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Atty. Docket No.: 096828/00024

PATENT

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicants: Richard P. Richman and  
Craig Singer

Group Art Unit : 2164

Serial No.: 09/267,255

Examiner: C. Kyle

Filed: March 12, 1999

For: **METHOD AND SYSTEM FOR CONVERTING A DESIGNATED  
PORTION OF FUTURE SOCIAL SECURITY BENEFITS AND  
OTHER RETIREMENT PAYMENTS TO CURRENT BENEFITS**

December 26, 2001

**RESPONSE TO OFFICE ACTION MAILED OCTOBER 31, 2001**

Commissioner for Patents  
Washington, DC 20231

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Sir:

Group 2100

This is in response to the Office Action mailed October 31, 2001 (Paper No. 7) in the above-referenced patent application. This Response is being submitted within the shortened statutory period set for response in the Office Action.

**CERTIFICATE OF EXPRESS MAIL UNDER 37 CFR § 1.10**

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Richard L. Moss  
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12-26-01  
(Date of Signature)

### AMENDMENTS

Amend the application, without prejudice, as follows.

#### In the Claims.

Amend claims 1, 11, 15-19 and 25 to read as follows (actual changes to the pending claim language are shown in the attached Appendix):

- Sub 1*
1. (Amended) A method of providing present value to a beneficiary based on future retirement payments, comprising the steps of:
- designating an account in a depository for a beneficiary to receive future retirement payments payable to said beneficiary from a source of said retirement payments for a preselected period of time;
  - designating a benefit provider for providing a present benefit to said beneficiary;
  - 21* authorizing said depository to periodically disburse a predetermined portion of said retirement payments deposited in said account to said benefit provider during said preselected period of time;
  - providing said present benefit to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments;
  - causing said future retirement payments to be deposited into said account throughout said preselected period of time; and
  - causing said depository to transfer a portion of said retirement payments deposited into said account to said benefit provider during said preselected period of time.

11. (Amended) A system for providing present value to a beneficiary based on future retirement payments, comprising an account in a depository for a beneficiary to receive future retirement payments payable to said beneficiary from a source of said retirement payments for a preselected period of time, means for causing said future retirement payments to be deposited into said account during said preselected period of time, and means for causing said depository to disburse a predetermined portion of said retirement payments deposited in said account to a benefit provider during said preselected period of time in exchange for a present benefit provided to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments.

15. (Amended) A method of providing present value to a beneficiary based on future Social Security retirement benefits, comprising the steps of:

- a. designating an account in a depository for a beneficiary to receive future payments of Social Security retirement benefits for a preselected period of time;
- b. designating a benefit provider for providing a present benefit to said beneficiary;
- c. authorizing said depository to periodically disburse a predetermined portion of said Social Security payments deposited in said account to said benefit provider during said preselected period of time;
- d. providing said present benefit to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future payments of Social Security benefits;
- e. causing said future payments of Social Security benefits to be deposited into said account throughout said preselected period of time; and

15 f. causing said depository to transfer a portion of said Social Security payments deposited in said account from said account to said benefit provider during said preselected period of time.

19 16. (Amended) The method of claim <sup>18</sup>15, further comprising the steps of determining if said preselected period of time has expired, and if said preselected period of time has not expired, repeating steps e and f, and if said preselected period of time has expired, making said Social Security payments available for the exclusive use of said beneficiary.

20 17. (Amended) The method of claim <sup>18</sup>15, further comprising the steps of determining if said preselected period of time has expired, and if said preselected period of time has not expired, repeating steps e and f, and if said preselected period of time has expired, setting said preselected period of time to a new preselected period of time, repeating steps e and f, determining if said new preselected period of time has expired, and if said new preselected period of time has not expired, repeating steps e and f, and if said new preselected period of time has expired, making said Social Security payments available for the exclusive use of said beneficiary.

18. (Amended) The method of claim 15, further including the steps of reimbursing said benefit provider from resources other than said future Social Security payments if said transfers of a portion of said Social Security payments from said depository to said benefit provider cease prior to said end of said preselected period of time other than upon the death of the beneficiary, and making said Social Security payments available for the exclusive use of said beneficiary.

21 21 18 (Amended) The method of claim 18, further comprising the step of obtaining life insurance on the life of said beneficiary in favor of said benefit provider wherein if said beneficiary dies prior to said end of said preselected period of time, a benefit from said life insurance policy is paid to said benefit provider.

Sub. 23 25. (Amended) A system for providing present value to a beneficiary based on future Social Security retirement benefits, comprising an account in a depository for a beneficiary to receive future payments of Social Security benefits for a preselected period of time, means for causing said future payments of Social Security benefits to be deposited into said account during said preselected period of time, and means for causing said depository to disburse a predetermined portion of said Social Security payments deposited in said account to a benefit provider during said preselected period of time in exchange for a present benefit provided to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future payments of Social Security benefits.

Add new claims 29-32 as follows:

29. (New) The method of claim 1, wherein the present benefit is a benefit that is realized in the future.

30. (New) The system of claim 11, wherein the present benefit is a benefit that is realized in the future.

as 31. (New) The method of claim 15, wherein the present benefit is a benefit that is realized in the future.

32. (New) The system of claim 25, wherein the present benefit is a benefit that is realized in the future.

### **REMARKS**

In view of the foregoing amendments and following remarks, reconsideration of this application and early allowance of the application is earnestly solicited.

Claims 1-28 are pending in this application. Claims 1, 2, 6, 7 and 11-13 stand rejected under 35 U.S.C. §102(e) as being anticipated by Golden U.S. Patent No. 5,933,815. Claims 3, 4 and 8 stand rejected under 35 U.S.C. §103(a) as being obvious over Golden. Claims 5, 9, 10 and 14-28 have been rejected under 35 U.S.C. §103(a) as being obvious over Golden variously in view of Gross et al. U.S. Patent No. 5,083,270, the cited Dictionary of Finance and Investment Terms and the cited Social Security Bulletin. Also, claims 17 and 18 stand rejected under 35 U.S.C. §112, second paragraph, as lacking sufficient antecedent basis for the term "Social Security."

Independent claims 1, 11, 15 and 25 have been amended and new claims 29-32 added to more particularly point out and distinctly claim Applicants' invention. No new matter has been introduced.

To correct typographical errors in the claims as filed, Applicants have amended dependent claims 16-19 to depend from independent claim 15. No new matter has been introduced. Claims 17 and 18 now provide appropriate antecedent basis for the term "Social Security." Notice to this effect is respectfully solicited.

Before specifically addressing the remaining claim rejections, Applicants take this opportunity to make the following general remarks concerning the present invention.

As set forth in detail in the specification and drawings of the present application, Applicants' invention is directed to a method and system for enabling a recipient of Social Security payments, or of other retirement payments, to convert a designated portion of future

payments into current available financial resources without encumbering the recipient's right to future retirement benefits and without violating the current legislated proscriptions in the United States against assigning or otherwise alienating future retirement benefits (e.g., as set forth in the Social Security Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the United States tax laws). It should be appreciated that before Applicants' invention as set forth in detail in the present application, given the legislated proscriptions against alienation of Social Security and other retirement benefits, such benefits could not be used to support financing based on future receipts.

In the method and system according to the present invention, a financial institution serves as the direct depository of the recipient's retirement payments, and as the disbursement agent of a predetermined portion of such payments from the recipient's individual deposit account over a preselected period. In exchange for an advance of capital from a funding source, or in exchange for an asset acquired or a service obtained from an asset or service provider, in an amount or having a value at least in part based on present value of a designated portion of the recipient's future retirement payments, the recipient directs the financial institution to disburse to the funding source or asset or service provider a portion of the recipient's retirement payments, as they are received in the deposit account over the preselected period, calculated to satisfy the terms of the advance.

In the event that this financial arrangement is terminated before the expiration of the preselected period, the funding source or asset or service provider would no longer receive any payments from the recipient's deposit account. However, the recipient may be obligated to reimburse the funding source or asset or service provider in a specified amount relating to the capital, assets or services advanced, from resources other than future retirement benefits.

Should the recipient die during the preselected period, the funding source or asset or service provider would not be able to seek reimbursement from a surviving spouse's share of remaining retirement payments. In a preferred embodiment of the system and method according to the present invention, the funding source or asset or service provider would insure against this risk by purchasing group term life insurance for its benefit covering all recipients.

Thus, the system and method according to the present invention make available a new source of current funds heretofore untapped given the legislated prohibition against alienation of future retirement benefits. The present inventors, having invented and developed such a new, unique and non-obvious system and method, are therefore entitled to appropriate patent protection for their invention and significant contribution to the art.

Turning now to the Examiner's rejection of claims 1, 2, 6, 7 and 11-13 under 35 U.S.C. §102(e), Applicants respectfully submit that differences exist between the method and system claimed in these claims and the method and system disclosed in Golden that warrant the withdrawal of this rejection. Golden does not disclose each element of the rejected claims, and, accordingly, the Examiner has not made out a prima facie case of anticipation.

Golden is directed to a financial vehicle offered by an insurance company to clients who possess currently available funds, such as from retirement assets (e.g., an IRA). The client may be a retiree who is seeking to obtain retirement income from assets that he currently has, or a person planning for retirement who desires to deploy assets that he currently has in a financial vehicle which will accumulate on a tax-deferred basis (col. 6, line 62-col. 7, line 2) with a measure of liquidity.

In Golden, the client provides assets that he currently has to the insurance company as the contribution towards the purchase of an investment contract (col. 7, lines 2-9).



The insurance company invests in serially maturing Guaranteed Interest Rate Options ("GIROs"), which are similar to zero coupon bonds, and life contingent annuities ("LCAs") to provide retirement income to the client during two periods of the client's life. During a first, time certain period, periodic distributions from the assets are provided by the GIROs; during a second, life contingent period (commencing at the end of the first period and extending at least for as long as the client is alive), a continuous stream of periodic distributions are provided by the LCA (col. 7, line 10-col. 8, line 7).

Funds from the client contribution allocated to the purchase of the GIROs are invested by the insurance company in a separate, "nonunitized" account on an aggregate basis. Thus, the client has no claim on, or participation in the performance of, the assets held in the account. Funds allocated to the purchase of the LCA become part of the insurance company's general account (col. 8, lines 18-28).

The client may withdraw all or part of the assets invested in the GIROs, which have a determinable market value, at any time, subject to monetary, time or other limitations imposed by the insurance company. The market value of any amounts remaining in the GIROs after a withdrawal are decreased by the amount of the withdrawal. This provides the client with a measure of liquidity (col. 7, lines 39-53).

In Golden, the client may specify either the amount of the contribution of his currently available assets or a target income payment the client wishes to receive. When a target income payment is specified, the amount of the contribution out of such currently available assets necessary to provide the payment is calculated (col. 3, lines 25-35).

Golden does not disclose Applicants' method and system as claimed in claims 1, 2, 6, 7 and 11-13. Particularly, Golden is not concerned with, and accordingly does not teach or

suggest, a method or system for converting future retirement payments into current value as affirmatively recited in independent claims 1 and 11. Rather, in stark contrast, Golden is concerned with providing clients with an annuity having a liquidity feature using a contribution of a current asset. It is submitted that this fundamental difference between the present claimed invention and Golden prevents the Golden patent, whether taken alone or in combination with any of the other cited references, from disclosing, yielding or even suggesting the present claimed invention. In fact, Golden requires clients to make current payments to fund the subject financial vehicle and creates no new funding source.

Applicants have amended independent claims 1 and 11 (as well as independent claims 15 and 25) to clarify what was originally intended by the original claims. This is accomplished by indicating affirmatively in claims 1 and 11 (and claims 15 and 25) that the present benefit is provided based at least in part on present value of a designated portion of future retirement benefits.

Claims 2, 6, and 7, which depend from claim 1, and claims 12 and 13, which depend from claim 11, are allowable by reason of the same fundamental difference between the present claimed invention and Golden detailed above in connection with the rejection of independent claims 1 and 11. They are also allowable for the additional features, steps and structure recited therein as detailed below.

Regarding claim 2, the Examiner contends that Golden discloses the steps of determining if the preselected period of time has expired, and, if the period has not expired, repeating steps e and f of claim 1, and if the period has expired, making the retirement payments available for the exclusive use of the beneficiary. Applicants respectfully disagree.

Not only does Golden not permit this conclusion, but, more relevant, Golden is not at all concerned with depositing future retirement benefits, as they are received, into a depository account over a preselected period as affirmatively claimed in the present application. Indeed, the portions of the Golden patent noted by the Examiner (namely, col. 11, lines 34-54, and Figs. 2a and 2d) refer to the periodic annuity payments made to the client after the client has contributed a then current asset, and, as such, do not support the Examiner's rejection of claim 2.

The Examiner further contends that Golden teaches a monetary payment as a present benefit (from the LCA) as recited in claims 6 and 12 of the present application, and a non-monetary payment (GIRO) as a present benefit as recited in claims 7 and 13 of the present application. Applicants respectfully disagree.

The claimed benefit in Applicants' present application is based on the present value of future retirement benefits. As discussed above, Golden is not at all concerned with creating a benefit based on future retirement benefits.

The Federal Circuit has instructed that anticipation requires the disclosure in a single prior art reference of each element of the claim under consideration. *See W.L. Gore & Assocs. v. Garlock, Inc.*, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 841 (1984); *see also Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 221 USPQ 481, 485 (Fed. Cir. 1984) (requiring that the prior art reference disclose each element of the claimed invention arranged as in the claim). Considering that the method and system of the present invention as claimed in claims 1, 2, 6, 7 and 11-13 differs from the method and system disclosed in Golden, as discussed above, it is respectfully submitted that the Examiner has not made out a *prima facie* case of anticipation, and that claims 1, 2, 6, 7 and 11-13 are patentable over Golden. Notice to this effect is earnestly solicited.

Turning now to the Examiner's rejection of claims 3, 4 and 8 under 35 U.S.C. §103(a), Applicants respectfully submit that the Examiner has not established a prima facie case of obviousness. The same fundamental difference between the present claimed invention and Golden detailed above in connection with the rejection of independent claims 1 and 11, dictates that claims 3, 4 and 8, which depend from claim 1 (directly, for claims 3 and 4, and for claim 8, through its dependence from claim 7) are not obvious in view of Golden.

The Examiner contends that, while Golden does not specifically disclose renewal, Golden suggests renewal and, as a result, it would have been obvious to provide for renewal in the Golden method to arrive at the method claimed in claim 3 of the present application. Applicants respectfully disagree.

As discussed above, Golden discloses an annuity consisting of a combination of GIROs and an LCA. The GIROs provide income to the client during a first, time certain period. The LCA provides retirement income during a second, life contingent period. The second period commences at the end of the first period and extends for as long as the client is alive. Because the Golden annuity is a single financial vehicle designed to provide income over the client's life, renewal is not contemplated. Moreover, renewal is not suggested in the transition from the first period to the second period, as the transition merely represents a shift in investment strategy.

The Examiner further contends that, in the event of premature termination of the financial program according to the present invention as claimed in claims 4 and 8, it would have been obvious in view of Golden to pay the benefit provider for benefits unreimbursed by retirement payments from resources other than retirement payments, such as from the liquidation of an asset obtained from the benefit provider. Applicants respectfully disagree.

In Golden, the annuity is based on a currently available asset (i.e., cash) contributed by the client up front and in full. Golden does not look to, let alone depend on, future benefits to fund the annuity. Accordingly, there are no unreimbursed benefits for which the insurance company would need to seek recourse, let alone against the other assets of the client.

In view of the foregoing, notice to the effect that claims 3, 4 and 8 are patentable over Golden is respectfully requested.

Claims 5 and 19 stand rejected under 35 U.S.C. §103(a), as being obvious over Golden in view of the Dictionary of Finance and Investment Terms. Applicants respectfully submit that the Examiner has not established a prima facie case of obviousness as the combination of Golden and the Dictionary do not disclose, yield or even suggest Applicants' claimed method and system.

Because claims 5 and 19 depend from independent claims 1 and 15, respectively, they are allowable for the reasons detailed above with respect to claim 1, and below with respect to claim 15. They are also allowable for the additional features, steps and structure recited therein, as discussed below.

Claims 5 and 19 of the present application recite that the benefit provider may cover the risk associated with the financial program according to the method and system of the present invention by obtaining life insurance on the life of the recipient of retirement benefits. The Examiner contends that, while Golden does not specifically disclose the use of insurance on the life of the client, it would have been obvious to combine Golden with the Dictionary's general disclosure (presumably in the definition of "Death Benefit," although it is not clear from

the Office Action) that life insurance may be used to pay beneficiaries on the death of an insured, to arrive at the method claimed in claims 5 and 19. Applicants respectfully disagree.

As discussed above, Golden does not look to, let alone depend on, future benefits to fund the annuity, rather, the annuity is based on a currently available asset contributed by the client up front and in full. Thus, in Golden, there is no risk associated with not receiving allocations of future retirement benefits in the event of the death of the client. Moreover, Applicants submit that any adjustments for risk associated with the Golden annuity are built into the allocation of the contributed asset among the GIROs and LCAs, and that any such risk is spread out in the investments residing in the insurance company's separate and general accounts (see e.g., col. 8, lines 8-28, col. 9, lines 23-39). Consequently, Golden does not teach or suggest insuring against the death of the client, as there is no need or motivation to do so.

The general Dictionary definition cited by the Examiner does not overcome the severe deficiencies of Golden.

In view of the foregoing, Applicants request that the rejection of claims 5 and 19 under 35 U.S.C. §103(a) be withdrawn, and notice to the effect that the claims are patentable over Golden and the Dictionary is respectfully solicited.

Claims 9, 10 and 14 stand rejected under 35 U.S.C. §103(a) as being obvious over Golden in view of Gross et al. Applicants respectfully submit that the Examiner has not established a prima facie case of obviousness as the combination of Golden with Gross et al. does not disclose, yield or even suggest Applicants' claimed method and system.

Because claims 9 and 10 depend from independent claim 1, and claim 14 depends from independent claim 11, they are allowable for the reasons detailed above with respect to

claims 1 and 11. They are also allowable for the additional features, steps, and structure recited therein as discussed below.

Gross et al. generally discloses a program to realize income from assets not normally income-producing, or to increase income from assets that already produce some income. According to the Gross program, an interest-free mortgage is taken against an asset as security for a promissory obligation by a participant to pay a sum certain on the participant's death (col. 2, lines 41-48). The Gross patent further clarifies this object by stating that the program makes available, in cash, to the asset owner at least part of the value of the asset (col. 1, lines 18-19). The program does not require the asset to be relinquished before the participant's death, but does provide that such asset serve as collateral for repayment of the obligation by the participant's estate. It provides income for assets that the participant may enjoy during the participant's lifetime since there is no right to foreclose on the collateral prior to the participant's death.

Assets that may be used in the Gross program include real estate, works of art, precious metals, life insurance policies, death benefits under pension plans and marketable securities (col. 2, lines 54-58).

The Gross program has margin account-like features. That is, as the value of an asset fluctuates, it may be necessary to require that the participant reduce his promissory obligation (i.e., prepay) or increase collateral (i.e., mortgage further assets) (see col. 8, lines 48-53).

As acknowledged by the Examiner in the Office Action, Golden does not teach or suggest that the present benefit in the method and system according to the present invention

(which is based on present value of a designated portion of the recipient's future retirement payments) may be a service. The Examiner looks to Gross et al. for this requirement.

Like Golden, the Gross patent is not concerned with, and accordingly does not teach or suggest, converting future retirement payments into current value as affirmatively claimed in the present patent application. Indeed, any asset in Gross must have a current cash value and be subject to assignment in order to secure the requisite promissory obligation. While Gross generally discloses paying for a service (e.g., health insurance) out of proceeds received under the Gross program, this is no different than a borrowing collateralized by a current asset capable of being liquidated using the proceeds of such borrowing as one determines, and is not the invention presented in Applicants' patent application. Consequently, the Gross patent does not overcome the severe deficiencies of Golden, the primary reference.

In view of the foregoing, Applicants request that the rejection of claims 9, 10 and 14 under 35 U.S.C. §103(a) be withdrawn, and notice to the effect that the claims are patentable over Golden and Gross et al. is respectfully solicited.

Claims 15-18 and 20-28 stand rejected under 35 U.S.C. §103(a) as being obvious over Golden in view of the Social Security Bulletin. Applicants respectfully submit that the Examiner has not established a prima facie case of obviousness as the combination of Golden with the Bulletin does not disclose, yield or suggest Applicants' claimed method and system.

Claims 15-18 and 20-28 differ in scope from claims 1-4 and 6-14 in the present application only to the extent that the retirement benefits in claims 15-18 and 20-28 are Social Security payments. Accordingly, considering that, as acknowledged by the Examiner, Golden does not concern itself with or mention Social Security benefits, claims 15-18 and 20-28 are



patentable over Golden for the same reasons detailed above in connection with Applicants' traversal of the rejection of claims 1-4 and 6-14.

As discussed above, the present invention is concerned with converting future retirement payments into current value. In the case of claims 15-18 and 20-28, these benefits are Social Security payments. This is accomplished by the claimed method and system of the present application which avoids encumbering the recipient's right to future retirement benefits and violating the current legislated proscriptions in the United States against alienating future retirement benefits as set forth in the Social Security Act, ERISA and the U.S. tax laws. In stark contrast, Golden is concerned with providing clients with an annuity having a liquidity feature using currently available assets to fund the annuity. Nowhere in Golden is it contemplated, taught or suggested that any kind of future retirement payment may be contributed as a basis for the Golden annuity.

As discussed above, Applicants have amended independent claims 15 and 25 (as well as independent claims 1 and 11) to clarify what was originally intended by the original claims. This is accomplished by indicating affirmatively in claims 15 and 25 (and claims 1 and 11) that the present benefit is provided based at least in part on present value of a designated portion of future retirement benefits.

The Examiner's reliance on the Social Security Bulletin for the general proposition that Social Security benefits are periodic payments does not overcome the severe deficiencies of Golden.

In view of the foregoing, Applicants request that the rejection of claims 15-18 and 20-28 under 35 U.S.C. §103(a) be withdrawn, and notice to the effect that the claims are patentable over Golden and the Social Security Bulletin is respectfully solicited.

New claims 29-32 have been added to provide appropriate protection for Applicants' present invention. No new matter has been introduced.

It is clear from the present specification, for example on page 4, line 10, that the present benefit under the financial program according to the present invention is not necessarily a currently realizable benefit such as cash, but may be a benefit realizable at some future time, such as a prepaid benefit (e.g., prepaid funeral expenses). Accordingly, Applicants have added new claims 29-32, which depend from claims 1, 11, 15 and 25, respectively, to affirmatively recite that the present benefit may be a benefit that is realizable in the future. Notice to the effect that new claims 29-32 are allowable is earnestly solicited.

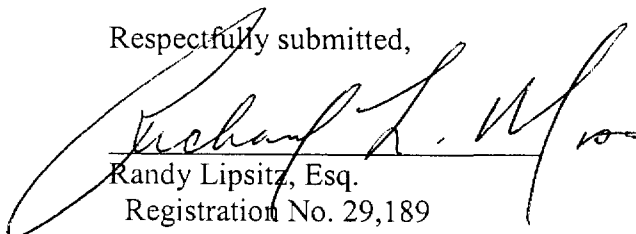
Submission of formal drawings will be deferred until allowance of the application.

On the basis of the foregoing amendments and remarks, Applicants respectfully submit that this application is in condition for immediate allowance, and notice to this effect is earnestly requested.

No fee is believed due with this Response other than the \$36.00 fee (at the Small Entity rate) associated with the addition of four (4) new dependent claims. Please charge any fee deficiency to the undersigned attorney's Deposit Account No. 50-0540.

The Examiner is invited to contact Applicants' undersigned attorneys at the telephone number listed below if it will advance the prosecution of this case.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy Lipsitz", is written over a horizontal line.

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#### APPENDIX

#### CLAIM AMENDMENTS HIGHLIGHTED

1. (Amended) A method of providing present value to a beneficiary based on future retirement payments, comprising the steps of:
  - a. designating an account in a depository for a beneficiary to receive future retirement payments payable to said beneficiary from a source of said retirement payments for a preselected period of time;
  - b. designating a benefit provider for providing a present benefit to said beneficiary;
  - c. authorizing said depository to periodically disburse a predetermined portion of said retirement payments deposited in said account to said benefit provider during said preselected period of time;
  - d. providing said present benefit to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments;
  - e. causing said future retirement payments to be deposited into said account throughout said preselected period of time; and
  - f. causing said depository to transfer a portion of said retirement payments deposited into said account to said benefit provider during said preselected period of time.

11. (Amended) A system for providing present value to a beneficiary based on future retirement payments, comprising an account in a depository for a beneficiary to receive future retirement payments payable to said beneficiary from a source of said retirement payments for a preselected period of time, means for causing said future retirement payments to be deposited into said account during said preselected period of time, and means for causing said depository to disburse a predetermined portion of said retirement payments deposited in said account to a benefit provider during said preselected period of time in exchange for a present benefit provided to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments.

15. (Amended) A method of providing present value to a beneficiary based on future Social Security retirement benefits, comprising the steps of:

- a. designating an account in a depository for a beneficiary to receive future payments of Social Security retirement benefits for a preselected period of time;
- b. designating a benefit provider for providing a present benefit to said beneficiary;
- c. authorizing said depository to periodically disburse a predetermined portion of said Social Security payments deposited in said account to said benefit provider during said preselected period of time;
- d. providing said present benefit to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future payments of Social Security [payments]benefits;
- e. causing said future payments of Social Security [payments]benefits to be deposited into said account throughout said preselected period of time; and

f. causing said depository to transfer a portion of said Social Security payments deposited in said account from said account to said benefit provider during said preselected period of time.

16. (Amended) The method of claim 15, further comprising the steps of determining if said preselected period of time has expired, and if said preselected period of time has not expired, repeating steps e and f, and if said preselected period of time has expired, making said Social Security payments available for the exclusive use of said beneficiary.

17. (Amended) The method of claim 15, further comprising the steps of determining if said preselected period of time has expired, and if said preselected period of time has not expired, repeating steps e and f, and if said preselected period of time has expired, setting said preselected period of time to a new preselected period of time, repeating steps e and f, determining if said new preselected period of time has expired, and if said new preselected period of time has not expired, repeating steps e and f, and if said new preselected period of time has expired, making said Social Security payments available for the exclusive use of said beneficiary.

18. (Amended) The method of claim 15, further including the steps of reimbursing said benefit provider from resources other than said future Social Security payments if said transfers of a portion of said Social Security payments from said depository to said benefit provider cease prior to said end of said preselected period of time other than upon the death of the beneficiary, and making said Social Security payments available for the exclusive use of said beneficiary.

19. (Amended) The method of claim 15, further comprising the step of obtaining life insurance on the life of said beneficiary in favor of said benefit provider wherein if said beneficiary dies prior to said end of said preselected period of time, a benefit from said life insurance policy is paid to said benefit provider.

25. (Amended) A system for providing present value to a beneficiary based on future Social Security retirement benefits, comprising an account in a depository for a beneficiary to receive future payments of Social Security benefits for a preselected period of time, means for causing said future payments of Social Security [payments]benefits to be deposited into said account during said preselected period of time, and means for causing said depository to disburse a predetermined portion of said Social Security payments deposited in said account to a benefit provider during said preselected period of time in exchange for a present benefit provided to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future payments of Social Security [payments]benefits.

29. (New) The method of claim 1, wherein the present benefit is a benefit that is realized in the future.

30. (New) The system of claim 11, wherein the present benefit is a benefit that is realized in the future.

31. (New) The method of claim 15, wherein the present benefit is a benefit that is realized in the future.

32. (New) The system of claim 25, wherein the present benefit is a benefit that is realized in the future.