, subject to board approval.

Board of Directors

Under the Company's bylaws, the business of the Company shall be managed by the Board of Directors. Directors shall be elected by the shareholders at the annual meeting of shareholders for a term of one year, and until his or her successor shall be elected and qualify. The Board of Directors is not classified.

Director Liability

A director of the Company shall not be personally liable for monetary damages for any action taken or not taken, unless (i) the director has breached or failed to perform the duties of his office relating to standard of care and justifiable reliance and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

Indemnification of Directors, Officers and Employees

Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, officer, employee, or agent of the Company, shall be indemnified by the Company expenses (including attorneys' fees), judgments, fines and amounts paid in settlement if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful.

Amendments to Bylaws

The bylaws of the Company may be altered, amended or repealed or new bylaws may be adopted by the affirmative vote of a majority of the Board of Directors at any annual, regular or special meeting of the Board of Directors, subject to the power of the shareholders to change such action. The shareholders may prescribe that any bylaw made by them shall not be altered or repealed by the Board of Directors.

WHERE YOU CAN FIND MORE INFORMATION

For further information with respect to the Company's business and common stock being received by holders of PTAC common stock in the distribution, please contact PTAC at 2500 Legacy Drive, Suite 130, Frisco, TX 75034 or by telephone at (469) 287-7044. Additional information on the Company is available at www.pennntreaty.com.

You should rely only on the information contained in this information statement and other documents referred to in this information statement. Neither the Companies nor PTAC has authorized anyone to provide you with other information or information that is different from that contained herein. This information statement is being furnished by PTAC solely to provide information to PTAC shareholders who will receive the Company's common stock in the distribution. It is not, and it is not to be construed as, an inducement or encouragement to buy or sell any securities of PTAC. PTAC believes that the information presented herein is accurate as of the date hereof, but as noted above, it is to be expected that changes will occur after the date of this information statement. However, as also noted above, PTAC does not intend to update the information.