

Atty. Docket No.: 096828/00024

PATENT

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12/22/02

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

Applicants: Richard P. Richman and  
Craig Singer

Group Art Unit : 3624

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 11, 2002

**RESPONSE TO OFFICE ACTION MAILED AUGUST 22, 2002**

Commissioner for Patents  
Washington, DC 20231

Sir:

This is in response to the Office Action mailed August 22, 2002 in the above-referenced patent application. This Response is being submitted within the first month after the shortened statutory period set for response in the Office Action. A separate Petition and fee for a one-month extension of time is being submitted herewith. With the extension, the deadline for response is reset to expire on December 22, 2002.

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### AMENDMENTS

Please amend the application, without prejudice, as follows.

#### In the Claims.

Amend claims 1, 8, 10, 11, 15, 22, 24 and 25 to read as follows (actual changes to the pending claim language are shown in the attached Appendix):

1. (Thrice Amended) ~~A method of creating a source of funds based on present value of 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 monetary 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 monetary 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 without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits;
  - e. causing said future retirement payments to be deposited into said account throughout said preselected period of time;

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; and

g. reimbursing said benefit provider from resources other than said future retirement payments if said transfers of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said retirement payments available for the exclusive use of said beneficiary.

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5. 8. (Twice Amended) ~~A method of creating a source of funds based on present value of 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 an asset other than a monetary payment 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 asset to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits;

e. causing said future retirement payments to be deposited into said account throughout said preselected period of time;

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; and

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/ g. liquidating said asset and reimbursing said benefit provider from proceeds of said asset liquidation if said transfers of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said retirement payments available for the exclusive use of said beneficiary.

9. ~~10.~~ (Twice Amended) <sup>Amended</sup> ~~A method of creating a source of funds based on present value of 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;

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b. designating a benefit provider for providing a service 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 service to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits;

e. causing said future retirement payments to be deposited into said account throughout said preselected period of time;

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; and

g. terminating said service if said transfers of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said retirement payments available for the exclusive use of said beneficiary.

13. 11. (Thrice Amended) A system for creating a source of funds based on present value of 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, 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, said exchange being without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits, means for reimbursing said benefit provider from resources other than said future retirement payments if said transfers of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and means for making said retirement payments available for the exclusive use of said beneficiary.

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15. 18. (Thrice Amended) <sup>94</sup> ~~A method of creating a source of funds based on present value of future Social Security retirement benefits, comprising the steps of:~~

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- 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 monetary 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 monetary 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 without encumbering said beneficiary's right to said future payments of Social Security benefits and without violating legislated proscriptions in the United States against alienation of future Social Security benefits;
  - e. causing said future payments of Social Security benefits to be deposited into said account throughout said preselected period of time;
  - 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; and
  - g. 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 are curtailed prior to said end of said preselected period of

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time, and making said Social Security payments available for the exclusive use of said beneficiary.

22. (Twice Amended) ~~A method of creating a source of funds based on~~  
present value of 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 an asset other than a monetary payment 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 asset 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 without encumbering said beneficiary's right to said future payments of Social Security benefits and without violating legislated proscriptions in the United States against alienation of future Social Security benefits;
- e. causing said future payments of Social Security benefits to be deposited into said account throughout said preselected period of time;
- 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; and
- g. liquidating said asset and reimbursing said benefit provider from proceeds of said asset liquidation if said transfers of a portion of said Social Security payments from said

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depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said Social Security payments available for the exclusive use of said beneficiary.

26. 24. (Twice Amended) <sup>D<sup>c</sup></sup> ~~A method of creating a source of funds based on present value of future Social Security retirement benefits, comprising the steps of:~~

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- 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 service 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 service 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 without encumbering said beneficiary's right to said future payments of Social Security benefits and without violating legislated proscriptions in the United States against alienation of future Social Security benefits;
  - e. causing said future payments of Social Security benefits to be deposited into said account throughout said preselected period of time;
  - 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; and
  - g. terminating said service if said transfers of a portion of said Social Security payments from said depository to said benefit provider are curtailed prior to said end of



07 said preselected period of time, and making said Social Security payments available for the exclusive use of said beneficiary.

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30 ~~25~~ (Thrice Amended) A system for creating a source of funds based on present value of 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, 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, said exchange being without encumbering said beneficiary's right to said future payments of Social Security benefits and without violating legislated proscriptions in the United States against alienation of future Social Security benefits, means for reimbursing said benefit provider from resources other than said future [retirement] payments if said transfers of a portion of said [retirement] payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and means for making said [retirement] future payments of Social Security benefits available for the exclusive use of said beneficiary.

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### **REMARKS**

As a preliminary matter, Applicants' undersigned attorney wishes to thank Examiner Kyle for extending the courtesy of telephone interviews conducted on both October 3, 2002 and December 3, 2002 to discuss Applicants' patent application. During the telephone interviews, particular attention was paid to the 35 U.S.C. §103 rejection of the claims with respect to the Golden and Mirer references, and the manner in which the claims could be amended to more particularly point out and distinctly claim Applicants' invention to distinguish over the cited references.

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

In the Office Action mailed August 22, 2002, claims 1-3, 8, 11-13, 15-17, 22, 24-28 and 33-40 were rejected under 35 U.S.C. §103(a) as being obvious over Golden in view of Mirer; claims 5, 19 and 41-46 were rejected under 35 U.S.C. §103(a) as being obvious over Golden and Mirer in view of the Dictionary of Finance and Investment Terms; and claims 10 and 14 were rejected under 35 U.S.C. §103(a) as being obvious over Golden and Mirer in view of Gross et al.

Independent claims 1, 8, 10, 11, 15, 22, 24 and 25 have been amended herein in accordance with the discussions with the Examiner. No new matter has been introduced. Accordingly, claims 1-3, 5, 8, 10-17, 19, 22, 24-28 and 33-46 are currently pending in this application.

As set forth in detail in the present specification, and as discussed with the Examiner during the interviews, Applicants' invention is directed to a new method and system for enabling a recipient of Social Security payments, or of other retirement payments, to access

present value of a designated portion of future retirement payments without violating the current legislated proscriptions in the United States against assigning or otherwise alienating future retirement benefits as set forth in the Social Security Act, ERISA and the U.S. tax laws. More particularly, in accordance with the method and system of the present invention, a beneficiary of retirement payments can obtain capital from a funding source, acquire an asset from an asset provider, or obtain a service from a service provider, based at least in part on present value of a designated portion of the beneficiary's future retirement payments, in exchange for the structured payment to the funding source, asset provider, or service provider of a predetermined portion of the beneficiary's retirement payments.

Section 207(a) of the Social Security Act, 42 U.S.C. 407, (the "Act") prohibits the transfer or assignment of future benefits payable under the Act (referring to consensual transfers), and provides that no "moneys paid or payable" under the Act may be subjected to "execution, levy, attachment or other legal process" (referring to coercive transfers). ERISA Section 206(d)(1), 29 U.S.C. 1056(d)(1), and Section 401(a)(13)(A), introductory sentence, of the Internal Revenue Service Code of 1986, as amended, provide similar anti-alienation provisions relating to qualified pension plans. As requested by the Examiner, copies of the pertinent portions of these legislative provisions are attached for the Examiner's ready reference.

The method and system according to the present invention is able to function within the current regulatory framework regarding Social Security and other retirement payments because the beneficiary's right to future retirement payments is not encumbered. Upon the expiration or premature termination of the financial arrangement between beneficiary and benefit provider, the beneficiary's ability to receive future retirement payments is not impacted. In the specific event of premature termination of the financial arrangement, the benefit provider no

longer receives any payments from the beneficiary's deposit account, and any reimbursement to the benefit provider is from resources other than the future retirement payments (for example, reimbursement can be paid out of proceeds from the liquidation of an asset obtained pursuant to the financial arrangement).

Moreover, should the beneficiary die during the pendency of the financial arrangement, the benefit provider cannot seek reimbursement from a surviving spouse's share of remaining retirement payments. According to a preferred embodiment of the method and system of the present invention, the benefit provider can insure against this risk by purchasing group term life insurance for its benefit covering all recipients.

As discussed with the Examiner, the independent claims in the present application already affirmatively provide that if payments from the beneficiary's deposit account to the benefit provider are prematurely curtailed, the benefit provider can seek reimbursement from only resources other than the beneficiary's future retirement payments, which future payments are made available for the exclusive use of the beneficiary (see subparagraph g of claims 1, 8, 10, 15, 22 and 24, and the latter two elements recited in each of claims 11 and 25). In accordance with the Examiner's suggestions during the interview conducted on December 3, 2002, Applicants have now amended independent claims 1, 8, 10, 11, 15, 22, 24 and 25 to affirmatively recite that the benefit provided to the beneficiary from the benefit provider (whether monetary or a non-monetary asset or service) based at least in part on present value of a designated portion of future retirement payments, or, in the case of claims 15, 22, 24 and 25, Social Security benefits, is provided without encumbering the beneficiary's right to the future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits. Accordingly, it is submitted that the independent claims now more

particularly point out and distinctly claim those aspects or features of Applicants' invention that allow it to function within the current regulatory framework in the United States regarding Social Security and other retirement payments.

It should be appreciated that the inventive method and system make available a new source of current funds heretofore untapped given the current regulatory framework. At no time before Applicants' invention was it ever taught or suggested that such retirement benefits could be used to support financing or acquisition of assets or services based on future receipts. 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.

In the Office Action the Examiner rejected claims 1-3, 8, 11-13, 15-17, 22, 24-28 and 33-40 on the asserted grounds that the combination of Golden and Mirer teaches an annuity that can be funded using future retirement receipts. During the interviews, Applicants' undersigned attorney explained Applicants' contrary position and traversed the claim rejections on several grounds.

First, in fundamental contrast to Applicants' invention, Golden (which describes a financial product offered by an insurance company that provides clients with an annuity having a liquidity feature using a contribution of a current asset to fund the annuity) does not teach or suggest a method or system for converting future retirement payments into a present benefit as affirmatively recited in the independent claims of the present application. Rather, unlike Applicants' claimed invention, Golden requires clients to make current payments out of unrestricted resources to fund the subject annuity and creates no new source of funds. 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.

Second, the general statement in Mirer (which describes various payment options that recent Social Security rules permit with a goal of providing an analytical framework to assist a recipient to select the best choice) that Social Security benefits are like benefits from an annuity does not overcome the severe deficiencies of Golden. While Applicants do not dispute this general statement in Mirer, Applicants submit that Golden, whether taken alone or combined with Mirer or any other cited reference, simply does not teach or even suggest that any kind of future retirement payment may be converted into another benefit.

Third, even under the Examiners' stated (in the Office Action) characterization of Golden and Mirer that the current payments in the Golden annuity can be future retirement receipts, which characterization Applicants submit is not taught or suggested in Golden (whether taken alone or combined with Mirer), the resulting Golden annuity would, absent the features of Applicants' invention (which, as set forth in detail and affirmatively claimed in Applicants' patent application, are concerned with preventing future retirement payments and the beneficiary's estate relating thereto from becoming a source of reimbursement to the benefit provider in the event that payments to the benefit provider are prematurely curtailed or in the event of the death of the beneficiary), violate the current legislated proscriptions in the United States against assigning or otherwise alienating future retirement benefits.

With a clearer understanding of Applicants' invention from the interviews, the Examiner acknowledged patentable subject matter especially in those aspects or features of Applicants' invention that allow it to function within the current regulatory framework in the United States regarding Social Security and other retirement payments, and suggested amending

all of the independent claims to more particularly point out and distinctly claim such features. As stated above, Applicants have amended independent claims 1, 8, 10, 11, 15, 22, 24 and 25 in accordance with the Examiner's suggestions to affirmatively recite that the benefit provided to the beneficiary from the benefit provider based at least in part on present value of a designated portion of future retirement payments is provided without encumbering the beneficiary's right to the future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits.

Regarding the Examiner's statements in the Office Action that, in the event of premature termination of the financial program according to the present invention, it would have been obvious to pay the benefit provider for benefits unreimbursed by retirement payments from resources other than retirement payments (including from the liquidation of an asset obtained from the benefit provider) to avoid unjust enrichment, 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, Applicants respectfully submit that all of the independent claims 1, 8, 10, 11, 15, 22, 24 and 25, as now amended, are patentable over Golden, whether taken alone or in combination with Mirer or any other cited reference. Notice to this effect is earnestly solicited.

Claims 2, 3, 12, 13, 16-17, 26-28 and 33-40 which variously depend from rejected independent claims 1, 8, 10, 11, 15, 22, 24 and 25, are allowable for the reasons detailed herein

in connection with these independent claims. They are also allowable for the additional features, steps and structure recited therein. Notice to this effect is earnestly solicited.

Regarding claims 2, 16-17, 33, 35, 37 and 39 the Examiner contends in the Office Action 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 rejection of claims 2, 16-17, 33, 35, 37 and 39.

The Examiner further 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 claims 3, 16-17, 34, 36, 38 and 40 of the present application. Applicants respectfully disagree. 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.

Regarding the rejection of claims 12, 13, 26 and 27, the Examiner contends that Golden teaches capital provided as a present benefit (from the LCA) as recited in claims 12 and 26 of the present application, and a non-capital asset (GIRO) distributed as a present benefit as recited in claims 13 and 27 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.

In view of the foregoing, Applicants request that the rejection of claims 2, 3, 12, 13, 16-17, 26-28 and 33-40 under 35 U.S.C. §103(a) be withdrawn, and notice to the effect that the claims are patentable over Golden and Mirer is respectfully solicited.

Claims 5, 19 and 41-46 stand rejected under 35 U.S.C. §103(a), as being obvious over Golden and Mirer 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, Mirer and the Dictionary does not disclose, yield or even suggest Applicants' claimed method and system.

Because claims 5, 19 and 41-46 depend variously from independent claims 1, 8, 10, 11, 15, 22, 24 and 25, they are allowable for the reasons detailed herein with respect to the independent claims. They are also allowable for the additional features, steps and structure recited therein, as discussed below.

Claims 5, 19 and 41-46 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 that life insurance may be used to pay beneficiaries on the death of an insured, to arrive at the method claimed in claims 5, 19 and 41-46. 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, 19 and 41-46 under 35 U.S.C. §103(a) be withdrawn, and notice to the effect that the claims are patentable over Golden, Mirer and the Dictionary is respectfully solicited.

In the Office Action, the Examiner also rejected claims 10, 14 and 28 under 35 U.S.C. §103(a) as being unpatentable over Golden and Mirer 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 and Mirer with Gross et al. does not disclose, yield or even suggest Applicants' claimed method and system.

Independent claim 10 is allowable for the reasons stated above with respect to that claim and the other independent claims as well as for the additional features, steps and structure recited therein as discussed below. Furthermore, because claims 14 and 28 depend from independent claims 11 and 15, respectively, they are allowable for the reasons detailed herein with respect to claims 11 and 15. Claims 14 and 28 are also allowable for the additional features, steps, and structure recited therein as discussed below.

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. (which generally discloses a program to realize income from assets not normally income-producing, or to increase income from assets that already produce some income by means of an interest-free mortgage taken against an asset as security for a promissory obligation by a participant to pay a sum certain on the participant's death) for this requirement.

Like Golden, the Gross et al. 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 et al. must have a current cash value and be subject to assignment in order to secure the requisite promissory obligation. While Gross et al. generally discloses paying for a service (e.g., health insurance) out of proceeds received under the Gross et al. 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 and claimed in Applicants' patent application. Consequently, the Gross et al. patent does not overcome the severe deficiencies of Golden and Mirer.

In view of the foregoing, Applicants request that the rejection of claims 10, 14 and 28 under 35 U.S.C. §103(a) be withdrawn, and notice to the effect that the claims are patentable over Golden, Mirer and Gross et al. is respectfully solicited.

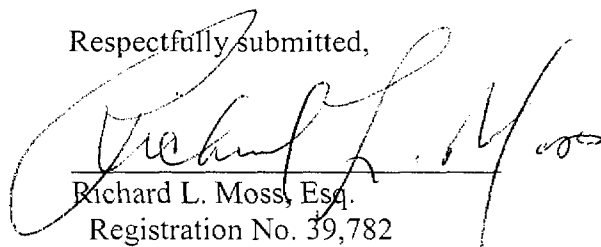
On the basis of the foregoing amendments and remarks, Applicants respectfully submit that this application is in condition for immediate allowance, and notice to this effect is earnestly requested.

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

No fee is believed due beyond the \$55.00 fee (Small Entity rate) associated for the Petition For One-Month Extension of Time filed herewith. Please charge any fee deficiency and credit any overpayment to the undersigned attorney's Deposit Account No. 50-0540.

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

Respectfully submitted,



Richard L. Moss, Esq.

Registration No. 39,782

Attorney for Applicants

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Serial No. 09/267,255  
Atty. Docket No. 96828/24

**APPENDIX**

**CLAIM AMENDMENTS HIGHLIGHTED**

1. (Thrice Amended) A method of creating a source of funds based on present value of 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 monetary 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 monetary 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 without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits;
  - e. causing said future retirement payments to be deposited into said account throughout said preselected period of time;
  - 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; and

g. reimbursing said benefit provider from resources other than said future retirement payments if said transfers of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said retirement payments available for the exclusive use of said beneficiary.

8. (Twice Amended) A method of creating a source of funds based on present value of 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 an asset other than a monetary payment 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 asset to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits;

e. causing said future retirement payments to be deposited into said account throughout said preselected period of time;

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; and

g. liquidating said asset and reimbursing said benefit provider from proceeds of said asset liquidation if said transfers of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said retirement payments available for the exclusive use of said beneficiary.

10. (Twice Amended) A method of creating a source of funds based on present value of 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 service 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 service to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits;

e. causing said future retirement payments to be deposited into said account throughout said preselected period of time;

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; and

g. terminating said service if said transfers of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said retirement payments available for the exclusive use of said beneficiary.

11. (Thrice Amended) A system for creating a source of funds based on present value of 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, 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, said exchange being without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits, means for reimbursing said benefit provider from resources other than said future retirement payments if said transfers of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and means for making said retirement payments available for the exclusive use of said beneficiary.



15. (Thrice Amended) A method of creating a source of funds based on present value of 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 monetary 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 monetary 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 without encumbering said beneficiary's right to said future payments of Social Security benefits and without violating legislated proscriptions in the United States against alienation of future Social Security benefits;
- e. causing said future payments of Social Security benefits to be deposited into said account throughout said preselected period of time;
- 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; and
- g. 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 are curtailed prior to said end of said preselected period of

time, and making said Social Security payments available for the exclusive use of said beneficiary.

22. (Twice Amended) A method of creating a source of funds based on present value of 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 an asset other than a monetary payment 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 asset 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 without encumbering said beneficiary's right to said future payments of Social Security benefits and without violating legislated proscriptions in the United States against alienation of future Social Security benefits;
- e. causing said future payments of Social Security benefits to be deposited into said account throughout said preselected period of time;
- 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; and
- g. liquidating said asset and reimbursing said benefit provider from proceeds of said asset liquidation if said transfers of a portion of said Social Security payments from said

depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said Social Security payments available for the exclusive use of said beneficiary.

24. (Twice Amended) A method of creating a source of funds based on present value of 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 service 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 service 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 without encumbering said beneficiary's right to said future payments of Social Security benefits and without violating legislated proscriptions in the United States against alienation of future Social Security benefits;
- e. causing said future payments of Social Security benefits to be deposited into said account throughout said preselected period of time;
- 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; and
- g. terminating said service if said transfers of a portion of said Social Security payments from said depository to said benefit provider are curtailed prior to said end of

said preselected period of time, and making said Social Security payments available for the exclusive use of said beneficiary.

25. (Thrice Amended) A system for creating a source of funds based on present value of 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, 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, said exchange being without encumbering said beneficiary's right to said future payments of Social Security benefits and without violating legislated proscriptions in the United States against alienation of future Social Security benefits, means for reimbursing said benefit provider from resources other than said future [retirement ]payments if said transfers of a portion of said [retirement ]payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and means for making said [retirement]future payments of Social Security benefits available for the exclusive use of said beneficiary.