

**IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT  
IN AND FOR PALM BEACH COUNTY, FLORIDA  
CIVIL DIVISION**

STATE OF FLORIDA,  
OFFICE OF FINANCIAL REGULATION,

Case No.: 50-2021-CA-0087818-XXXX-MB

Plaintiff,

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EDWIN EZRINE, and KAREN EZRINE,

Intervenors,

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vs.

NATIONAL SENIOR INSURANCE, INC., d/b/a  
SEEMAN HOLTZ, CENTURION INSURANCE  
SERVICES GROUP, LLC, MARSHAL S. SEEMAN,  
BRIAN J. SCHWARTZ, *et al.*,

Defendants, and

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THE ESTATE OF ERIC HOLTZ, SEEMAN HOLTZ  
PROPERTY AND CASUALTY, LLC, f/k/a SEEMAN  
HOLTZ PROPERTY AND CASUALTY, INC; SHPC  
HOLDINGS I, LLC; and HS SEEHOLT, LLC,

Relief Defendants.

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**INTERVENOR TOM ECHOLDS' LIMITED OBJECTION TO REFINANCE OR SALE  
OF CENTURION ASSETS AND MOTION TO INTERVENE AND  
INCORPORATED MEMORANDUM OF LAW**

COMES NOW, Intervenor, **TOM ECHOLDS** ("Mr. Echolds" or "Intervenor"), by and through his undersigned attorneys, and pursuant to Fla. R. Civ. P. 1.230, and other applicable Florida law, and hereby moves this Court to allow him to intervene in the above-captioned case

(“the Action”) as a secured creditor of, *inter alia*, Defendants, CENTURION INSURANCE SERVICES GROUP, LLC (a/k/a CENTURION INSURANCE SERVICES GR, LLC) (“CENTURION”), CENTURION FUNDING SPV I, LLC (“CSPV I”), CENTURION SPV II, LLC (“CSPV II”), CENTURION ISG (EUROPE) LTD (“CISG Europe”), CENTURION ISG HOLDINGS, LLC (“CISG Holdings”), CENTURION ISG HOLDINGS II, LLC (“CISG Holdings II”), CENTURION ISG SERVICES, LLC (“CISG Services”), CENTURION ISG FINANCE GROUP, LLC (“CISG FG”) (collectively, “Centurion Related Entities”<sup>1</sup>), and in support thereof states as follows:

### **PRELIMINARY STATEMENT**

1. This Motion to Intervene is in no way intended to interfere with the refinancing of the Consenting Corporate Defendants’ existing debt, or to deter a sale to any Stalking Horse Purchaser or any other Qualified Bidder, or to create doubt for the title underwriters or buyers with respect to a sale. Intervenor supports the most underlying relief sought by the Corporate Monitor – the Sale of the life insurance policies and other insurance related assets owned by Centurion and the Centurion Related Entities (hereinafter, “Centurion Portfolio”), subject to any potential higher and more attractive offers.

2. Rather, Intervenor makes limited objections to the procedure in which secured creditors, such as Intervenor, can assert their rights in proceeds derived from specific policies in the Centurion Portfolio which were specifically pledged to them as collateral, as apart from all other Noteholders asserting a security interest in the pool of policies comprising the Centurion Portfolio.

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<sup>1</sup> The “Centurion Related Entities” subject of the Monitorship are as follows: (1) Centurion ISG Holdings, LLC; (2) Centurion ISG Holdings II, LLC; (3) Centurion ISG (Europe) Ltd.; (4) Centurion Funding SPV I, LLC; (5) Centurion Funding SPV II, LLC; (6) Centurion ISG Services, LLC; and (7) Centurion ISG Finance Group, LLC.

3. For the reasons set forth below, Intervenor requests this Court allow him to Intervene in the above-captioned action and assert his security interest in the proceeds derived from specific and identifiable collateral pledged to Intervenor as security, and to all such further relief as this Court deems just under the circumstances.

### **FACTUAL AND PROCEDURAL BACKGROUND**

4. On July 12, 2021, the State of Florida, Office of Financial Regulation (“FOFR”) filed its *Complaint for Temporary and Permanent Injunction, Appointment of Receiver, Restitution, Civil Penalties, and Other Statutory and Equitable Relief* (“OFR Complaint” or “the Complaint”) against what is now at least thirty (30) corporate-entity defendants (“Consenting Corporate Defendants”), two Individual Defendants, MARSHAL S. SEEMAN (“SEEMAN”) and BRIAN J. SCHWARTZ (“SCHWARTZ”) (collectively, “Individual Defendants”), and three (3) Relief Defendants, THE ESTATE OF ERIC HOLTZ, SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC (“SHPC, LLC”) (f/k/a “Seeman Holtz Property and Casualty, Inc.”), and SHPC HOLDINGS I, LLC (“SHPC HOLDINGS”) (collectively, “Relief Defendants”) (collectively hereinafter, “the Defendants”). *See* Doc. No. 3, page 1.

5. Thereafter, on September 14, 2021, this Court entered an *Agreed Order Granting Plaintiff’s Consent Motion for Appointment of Corporate Monitor and Related Injunctive Relief*, (“Agreed Order”) appointing the Corporate Monitor for the Consenting Corporate Defendants and their affiliates, successors, and assigns. Pursuant to the Order, the Corporate Monitor was directed to perform an assessment of the viability of the Consenting Corporate Defendants as an ongoing business enterprise and options and alternatives for their future. *See* Doc. No. 8.

6. On October 14, 2021, the Corporate Monitor, Daniel J. Stermer (“Corporate Monitor” or “Mr. STERMER”) released the *Corporate Monitor’s Initial Report* (“Initial Report”) which states, *inter alia*, the following synopsis regarding the OFR Complaint:

*The Complaint alleges that Seeman and Holtz were assisted in the scheme and enterprise (the "SH Enterprise") by Defendant, **Brian J. Schwartz**, who allegedly acted as the SH Enterprise's **untitled chief financial officer**. The Complaint further alleges that as part of the SH Enterprise, **Seeman, Schwartz, and Holtz created and operated a myriad of corporate entities**, certain of which are named as **Defendants** or **Relief Defendants** and certain of which are no longer corporate entities... that the SH Enterprise raised more than \$400 Million in capital since 2011, through the sale of unregistered securities in the form of purportedly secured promissory notes which were purportedly **secured by viatical life settlement policies**<sup>2</sup> and other insurance related assets; and that the SH Enterprise is a scheme in which new investor **monies were commingled within the common enterprise** and used to repay prior investors in the ongoing scheme thereby providing the appearance of profitability.*

Doc. No. 26 at pages 2-3.

7. According to the Initial Report, one of the Consenting Corporate Defendants, CENTURION, was formed as an “asset manager, consolidating the holdings and servicing of all life insurance policies acquired by the Defendant Private Placement Entities (“PPEs”<sup>3</sup>), which then would “loan funds directly to *Centurion* so *Centurion* and the *Centurion Related Entities* could purchase, hold and service the life settlement portfolio. *See* Doc. 26 at page 11 (emphases added).

8. Furthermore, the Initial Report states the “Centurion Related Entities” include, *inter alia*, CSPV I, CSPV II, CISG Europe, and CISG FG. *See* Doc. 26 at page 11. The Initial Report

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<sup>2</sup> A “viatical settlement” is a type of life settlement (i.e., the sale of a life insurance policy to a third-party buyer) that is only available for policyholders with a chronic or terminal illness. *See* Coventry Direct, *What is a Life Settlement?* (July 13, 2020) (updated April 8, 2022), *available at* <https://www.coventrydirect.com/blog/life-settlement-definition/>. In a viatical settlement, the insured generally has a life expectancy of two years or less. The investor in a viatical settlement pays all future premiums left on the life insurance policy and becomes the sole beneficiary of the policy when the insured dies. A viatical settlement can be risky because the rate of return going into the investment is unknown and depends upon when the insured dies. A life settlement differs from a viatical settlement in that the insured seeking to sell their life insurance policy has an estimated life expectancy greater than two years. *See* Julia Kagan, *Viatical Settlement*, INVESTOPEDIA (Feb. 19, 2021), *available at* <https://www.investopedia.com/terms/v/viaticalsettlement.asp>.

<sup>3</sup> The “Private Placement Entities” named in the Action are: (1) Emerald Assets 2018, LLC; (2) Integrity Assets, 2016, LLC, (3) Integrity Assets, LLC; (4) Para Longevity 2014-5, LLC; (5) Para Longevity 2015-3, LLC; (6) Para Longevity 2015-5, LLC; (7) Para Longevity 2016-3, LLC; (8) Para Longevity 2016-5, LLC; (9) Para Longevity 2018-3, LLC; (10) Para Longevity 2018-5, LLC; (11) Para Longevity 2019-3, LLC; (12) Para Longevity 2019-5, LLC; (13) Para Longevity 2019-6, LLC; (14) Para Longevity VI, LLC; and (15) SH Global, LLC N/K/A Para Longevity V, LLC.

then states that “[t]he PPEs loaned funds directly to Centurion so Centurion, and the above-mentioned Centurion Related Entities, could purchase, hold, and service the life settlement portfolio subject of the Monitorship. *Id.*

9. The Initial Report goes on to state that Centurion entered into a number of “Life Insurance Policy Beneficiary Designation and Servicing Agreements” (“Beneficial Designation Agreements”) with certain individuals and/or offshore single purpose entities, beginning in 2012 and continuing through 2020. *See id.*

10. Each of the Beneficial Designation Agreements contained an exhibit—detailing the specific designated life insurance policies contemplated in each agreement, and which, in at least one agreement, obligates Centurion and the Centurion Related Entities to pay no less than 75% of the available policy proceeds deposited into a certain account of Centurion and the Centurion Related Entities through the Securities after payment to the Secured Lender (Teleios) pursuant to a waterfall analysis.

11. Since the filing of his Initial Report, the Corporate Monitor released the *Corporate Monitor’s Second Report* (“Second Report”) (Doc. No. 63) in which he further elaborates on the life insurance policies and other insurance related assets that secure the notes issued by the Defendants to individual investors, such as Mr. Echolds, mentioned above.

12. According to the Second Report, Centurion and the Centurion Related Entities own 61 life insurance policies with a total net face policy value of approximately \$255 Million, with the last policy being purchased in 2018. The Corporate Monitor asserts that the life insurance policies have been pledged as collateral to non-parties, Teleios LS Holding V DE, LLC (“TELEIOS V”), and Teleios LS Holdings IV DE, LLC (“TELEIOS IV”) (collectively, “Teleios Parties”), that the Teleios Parties hold a first position secured interest in all of the policies, and that at least 26 of the policies have also been pledged as collateral to Defendant, PRIME SHORT TERM CREDIT, INC (“PRIME INC.”).

13. Notably, the Corporate Monitor's Second Report asserts that many individual noteholders, such as Mr. Echolds, also indicated that they believe that they also have a security interest in the life insurance policies.

14. The Second Report goes on to state that certain Life insurance Policy Beneficiary Designation and Servicing Agreements that were entered into by one *or more* of the Corporate Defendants are related to specific designated life insurance policies contemplated in each agreement. Thus, according to the Corporate Monitor's findings in his Initial Report and Second Report, there currently exists competing interests that claim to be entitled to the proceeds of the life insurance policies and "[a]ny such determination as to priority may need to be determined by the Court at a future date." *See* Doc. No. 26; Doc. No. 63 at page 15.

15. However, in *Corporate Monitor Daniel J. Stermer's Motion for Entry of an Order Approving (I) a Marketing Process to Refinance Existing Secured Debt Obligation or Sell Assets, (II) Bid Procedures, (III) the Retention of Maplelife Analytics, LLC and (IV) the Agreement with Teleios, Including Authorizing Teleios (A) to Commence a Public Foreclosure Process, and (B) to Exercise Certain Remedies* ("Motion for Order"), the corporate monitor claims that only one Consenting Corporate Defendant, CSPV II, LLC, owns all 61 life insurance policies. *See* Doc. No. 77 at pages 1-6.

16. Notably, Centurion Funding SPV II, LLC, was not formed and/or did not legally exist until March 19, 2018, which is subsequent to many Noteholders obtaining their security interest in one or more of those life insurance Policies. *See supra* ¶¶ 32-37.

17. Thus, as acknowledged by the Corporate Monitor in his three reports, but contrary to the contents of his Motion for Order, it is possible that the Centurion Related Entities, such as CISG Funding, hold/own one or more of the life insurance policies subjects of the Monitorship.

***a. Intervenor Tom Echolds and Promissory Notes Issues by Defendant Centurion Insurance Services Group, LLC***

18. Intervenor, Tom Echolds, is an individual and resident of the State of California and is otherwise *sui juris*.

19. As explained in further detail below, Mr. Echolds, individually and/or through his IRA,<sup>4</sup> is the owner and/or holder of, *inter alia*, a secured promissory note issued by Defendant, Centurion ISG Finance Group, LLC (CISG FG), in the principal amount of \$300,000.00 (“Centurion Note”). Pursuant to the Centurion Note, CISG FG was to pay Mr. Echolds \$30,000 per year in interest (\$3,000 per month) over a three-year period, with the principal amount (\$300,000.00) due on or before the maturity date, July 15, 2022.

20. In connection with the purchase of the Centurion Note, Mr. Echolds and Defendants, SCHWARTZ and CISG FG, executed a series of related agreements and/or documents consisting of, *inter alia*, the following: (i) a “Security Agreement” (“Centurion Security Agreement”); and (ii) a “Collateral Assignment of Interest in Life Insurance Policy” (“Centurion Collateral Assignment”) (collectively, “Centurion Note Agreements”). True and correct copies of Centurion Note and the Centurion Note 1 Agreements are attached hereto as “**Composite Exhibit A.**”

21. The Security Agreement and Collateral Assignment executed in connection with the Centurion Note include, *inter alia*, the following language:

*WHEREAS, pursuant to that certain Security Agreement, dated as of the Effective Date (as amended, restated, supplemented and otherwise modified from time to time, the "Security Agreement"), by and among the Assignor, as Borrower, and the Secured Party, as Lender, the Assignor agreed to provide the Secured Party with a security interest in the Assignor's interest in Policies (defined in the Security Agreement), to the extent of not more than \$300,000.00 (the "Security Amount")*

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<sup>4</sup> The custodian of Mr. Echolds’ IRA is Vantage Retirement Plans, LLC, an Arizona Limited Liability Company FBO Tom Echolds IRA Account # [REDACTED] 1090 (hereinafter, “Vantage FBO Tom Echolds IRA”).

*as set forth in the Note in return for the Secured Party agreeing to make the Loan (defined in the Security Agreement) available to the Assignor pursuant to the Note;*

*WHEREAS, the Assignor is the sole holder of the one hundred per cent (100%) security interest in the Life Policy (defined in Section 2 below), which interests include without limitation the sole right to collect the net proceeds of the Life Policy when it becomes a claim by death or maturity from the Insurer ( defined in Section 2 below); the sole right to surrender the Life Policy and receive the surrender value thereof at any time provided by the terms of the Life Policy and at such other times as the Insurer may allow; the sole right to obtain one or more loans or advances on the Life Policy, at any time, from any Person (as such term is defined in Section 1-20 I (b) (27) of the Uniform Commercial Code), and to pledge or assign the Life Policy as security for such loans or advances; the sole right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Life Policy now or hereafter made or apportioned thereto, and to exercise any and all options contained in the Life Policy with respect thereto; and the sole right to exercise all nonforfeiture rights permitted by the terms of the Life Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom;*

*WHEREAS, pursuant to the Security Agreement, the Assignor has agreed to execute and deliver this Assignment to the Secured Party.*

**See Composite Exhibit A.**

22. According to the Individual Defendants, the Centurion Note offered to Mr. Echolds was part of a “one time” offer given to only five (5) Seeman Holtz clients. A true and correct copy of the email from Defendants summarizing the Centurion Note offering is attached hereto as “**Exhibit B.**” Furthermore, the Centurion Note was distinct from all other notes issued by the PPEs insofar as it was issued directly by Centurion and there was “direct collateral” or a specific life insurance policy that was to serve as collateral. *See id.*

23. Thus, pursuant to Fla. R. Civ. P. 1.230, Mr. Echolds respectfully requests the Court to allow him to intervene in this Action as a secured creditors of Centurion and the Centurion Related Entities, in order to determine, establish, and protect his security interests in certain assets of the Defendants pledged to him as collateral for his investments, and to establish Mr. Echolds’ priority in such collateral and the proceeds derived therefrom with respect to other secured parties,

if any, asserting a competing interest in or claim to that collateral (and proceeds), or that may assert such competing claims in the future.

24. Additionally, based on the FOFR Complaint and the Reports from the Corporate Monitor

### **MEMORANDUM OF LAW**

25. In light of the foregoing, and pursuant to Fla. R. Civ. P. 1.230, Intervenor, Tom Echolds, provides the following memorandum of law in support of his Motion to Intervene and in support state the following:

### **STANDARD OF REVIEW**

26. “Rulings on motions to intervene are reviewed for an abuse of discretion.” *Fed. Nat'l Mortgage Ass'n v. JKM Services, LLC for Cedar Woods Homes Condo. Ass'n, Inc.*, 256 So. 3d 961, 965 (Fla. 3d DCA 2018) (citing *Union Cent. Life Ins. Co. v. Carlisle*, 593 So.2d 505, 507 (Fla. 1992)); *see also State, Dep't of Legal Affairs v. Rains*, 654 So.2d 1254, 1255 (Fla. 2d DCA 1995).

### **LEGAL ARGUMENT**

27. Florida Rule of Civil Procedure 1.230 provides, in pertinent part, the following:

Anyone claiming an interest in pending litigation may at any time be permitted to assert [his or her] right by intervention, but the intervention shall be in subordination to, and in recognition of, the propriety of the main proceeding, unless otherwise ordered by the court in its discretion.

*See Fla. R. Civ. P. 1.230 (2021).*

28. In *Union Central Life Insurance Co. v. Carlisle*, 593 So.2d 505, 507 (Fla.1992), the Florida Supreme Court set forth the test for intervention as follows:

The test to determine what interest entitles a party to intervene is set forth in *Morgareidge v. Howey*, 75 Fla. 234, 238–39, 78 So. 14, 15 (1918):

[T]he interest which will entitle a person to intervene ... must be in the matter in litigation, and of such a direct and immediate character that the intervenor will either gain or lose by the direct legal operation and effect of the judgment. In other words, the interest must be that created by a claim to the demand in suit or some part thereof, or a claim to, or lien upon, the property or some part thereof, which is the subject of litigation.

29. “The court [in *Carlisle*] then explained a two-step analysis a trial court uses to determine whether to permit intervention: ‘First, the trial court must determine that the interest asserted is appropriate to support intervention. *See Morgareide*. Once the trial court determines that the requisite interest exists, it must exercise its sound discretion to determine whether to permit intervention.’” *Hausmann ex rel. Doe v. L.M.*, 806 So. 2d 511, 513 (Fla. 4th DCA 2001), *on reh'g* (Nov. 7, 2001) (quoting *Carlisle*, 593 So.2d at 507).

30. Thus, in the case at hand, the test to determine whether the Mr. Echolds shall be permitted to intervene in this Action pursuant to Fla. R. Civ. P. 1.230 is two-fold. *See Carlisle* at 507-08. First, the Court must determine whether Mr. Echolds asserts an interest that supports intervention. *See Barnhill v. Florida Microsoft Anti-Tr. Litig.*, 905 So. 2d 195, 199 (Fla. 3d DCA 2005) (“A person is entitled to intervene when his interest in the matter in litigation is of such a direct and immediate character that the intervenor will either gain or lose by the direct legal operation and effect of the judgment”) (internal quotation omitted). Second, the Court, in its sound discretion, must decide whether or not to permit such intervention in the interest of justice. *See generally Carlise*, at 505.

***a. Security Interests in Collateral Supports Intervention Under Florida Law***

31. In the case at hand, Mr. Echolds asserts a security interest in, but not limited to, certain life insurance policies (and the proceeds derived therefrom) in which Centurion and/or the Centurion related Entities possessed an interest in and/or assigned/pledged that interest to the Mr. Echolds as security for their investments in the above-mentioned Centurion Note.

32. In cases where a corporate receiver is appointed, the receiver takes property subject to all liens, priorities, or privileges existing or accruing under the laws of the state. In other words, the appointment of a receiver does not alter, affect, determine, or destroy any prior vested right, encumbrance, or lien, nor affect the order of existing liens. Thus, courts do not have the power, in receivership proceedings, to take away vested lien rights without the consent of the lien holders. *See Sec. & Exch. Comm'n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339, 1344 (11th Cir. 2017); *see also In re Bateman*, 331 F.3d 821, 827 (11th Cir. 2003); *In re Thomas*, 883 F.2d 991, 997 (11th Cir. 1989).

33. Notably, a creditor can receive a security interest in a life insurance policy by obtaining a collateral assignment of the policy. This process entails obtaining signed documents that assign the benefits to the creditor—in this case, Mr. Echolds—and then filing them with the carriers for the insurance policies (i.e., Voya Life Insurance or Security Life of Denver Insurance). *See Genesis Merch. Partners, L.P. v. Gilbride, Tusa, Last & Spellane, LLC*, 69 N.Y.S.3d 30, 32 (2018).

34. In other words, insurance proceeds due and payable under an insurance policy for death to an insured person (which are the subject of a security agreement and the collateral for a loan) is payable to the secured party to the extent of its secured interest under the security agreement. *See Beaver Crane Serv., Inc. v. Nat'l Sur. Corp.*, 391 So.2d 224, 227-28 (Fla. 3d DCA 1980) (“[t]he to insurance proceeds upon the loss or damage to collateral which is the subject of a security agreement does not turn on lawful possession or title under the UCC. It turns on whether the secured party, as here, has an interest, by virtue of said security agreement, in the subject collateral.”); *Insurance Management Corp. v. Cable Services of Florida, Inc.*, 359 So.2d 572 (Fla. 2d DCA 1978).

35. In *State, Dept. of Legal Affairs v. Rains*, the court held that a party claiming interest in the assets distributable pursuant to the settlement of a civil RICO action was properly allowed to intervene in the action pursuant to Rule 1.230 in order to test the validity of that party's claim. Florida Rules of Civil Procedure; 654 So.2d 1254, 1255 (Fla. 2d DCA 1995) ("Rains claimed an interest in property obtained by the state in a civil RICO settlement...the circuit court granted Rains intervenor status so the validity of her claim could be determined. The circuit court did not abuse its discretion in this ruling and therefore we affirm").

36. The court in *Rains* went on to explain that the validity of a would-be intervenor's claim is not an issue to be determined when ruling on intervention request. *See Rains*, 654 So.2d at 1255.

37. In *Lefkowitz v. Quality Labor Mgmt., LLC*, Ivan Lefkowitz ("Lefkowitz") appealed an order denying his motion to intervene post-judgment in a lawsuit brought by Quality Labor Management, LLC ("Quality") against Truckare I of Jacksonville, LLC, Michelle Newton, and Brian Newton (the "Newtons"). *See* 159 So. 3d 147, 148 (Fla. 5th DCA 2014). "In his motion to intervene, Lefkowitz asserted that he had a perfected security interest in certain property of the Newtons that was also the subject of charging orders obtained by Quality." *Id.* at 148-49. Specifically, the trial court had entered four separate charging orders directed at the Newtons' ownership interests in three limited partnerships and a limited liability company, which was same collateral that was pledged to Lefkowitz as security for a \$250,000 business loan he provided the Newtons. *See id.* at 149; *see also Kahn v. Capital Bank*, 384 So. 2d 976 (Fla. 3d DCA 1980) (holding that insurance proceeds are securable interests under Article 9 of Florida's Uniform Commercial Code ("UCC")).

**Mr. Echolds is a Secured Creditors And Their Security Interests are Directly and Substantially Affected By the Disposition of this Action**

38. Just as the intervenor in *Lefkowitz* and *Rains*, Mr. Echolds asserts an interest in collateral under the jurisdiction of this Court and should be permitted to intervene in order to assert and protect that interest. *See Lefkowitz*, 159 So. 3d at 148; *Rains*, 654 So.2d at 1255.

39. Specifically, Mr. Echolds asserts his security interests in, *inter alia*, the following collateral:

- Insurance Policy No: ██████████9715
- Issued By: New York Life Insurance Company (“Insurer”)
- On the life of: Reid and Sharon Johnson (the “Insured”)
- Face Amount: \$25,000,000.00 (\$25 Million USD)

*See Composite Exhibit A* attached hereto.

40. As explicitly confirmed by the Corporate Monitor, Mr. Stermer (along with his legal counsel), there currently exists competing security interests in: (1) certain life insurance policies and all applications, conditional receipts, riders, endorsements, supplements, amendments and all other documents and instruments that modify or otherwise affect the terms and conditions of such policies issued in connection therewith (each a “Policy” and, collectively, the “Policies”); (2) the security entitlements related to the Policies; and (3) with respect to each Policy, collectively, (i) the related purchase and sale agreement, (ii) the related Policy File, (iii) all instruments, documents, and agreements of the type executed and/or delivered under or in connection with any of the foregoing (collectively, the “Policy Documents”). *See Motion for Order* (Doc. No. 77 at page 5-6).

41. As previously mentioned, the Corporate Monitor acknowledged in his Initial Report and Second Report that there currently exists competing interests that claim to be entitled

to the proceeds of the life insurance policies and “[a]ny such determination as to priority may need to be determined by the Court at a future date.” Doc. No. 63 at page 15-16.

42. Furthermore, the Corporate Monitor has decided that it is in the “best interest of the Consenting Corporate Defendants, the creditors, Noteholders, and all constituents to proceed with the processes described herein” (*i.e.*, to permit Teleios to exercise any remedies available under the Credit Documents). *See* Order Approving Public Foreclosure at pages 12-13 (Doc. No. 77 at page 12-13).

43. Thus, based on the above, Mr. Echolds’ security interests in the life insurance policy at issue is likely to be affected by this Action, and denying Mr. Echolds his right to intervene and establish his priority in those policies (and proceeds therefrom) could prejudice him greatly and affect his ability to recover damages. *See Lefkowitz*, 159 So. 3d at 148; *Rains*, 654 So.2d at 1255.

**Intervenor’s Limited Objection as Significant Questions of Law and Fact Still Exists**

44. In the Motion for Order mentioned, the Corporate Monitor requested that the Court approve “the Teleios Agreement” which, *inter alia*, permits the Teleios Parties to commence a public foreclosure process, and to exercise certain remedies to the extent necessary to implement and effectuate the terms of the agreements between the parties. *See* Doc. No. 77 at pages 2-3. However, exactly what these “remedies” are, remains unknown to Intervenor and other interested persons.

45. Furthermore, the Credit Agreement and the Preferred Unit Purchase Agreement between Defendant, CSPV II, and the Teleios Parties, which purportedly grants Teleios a first position priority security interest” in all of the policies in the Centurion Portfolio, have yet to be filed with the Court.

46. Without these “controlling” documents which necessarily directly affect the legal relations of all interested persons to this Action, the Court cannot make an accurate and just determination as to, *inter alia*, whether the Teleios Parties are in fact perfected; whether the Teleios Parties acted in good faith; and whether there are competing and superior claims to specific collateral subject of the Monitorship. *See In re Davidoff*, 351 F.Supp. 440 (S.D.N.Y. 1972) (noting that the New York Uniform Commercial Code’s (“NYUCC”) section imposing an obligation of good faith in the enforcement of every contract or duty under the NYUCC were added to make it clear that third parties as well as parties to contract have an obligation of good faith).

47. Furthermore, as evidenced by several motions to intervene that were filed in this Action, other interested persons and Noteholders and their respective interests are directly affected by the relief sought in the Motion for Order and have the due process rights of notice and an opportunity to be heard.

48. Without such notice and opportunity to be heard, their property rights may be infringed upon without ever receiving the chance to put forth evidence and prove their claims. *See Green Emerald Homes, LLC v. 21st Mortgage Corp.*, 300 So. 3d 698, 704–05 (Fla. 2d DCA 2019) (“[t]he right to be heard ‘includes more than simply being allowed to be present and to speak’; it includes the right to meaningfully introduce evidence, cross-examine witnesses, and be heard on questions of law” (citing *Vollmer v. Key Dev. Props., Inc.*, 966 So. 2d 1022, 1027 (Fla. 2d DCA 2007)); *see also Baron v. Baron*, 941 So. 2d 1233, 1236 (Fla. 2d DCA 2006) (holding that a father had a due process right to introduce evidence, cross-examine witnesses, and be heard on questions of law with respect to a mother's emergency motion to place their child in a therapeutic boarding school); *Glary v. Israel*, 53 So. 3d 1095, 1098-99 (Fla. 1st DCA 2011) (holding that a nonparty who was subject to an order compelling it to turn over funds to a receiver had a due process right to present evidence, cross-examine witnesses, and be heard on questions of law); *Brinkley v.*

*County of Flagler*, 769 So. 2d 468, 472 (Fla. 5th DCA 2000) (holding that the owner of animals subject to a forfeiture order had a due process right to present evidence, cross-examine witnesses, and be heard on questions of law).

49. In the case at hand, Noteholders, creditors, and all other parties having an interest in the property and assets owned by Centurion and the Centurion Related Entities and subject of the Monitorship, or anyone else other than the Teleios Parties, for that matter—would not receive any of these long-recognized elements of procedural due process. Instead, they are being forced largely if not entirely to sit silent, regardless of the insufficiency of the Teleios Parties’ proof, while the property to which it has a valid legal and/or equitable interest in is foreclosed and sold at auction. *See 21st Mortgage Corp.*, 300 So. 3d at 705 (Fla. 2d DCA 2019).

50. Under applicable Florida, because a receiver is not a party in a suit, he or she has no right to intermeddle in questions affecting the rights of the parties or the disposition of the property in his or her hands. *See Fugazy Travel Bureau, Inc. v. State by Dickinson*, 188 So. 2d 842 (Fla. 4th DCA 1966); *L'Engle v. Florida Cent. R. Co.*, 14 Fla. 266, 1873 WL 2047 (1873).

51. And “[a]lthough a receivership is typically created to protect the rights of creditors, the receiver is not the class representative for creditors and receives no general assignment of rights from the creditors. Thus, the receiver can bring actions previously owned by the party in receivership for the benefit of the creditors, but he or she cannot pursue claims owned directly by the creditors.” *See Freeman v. Dean Witter Reynolds, Inc.*, 865 So. 2d 543, 550 (Fla. 2d DCA 2003) (citing *McHale v. Huff*, 109 B.R. 506 (Bankr.S.D.Fla.1989)).

52. One last major concern is the description of the SH Enterprise in the Complaint and Corporate Monitor’s Reports as being akin to that of a Ponzi-scheme. Generally, in a Ponz-scheme, “[f]raud victims who voluntarily transfer their property to a defendant retain no interest in the property transferred: they are unsecured creditors without standing to contest the forfeiture of the

defendant's property in the ancillary proceeding.” *United States v. Rothstein*, 09-60331-CR-COHN, 2010 WL 2943315, at \*3 (S.D. Fla. July 26, 2010) (citing *United States v. Eldick*, 223 Fed. App'x 837, 839 (11th Cir.2007)). However, the Eleventh Circuit has held that “a constructive trust can serve as a superior legal interest” and thus can serve as grounds for invalidating a criminal forfeiture.” *Rothstein*, 2010 WL 2943315, at \*3 (citing *United States v. Shefton*, 548 F.3d 1360, 1366 (11th Cir.2008)).

53. Whether any of the creditors/Noteholders in the case at hand possess such superior legal interest, will need to be determined by the Court, and such determination has been put in jeopardy by the Motion for Order.

### **CONCLUSION**

**WHEREFORE**, Intervenor, **TOM ECHOLDS**, pursuant to Fla. R. Civ. P. 1.230, and other applicable Florida law, respectfully requests this Court allow him to intervene in the above styled litigation in order to determine his respective rights and interest in certain collateral that will necessarily be affected by this Court with respect to any sale of said collateral which will be confirmed or denied, in whole or in part, at the hearing set to take place before the Court on June 16, 2022, in this Action, as well as the ultimate disposition of any proceeds derived from the sale of collateral and claims to be made by creditors on such proceeds, and for such other and further relief as this Court deems just and proper under the circumstances.

Respectfully submitted: June 2, 2022.

**VERNON LITIGATION GROUP**

*Attorneys for Tom Echolds  
Intervenor/Interested Party*

*/s/ Bernard Charles Carollo, Jr.*

Bernard Charles Carollo, Jr.

Florida Bar No.: 1035487

John J. Truitt

Florida Bar No.: 92579

William Leve  
Florida Bar No.: 125054  
8985 Fontana Del Sol Way  
Naples, FL 34109  
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e-mail: wleve@vernonlitigation.com  
e-mail: nzumaeta@vernonlitigation.com

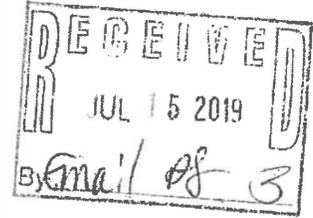
**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on June 2, 2022, the foregoing was filed using the Florida Court's E-Filing Portal, which served a copy of the foregoing electronically upon all electronic service parties.

# COMPOSITE EXHIBIT

A





## PROMISSORY NOTE

This Promissory Note (the "Note") is made as of July 15 2019 (the "Issue Date"), by and between Vantage Retirement Plans, LLC an Arizona limited liability company FBO Tom Echolds IRA Account #0031090 (together, the "Lender"), and Centurion ISG Finance Group, LLC a Delaware limited liability company ("Borrower"). This Note states the terms of the loan (the "Loan") made by Lender to Borrower to finance the monetary and other obligations of Borrower as hereinafter set forth.

NOW, THEREFORE, Lender and Borrower agree as follows:

1. Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms as set forth in Schedule 1 attached hereto.
2. Loan Advance and Interest.
  - a. The amount due from the Borrower to the Lender shall be an amount equal to the Loan Amount set forth in Schedule 2, together with all interest accrued and accruing hereunder.
  - b. This Note shall bear interest on the unpaid principal amount hereof ("Interest") in the following manner, namely, for the period commencing on the Funding Date and ending on the later of the Repayment Date or the Final Maturity Date, at an annual rate of ten percent (10.0%) (the "Interest rate"), computed on the basis of a 360-day year, and calculated using the actual number of days elapsed since the Funding Date or the day on which Interest was most recently paid, as the case may be.
3. Repayments.
  - a. Interest:
    - i. The Borrower shall make repayments of interest, at the Interest Rate, to the Lender each month, in accordance with Schedule 2, for the duration of the Initial Term, as such may be extended in accordance with Section 4, on account of all interest due hereunder.
    - ii. All interest due under this Note shall continue to accrue until repayment of all or any part of the Principal in accordance with this

Note.

- b. Payment. During the period beginning on the Funding Date and ending on Repayment Date or the Final Maturity Date, as applicable, the Borrower shall pay Interest that becomes due on a Scheduled Interest Payment Date by making a payment in cash directly to the Lender in the amount of such accrued Interest.
4. Term. The term of this Note shall be for an initial period (the "Initial Term") commencing on the Funding Date and expiring three (3) years thereafter, and shall extend thereafter, at the option of either Party giving the other Party 90 days advance notice thereof, for a further period, commencing upon the day following the expiration of the Initial Term (the "Termination Date") and ending one (1) year thereafter (the "Final Maturity Date"). In the event that the Borrower does not exercise its option to extend in accordance with this Note, the Borrower shall repay the Loan Amount together with any outstanding interest thereon on a date which shall be not later than one hundred and eighty (180) days after the Termination Date (such payment date, the "Repayment Date").
5. Prepayments.
  - a. The Borrower shall have the right, at any time after the Funding Date to repay the Principal in whole or in any part thereof without penalty.
  - b. In the event of a prepayment of the full amount of the Principal at any time such prepayment shall include, without limitation, the full amount of the Principal together with all outstanding Interest thereon.
6. Use of Proceeds. The Lender and the Borrower each acknowledge and agree, for the avoidance of doubt, that with effect from the Funding Date and throughout the Initial Term, as may be extended in accordance with this Note, the Borrower shall be entitled to utilize the proceeds of the Loan for its general business purposes, including without limitation, payment to the Borrower, of a one-time management fee equal to Two Per Cent (2%) of the Loan Amount, paid in advance as a lump sum on or after the Funding Date, together with such other fees and expenses as the Borrower shall from time to time incur PROVIDED THAT nothing in this Section 6 shall in any way reduce the amount of Principal and Interest due under this Note, or limit the Borrower's obligation to repay the Principal and Interest due under this Note.

7. Default Provisions.

a. Upon Borrower's failure to make any Repayment when due, or its breach of any of its obligations under this Note, or its breach of any covenant, representation, or warranty in this Note, or its bankruptcy, general assignment for the benefit of creditors or failure to pay debts as they become due (each an "Event of Default") Lender may, if such Event of Default has not been remedied by Borrower within ninety (90) days after written notice or the occurrence of such Event or Default, at Lender's option to the maximum extent permitted by law, accelerate the maturity of the Loan, declare the Loan, accrued interest and other amounts payable hereunder immediately due and payable and seek any and all other remedies available for the enforcement of the Note, at law, in equity or otherwise. Notwithstanding the foregoing, the Loan plus accrued interest and other amounts payable hereunder shall be automatically and immediately due and payable upon Borrower's bankruptcy, general assignment or the benefit of creditors or failure to pay debts as they become due. Lender may exercise the option to accelerate upon the occurrence of an Event of Default by Borrower regardless of any prior forbearance. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by applicable law or otherwise.

8. Hold Harmless. To the fullest extent permitted by law, Borrower agrees to hold harmless Lender and any affiliates, directors, officers, employees, shareholders, assigns, representative or agents (each such person being "Indemnitee") for any loss, liability, damages or expenses (including reasonable attorneys fees) (collectively, "Liabilities") suffered by virtue of acts or omissions or alleged acts or omissions arising out of such Indemnitee's activities, except to the extent any such Liability arises as a result of the gross negligence or willful misconduct or such Indemnitee.

9. General Provisions.

b. No Waiver. Lender may delay or forego enforcing any of the Lender's rights or remedies under this Note without losing them. Borrower waives presentment, demand for payment, and notice of dishonor. Upon any change in the terms of the Note, and unless otherwise expressly stated in writing, Borrower shall not be released from liability

c. Governing Law. This Note shall be governed by the internal laws of the State

of New York.

- d. Entire Agreement. This Note represents the entire agreement of the parties with respect to its subject matter and supersedes any prior or contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter.

[signatures on following page]

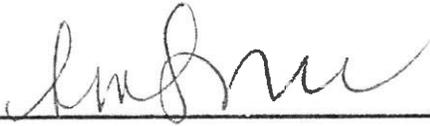
IN WITNESS WHEREOF, the parties have executed this Note as of the Issue Date.

**LENDER:**

**Vantage Retirement Plans, LLC, FBO  
Tom Echolds IRA Account #0031090 by:**

**BORROWER:**

**Centurion ISG Finance Group, LLC  
by:**



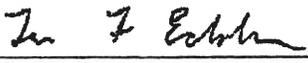
\_\_\_\_\_  
**Authorized Signatory.**

**VANTAGE RETIREMENT PLANS, LLC  
BY: Amanda Swanson  
It's: Authorized Signer**



\_\_\_\_\_  
**Brian J. Schwartz**  
\_\_\_\_\_  
**President**  
*Chief Executive Officer*

**Read and Approved by Tom Echolds:**



\_\_\_\_\_  
**Tom Echolds.**

## Schedule 1.

### Definitions

<u>"Borrower"</u>	has the meaning set forth in the preamble of this Note.
<u>"Event of Default"</u>	means Borrower's failure to make any payment when due, or its breach of any of its obligations under this Note, or its breach of any covenant, representation, or warranty in this Note, or its bankruptcy, general assignment for the benefit of creditors or failure to pay debts as they become due.
<u>"Final Maturity Date"</u>	has the meaning set forth in Section 4 of this Note.
<u>"Funding Date"</u>	Means the date on which the Borrower receives the Loan Amount in cleared funds from the Lender.
<u>"Initial Term"</u>	has the meaning set forth in Section 4 of this Note.
<u>"Interest Rate"</u>	has the meaning set forth in Section 2 (b) of this Note.
<u>"Issue Date"</u>	has the meaning set forth in the preamble of this Note.
<u>"Lender"</u>	has the meaning set forth in the preamble of this Note.
<u>"Loan"</u>	has the meaning set forth in the preamble of this Note.
<u>"Loan Amount"</u> and <u>"Principal"</u>	each mean, where the context so admits, the amount set forth on <u>Schedule 1</u> attached hereto and made a part hereof.
<u>"Payment Date"</u>	has the meaning set forth in Section 4 of this Note.
<u>"Repayment Date"</u>	has the meaning set forth in Section 4 of this Note.
<u>"Scheduled Interest Payment Date"</u>	means, with respect to the first payment of monthly interest by the Borrower hereunder, the first Business Day following the expiration of one (1) calendar month from the Funding Date; and with respect to each subsequent payment of monthly interest by the Borrower hereunder, the first Business Day following the expiration of each one (1) calendar month period following such first payment of monthly interest by the Borrower hereunder, all in accordance with Section 3(a)(i) of this Note.
<u>"Termination Date"</u>	has the meaning set forth in Section 4 of this Note.

**Schedule 2.**

**Loan Amount**

<b>Loan Amount (or Principal):</b>	<b>\$300,000.00</b>
<b>Monthly Interest Payment:</b>	<b>\$2,500.00</b>



## SECURITY AGREEMENT

This Security Agreement (the "Agreement") is made as of July 15 2019 (the "Effective Date"), by and between Vantage Retirement Plans, LLC an Arizona limited liability company FBO Tom Echolds IRA Account #0031090 (together, the "Lender"), and Centurion ISG Finance Group, LLC a Delaware limited liability company ("Borrower"). Hereinafter the Lender and the Borrower may also be referred to individually as a "Party" and together as the "Parties".

### BACKGROUND

WHEREAS, by that certain Promissory Note (the "Note") entered into by and between the Lender and the Borrower as of the Effective Date, the Parties set forth the terms of the loan (the "Loan") made by Lender to Borrower to finance the monetary and other obligations of Borrower as set forth therein.

WHEREAS, this Agreement is being executed and delivered by Borrower in favor of Lender pursuant to the Note, as collateral security for the payment and satisfaction of the Borrower's obligations set forth in the Note.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms as set forth in Schedule 1 attached hereto.
2. Security. Subject to the provisions set forth in Section 4 of this Agreement, in order to secure the payment and performance of all the obligations of Borrower to Lender, Borrower hereby pledges, assigns, grants, transfers, sets over, and delivers to Secured Party and grants to Secured Party a security interest in all of Borrower's right, title, and interest of every kind or nature, without limitation, in, to and under that certain life insurance policy ("Policy"), details of which are set forth on Schedule 2 attached hereto and made a part hereof
3. The Policy. The Borrower represents that:
  - a. the Policy is held in the name of Wells Fargo Bank N.A. (the "Bank") and

credited to a securities account (the "Account") established by the Bank for the benefit of Centurion Funding SPV II, LLC subject to the rights of the Borrower set forth below.

- b. the Borrower is the holder of a security interest in the Policy, which interests include without limitation the sole right to collect the net proceeds of the Policy when it becomes a claim by death or maturity from the life insurance company that issued the Policy ("Insurance Company"); the sole right to surrender the Policy and receive the surrender value thereof at any time provided by the terms of the Policy and at such other times as the applicable Insurance Company may allow; the sole right to obtain one or more loans or advances on the Policy, either from the Insurance Companies or, at any time, from any other persons, and to pledge or assign the Policy as security for such loans or advances; the sole right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Policy now or hereafter made or apportioned thereto, and to exercise any and all options contained in the Policy with respect thereto; and the sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurance Companies and to receive all benefits and advantages derived therefrom (the "Borrower's Security Interest").
- c. The Borrower's Security Interest in the Policy is free and clear of all mortgages, charges, liens and loans.

4. Lender's Collateral.

- a. To secure Borrower's payment and performance under the terms of the Note and this Agreement, Borrower hereby grants the Lender an interest in the Policy, to the extent of the Loan Amount and all interest due hereunder (the "Collateral").
- b. The Lender's interest in the Collateral secures payment of the Loan. It also secures Borrower's other obligations under this Agreement as the law allows.
- c. In connection with Borrower's grant of an interest in the Collateral, Borrower shall execute a Collateral Assignment (as defined Schedule 1) over the Policy and deliver the same to the Lender. The Parties agree that the Collateral Assignment shall provide security to the Lender to the extent of the Principal amount of the Loan together with all interest due but unpaid thereon.

5. Borrower's Right of Substitution.

The Parties each acknowledge and agree that notwithstanding anything contained in this Agreement to the contrary:

- a. at any time during the Term, as may be extended in accordance with this Agreement, (i) the Borrower shall be entitled, to withdraw one or more Policy (each a "Withdrawn Policy") and substitute (each, a "Substitution") such Withdrawn Policy with one or more alternative life insurance policies of equal or greater Value (each, a "Substituted Policy").
- b. In the event, and on each occasion, that the Borrower makes a Substitution in accordance with this Agreement,
  - i. the Borrower shall issue such entitlement orders to the Bank as are necessary to give effect to such Substitution and shall direct the Bank to provide written confirmation of such Substitution to the Lender; and
  - ii. the Lender shall execute a release of the Collateral Assignment granted by the Borrower over such Withdrawn Policy; and
  - iii. the Borrower shall execute a Collateral Assignment with respect to each Substituted Policy and deliver the same to the Lender.
- c. Upon any Policy becoming a Withdrawn Policy, such Policy shall no longer be subject to the terms of this Agreement, and the Lender shall not have any rights over such Withdrawn Policy.

6. Default Provisions. Upon Borrower's failure to make any Repayment when due, or its breach of any of its obligations under this Agreement or the Note, or its breach of any covenant, representation, or warranty in this Agreement or the Note, or its bankruptcy, general assignment for the benefit of creditors or failure to pay debts as they become due (each an "Event of Default"):

- a. The Borrower shall immediately thereupon take all steps necessary and use its best endeavors to liquidate the Policy as is sufficient to repay the Loan Amount together with all unpaid interest thereon, and upon closing of any sale pursuant to such liquidation, the Borrower shall pay to the Lender or its designee such of the proceeds thereof as are equal to the Loan Amount together with all

unpaid interest thereon.

- b. Lender may, if such Event of Default has not been remedied by Borrower within ninety (90) days after written notice or the occurrence of such Event or Default, at Lender's option to the maximum extent permitted by law, accelerate the maturity of the Loan, declare the Loan, accrued interest and other amounts payable hereunder immediately due and payable and seek any and all other remedies available for the enforcement of the Agreement, at law, in equity or otherwise. Notwithstanding the foregoing, the Loan plus accrued interest due through repayment, and other amounts payable hereunder shall be automatically and immediately due and payable upon Borrower's bankruptcy, general assignment for the benefit of creditors or failure to pay debts as they become due. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by applicable law or otherwise.
- c. In the event that the Borrower fails to pay the amounts due under the Note or before the expiration of the Term and fails to relinquish the Collateral, Borrower will pay Lender's costs, including reasonable attorneys' fees, court costs, and collection costs paid in connection with the Lender's foreclosure thereon.

7. Hold Harmless. To the fullest extent permitted by law, Borrower agrees to hold harmless Lender and any affiliates, directors, officers, employees, shareholders, assigns, representative or agents (each such person being "Indemnitee") for any loss, liability, damages or expenses (including reasonable attorneys fees) (collectively, "Liabilities") suffered by virtue of acts or omissions or alleged acts or omissions arising out of such Indemnitee's activities, except to the extent any such Liability arises as a result of the gross negligence or willful misconduct or such Indemnitee.

8. General Provisions.

- a. No Waiver. Lender may delay or forego enforcing any of the Lender's rights or remedies under this Agreement without losing them. Borrower waives presentment, demand for payment, and notice of dishonor. Upon any change in the terms of the Agreement, and unless otherwise expressly stated in writing, Borrower shall not be released from liability
- b. Governing Law. This Agreement shall be governed by the internal laws of the

State of New York.

- c. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to its subject matter and supersedes any prior or contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter.

[signatures on following page]

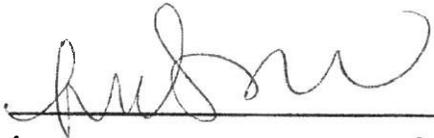
IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**LENDER:**

**Vantage Retirement Plans, LLC, FBO  
Tom Echolds IRA Account #0031090 by:**

**BORROWER:**

**Centurion ISG Finance Group, LLC by:**



\_\_\_\_\_,  
**Authorized Signatory.**

**VANTAGE RETIREMENT PLANS, LLC  
BY: Amanda Swanson  
It's: Authorized Signer**



\_\_\_\_\_,  
**Brigid J. Schwartz**,  
\_\_\_\_\_  
**President**  
Chief Financial Officer

**Read and Approved by Tom Echolds:**



\_\_\_\_\_  
**Tom Echolds.**

**Schedule I.**

**Definitions**

- "Bank"** has the meaning set forth in Section 3 of this Agreement.
- "Borrower"** has the meaning set forth in the preamble of this Agreement.
- "Collateral Assignment"** means a collateral assignment substantially in the form of Exhibit A attached hereto and made a part hereof
- "Effective Date"** has the meaning set forth in the preamble of this Agreement.
- "Event of Default"** means Borrower's failure to make any payment when due, or its breach of any of its obligations under this Agreement, or its breach of any covenant, representation, or warranty in this Agreement, or its bankruptcy, general assignment for the benefit of creditors or failure to pay debts as they become due.
- "Lender"** has the meaning set forth in the preamble of this Agreement.
- "Loan"** has the meaning set forth in the recitals of this Agreement.
- "Note"** has the meaning set forth in the recitals of this Agreement.
- "Policy"** have the meanings respectively set forth in Section 2 of this Agreement provided that such meanings shall, where applicable, include any Substituted Policy resulting from a Substitution under Section 4 and shall, where applicable, exclude any Withdrawn Policy withdrawn under Section 4.

“Substitution” has the meaning set forth in Section 4 of this Agreement.

“Substituted Policy” has the meaning set forth in Section 4 of this Agreement.

“Term” has the meaning set forth in the Note

“Withdrawn Policy” has the meaning set forth in Section 4 of this Agreement.

**Schedule 2.**

**The Policy.**

<b>Policy No.:</b>	<b>62969715</b>
<b>Insurance Company:</b>	<b>New York Life Insurance Company</b>
<b>Face Amount:</b>	<b>\$25,000,000.00</b>
<b>Insured:</b>	<b>Johnson, Reid and Sharon</b>

**Exhibit A.**  
**Form of Collateral Assignment**  
**[attached]**

### **COLLATERAL ASSIGNMENT OF INTEREST IN LIFE INSURANCE POLICY**

This COLLATERAL ASSIGNMENT OF INTEREST IN LIFE INSURANCE POLICY (this "Assignment") dated as of July 15, 2019 (the "Effective Date"), and is made by and between Centurion ISG Finance Group, LLC, a Delaware limited liability company (together with its successors and permitted assigns, the "Assignor") and Vantage Retirement Plans, LLC an Arizona limited liability company FBO Tom Echolds IRA Account #0031090 (together with their respective successors and assigns, the "Secured Party").

WHEREAS, by that certain Promissory Note (the "Note") entered into by and between the Assignee, as Lender, and the Assignor, as Borrower, as of the Effective Date, the Parties set forth the terms of the loan (the "Loan") made by the Assignee, as Lender, to the Assignor, as Borrower, to finance the monetary and other obligations of Borrower, including the obligation to repay interest thereon, as set forth in the Note.

WHEREAS, pursuant to that certain Security Agreement, dated as of the Effective Date (as amended, restated, supplemented and otherwise modified from time to time, the "Security Agreement"), by and among the Assignor, as Borrower, and the Secured Party, as Lender, the Assignor agreed to provide the Secured Party with a security interest in the Assignor's interest in Policies (defined in the Security Agreement), to the extent of not more than \$300,000.00 (the "Security Amount") as set forth in the Note in return for the Secured Party agreeing to make the Loan (defined in the Security Agreement) available to the Assignor pursuant to the Note;

WHEREAS, the Assignor holds a security interest in the Life Policy (defined in Section 2 below), which interests include without limitation the right to collect the net proceeds of the Life Policy when it becomes a claim by death or maturity from the Insurer (defined in Section 2 below); the right to surrender the Life Policy and receive the surrender value thereof at any time provided by the terms of the Life Policy and at such other times as the Insurer may allow; the right to obtain one or more loans or advances on the Life Policy, at any time, from any Person (as such term is defined in Section 1-201 (b) (27) of the Uniform Commercial Code), and to pledge or assign the Life Policy as security for such loans or advances; the right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Life Policy now or hereafter made or apportioned thereto, and to exercise any and all options contained in the Life Policy with respect thereto; and the right to exercise all nonforfeiture rights permitted by the terms of the Life Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom;

WHEREAS, pursuant to the Security Agreement, the Assignor has agreed to execute and deliver this Assignment to the Secured Party.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter

contained, and for other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS.** Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Security Agreement.

2. **ASSIGNMENT.** For value received, the Assignor hereby collaterally assigns, transfers, and pledges to the Secured Party, and hereby grants a security interest and lien to the Secured Party, in and to all of the Assignor's claims, options, privileges, rights, title and interest in, to and under the life insurance policy described below:

Policy No.: 62969715  
Issued by: New York Life Insurance Company ("Insurer")  
On the life of: Reid and Sharon Johnson (the "Insured")  
Face Amount: \$25,000,000.00

together with any and all applications, riders, endorsements, supplements, amendments, renewals and all other documents that modify or otherwise affect the terms and conditions of such policy issued in connection therewith, and any and all death benefits and proceeds thereunder and thereof (collectively, the "Life Policy"), and further including all of the following rights, limited in each case and in the aggregate, to the Security Amount as set forth in the Note:

- (a) the right to collect from the Insurer the net proceeds of the Life Policy payable upon the death of the Insured or maturity of the Life Policy;
- (b) the right to collect the net proceeds payable upon the sale, transfer or assignment by the Assignor of the Life Policy to the extent expressly permitted under the Security Agreement;
- (c) the right to any and all contract rights, arising from or relating to the Life Policy, and any and all payment rights, and the other rights listed above, existing with respect thereto;

3. **SECURED OBLIGATIONS.** This Assignment shall secure the payment and performance of all of the obligations of the Assignor set forth in the Security Agreement (the "Obligations"). The term Obligations shall include, without limitation, interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding.

4. **REPRESENTATIONS AND WARRANTIES.** The Assignor hereby represents and warrants to the Secured Party as follows:

- (a) it is a duly organized and validly existing trust in good standing under the laws of the State of Delaware;

- (b) the execution, delivery and performance by the Assignor of this Assignment (i) are within the Assignor's organizational power, (ii) have been duly authorized by all necessary action, and (iii) do not contravene any provision of the Assignor's organizational documents (the "Organizational Documents"), any law, rule or regulation applicable to the Assignor or its assets, or conflict with, violate, create a lien (other than the lien created by this Agreement) or default under, or require a consent under, the Life Policy or other document or agreement to which the Assignor is a party or by which it or its assets are bound;
- (c) this Assignment constitutes a legal, valid and binding obligation of the Assignor, enforceable against the Assignor in accordance with the terms hereof (subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally);
- (d) to the Assignor's knowledge, the Life Policy is in full force and effect and constitutes the valid and binding obligation of the Insurer, enforceable in accordance with its terms;
- (e) the Life Policy has not lapsed;
- (f) the information set forth in Section 2 hereto with respect to the Life Policy is true and correct in all respects;
- (g) the Life Policy is free and clear of any and all Liens other than security interests and other interests in favor of the Assignor, or granted by the Assignor to the Secured Party under or in connection with this Assignment and the Security Agreement;
- (h) it has not assigned or granted or suffered any Lien or security interest against any of its right, title or interest in the Life Policy to any other person or entity, except for Liens securing the Obligations;
- (i) there is no default, breach or violation under the Life Policy, and no event has occurred that, with notice and/or the expiration of any grace or cure period, would constitute a default, breach or violation under the Life Policy;
- (j) no proceedings in bankruptcy are pending or to the best of the Assignor's knowledge threatened against the Assignor or the Insured (and no grounds exist for such proceedings) and none of the Assignor's or the Insured's property is subject to any assignment for the benefit of creditors; and

5. COVENANTS. The Assignor hereby covenants and agrees with the Secured Party as follows:

- (a) the Secured Party shall be under no obligation to pay from its own funds any premium, or the principal of or interest on loans or advances on the Life Policy, if any, whether or not obtained by the Secured Party, or any other charges on the Life Policy, but such amounts so paid by the Secured Party from its own funds shall become a part of the Obligations hereby secured, shall be due and payable in accordance with the terms of Security Agreement, and shall accrue interest;
- (b) the exercise of any right, remedy, option, privilege or power given to the Secured Party under this Assignment shall be made or performed at the option of the Secured Party, and the

Secured Party may exercise any such right, remedy, option, privilege or power without notice to, or assent by, or affecting the liability of, or releasing any interest hereby assigned by, the Assignor;

(c) the Assignor shall, at its sole cost and expense, maintain or cause to be maintained the Life Policy;

(d) the Assignor shall not take any action in contravention of or that would otherwise limit or impair the Secured Party's security interest in the Life Policy, or grant or permit to exist any Lien on the Life Policy other than in favor of the Secured Party except in accordance with the Security Agreement;

(e) the Assignor shall comply with and enforce all provisions of its Organizational Documents;

6. **TERMINATION.** Upon the final and irrevocable payment and satisfaction in full of all of the Obligations, this Assignment and the security interests created hereunder shall terminate and the Secured Party covenants and agrees that the Secured Party thereupon will take all actions reasonably requested by the Assignor to evidence and effectuate the release of such security interests and any other interests in favor of the Secured Party created hereby.

7. **NO WAIVER.** Any forbearance or failure or delay by the Secured Party in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy shall not preclude the further exercise thereof. The Secured Party may take or release other security, may release any party primarily or secondarily liable for any of the Obligations, may grant extensions, renewals or indulgences with respect to the Obligations, or may apply the Obligations in such order as the Secured Party shall determine the proceeds of the Life Policy hereby assigned or any amount received on account of the Life Policy by the exercise of any right permitted under this Assignment, without resorting or regard to other security or any guaranty. No waiver of any provision hereof shall be effective unless it shall be in writing and signed by the Secured Party.

8. **MISCELLANEOUS.**

(a) **Amendments.** No provision of this Assignment shall be waived, modified or limited except by a written agreement signed by the Assignor and the Secured Party. The unenforceability of any provision of this Assignment shall not affect the enforceability or validity of any other provision hereof. No delay or omission on the part of the Secured Party in exercising any rights under this Assignment shall operate as a waiver of such right or of any other right under this Assignment. This Assignment shall be binding upon the Assignor and its successors and permitted assigns and shall inure to the benefit of the Secured Party and its successors and assigns.

(b) **Governing Law.** This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York (without regard to its conflicts of law rules).

(c) **Notices.** Except as otherwise provided herein, all notices and other communications provided for hereunder shall be in writing (including telecopier) and mailed, telecopied, couriered

or delivered to: the Assignor or to the Secured Party, as the case may be, in each case addressed to it at its address set forth below, or, as to any party, at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section 10(d). All such notices and other communications shall, when mailed, telecopied, couriered or delivered, respectively, be effective when deposited in the mails, telecopied, delivered to the courier or delivered, respectively, addressed as aforesaid; except that notices and other communications to either party shall not be effective until received by either party. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Assignment shall be effective as delivery of an original executed counterpart thereof.

If to the Assignor:

Centurion ISG Finance Group, LLC  
201 East Fifth Street, 19<sup>th</sup> Floor,  
Cincinnati, OH 45202

If to the Secured Party:

Vantage Retirement Plans, LLC,  
FBO Tom Echolds IRA Account #0031090,  
20860 North Tatum Boulevard, Suite 240,  
Phoenix, AZ 85050

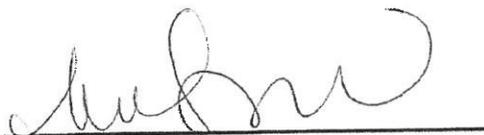
The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any person (other than the Assignor or the Secured Party) designated on the signature pages hereto to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

[Signature Page Follows]

**SIGNATURE PAGE**

**Secured Party:**

**Vantage Retirement Plans, LLC, FBO  
Tom Echolds IRA Account #0031090 by:**



\_\_\_\_\_,  
**Authorized Signatory.**  
**VANTAGE RETIREMENT PLANS, LLC**  
**BY: Amanda Swanson**  
**It's: Authorized Signer**

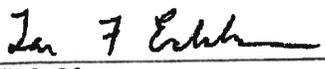
**Assignor:**

**Centurion ISG Finance Group, LLC by:**



\_\_\_\_\_,  
**Brian J. Schwartz**,  
\_\_\_\_\_  
**President**,  
**Chief Financial Officer**

**Read and Approved by Tom Echolds:**

  
\_\_\_\_\_  
**Tom Echolds.**

# COMPOSITE EXHIBIT

## B



Centurion Promissory Note Info

**\$300,000 Note @ 10%**  
**3 years + 1 yr mutually agreed renewal**  
Start date 7/15/19  
\$2,500 distribution 15<sup>th</sup> of each mo

**Centurion [owned by Seeman Holtz] Promissory Note:**

- A “one off” for 5 existing clients waiting for new Para doc regulatory approval
- More straight-forward; note directly from Centurion
- Different structure:
  - Centurion Note- A specific (individual) 25M life policy as collateral direct to me
    - Tie to individual policy means better-secured
    - “Direct Collateral” life policy pays off original investment
    - Insurance policy held in fund; collateral assignment of interest in life policy
  - vs.
  - Para A - debt against a (pool) of life policies & annuities
- Note: Grace Holdings [Seeman H company] is used for smaller investments [NA to me]

