

**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,

Plaintiff,

v.

CASE NO.: 50-2021-CA-008718-XXXX-MB

NATIONAL SENIOR INSURANCE, INC.
D/B/A SEEMAN HOLTZ,
MARSHAL SEEMAN,
CENTURION INSURANCE SERVICES GROUP, LLC,
BRIAN J. SCHWARTZ,
EMERALD ASSETS 2018, LLC,
INTEGRITY ASSETS 2016, LLC,
INTERGRITY ASSETS, LLC,
PARA LONGEVITY 2014-5, LLC,
PARA LONGEVITY 2015-3, LLC,
PARA LONGEVITY 2015-5, LLC,
PARA LONGEVITY 2016-3, LLC,
PARA LONGEVITY 2016-5, LLC,
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PARA LONGEVITY 2019-6, LLC,
PARA LONGEVITY VI, LLC,
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,
ALTRAI GLOBAL, LLC A/K/A ALTRAI HOLDINGS, LLC,
VALENTINO GLOBAL HOLDINGS, LLC,
AMERITONIAN ENTERPRISES, LLC,
SEEMAN-HOLTZ CONSULTING CORP.,
CENTURION ISG Holdings, LLC,
CENTURION ISG Holdings II, LLC,
CENTURION ISG (Europe) Limited,
CENTURION ISG SERVICES, LLC,
CENTURION ISG FINANCE GROUP, LLC,
CENTURION FUNDING SPV I LLC,
CENTURION FUNDING SPV II LLC,
GRACE HOLDINGS FINANCIAL, LLC,
PRIME SHORT TERM CREDIT INC.,

Defendants.

THE ESTATE OF ERIC CHARLES HOLTZ,
SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC
F/K/A SEEMAN HOLTZ PROPERTY AND CASUALTY, INC.,
SHPC HOLDINGS I, LLC,

Relief Defendants.

**CORPORATE MONITOR, DANIEL J. STERMER'S REPLY TO
INTERVENORS, EDWIN AND KAREN EZRINE'S RESPONSE TO THE
CORPORATE MONITOR'S MOTION TO CLARIFY SEPTEMBER 14, 2021
ORDER APPOINTING CORPORATE MONITOR**

Daniel J. Stermer, as Court-appointed Corporate Monitor (the “Corporate Monitor”) for the property, assets, and business of the thirty-two (32) corporate entities¹(the “Consenting Corporate Defendants”) pursuant to the *Agreed Order Granting Plaintiff's Consent Motion for Appointment of Corporate Monitor and Related Injunctive Relief*, dated September 14, 2021, and the *Agreed Order Granting Corporate Monitor, Daniel J. Stermer's Unopposed Motion to Expand Corporate Monitorship Estate*, dated January 6, 2022, respectfully replies to *Intervenors Edwin and Karen Ezrine's Response to the Corporate Monitor's Motion to Clarify September 14 2021 Order Appointing Corporate Monitor* (the “Response”). In support of this Reply, the Corporate Monitor states:

¹ The Consenting Corporate Defendants include: NATIONAL SENIOR INSURANCE, INC. D/B/A SEEMAN HOLTZ, CENTURION INSURANCE SERVICES GROUP, LLC, EMERALD ASSETS 2018, LLC, INTEGRITY ASSETS 2016, LLC, INTERGRITY ASSETS, LLC, PARA LONGEVITY 2014-5, LLC, PARA LONGEVITY 2015-3, LLC, PARA LONGEVITY 2015-5, LLC, PARA LONGEVITY 2016-3, LLC, PARA LONGEVITY 2016-5, LLC, PARA LONGEVITY 2018-3, LLC, PARA LONGEVITY 2018-5, LLC, PARA LONGEVITY 2019-3, LLC, PARA LONGEVITY 2019-5, LLC, PARA LONGEVITY 2019-6, LLC, PARA LONGEVITY VI, LLC, SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC, VALENTINO GLOBAL HOLDINGS, LLC, AMERITONIAN ENTERPRISES, LLC, SEEMAN-HOLTZ CONSULTING CORP., CENTURION ISG Holdings, LLC, CENTURION ISG Holdings II, LLC, CENTURION ISG (Europe) Limited, CENTURION ISG SERVICES, LLC, CENTURION ISG FINANCE GROUP, LLC, CENTURION FUNDING SPV I LLC, CENTURION FUNDING SPV II LLC, PARA GLOBAL 2019, LLC, ALLOY ASSETS, LLC, SEEMAN HOLTZ WEALTH MANAGEMENT, INC. AGENCY ACQUISITION FUNDING, LLC, and AMERICA'S FAVORITE INSURANCE SERVICES LLC

Introduction

The Ezrines (or their counsel) have not heeded this Court's direction to be clear, forthright and bring matters before the Court in an appropriate manner. Instead, they continue to take the "throw it against the wall and see what sticks" approach. The result is that the Corporate Monitor and his professionals must spend an inordinate amount of time responding (again) to unfounded innuendo, unsupported and factually inaccurate accusations, improper collateral attacks on final orders of this Court and continued numerous falsehoods presented to this Court. The Court should put an end to this behavior, and the Corporate Monitor reserves the right to seek sanctions should this conduct and sharp practice continue.

Background and Argument

1. On August 2, 2022, the Corporate Monitor filed his *Motion to Clarify the September 14, 2021 Order Appointing Corporate Monitor* (the "Motion")² in response, *inter alia*, to the ever increasing and overreaching demands from Edwin and Karen Ezrine (the "Ezrines") and their counsel to provide essentially full access to any and all documents records and information that the Corporate Monitor may have, whether or not the Ezrines are entitled to them or whether or not it is information that the Corporate Monitor deems privileged or otherwise contradictory to the privacy rights of other noteholders and investors or obtained pursuant to confidentiality agreement/protective orders.

2. Putting aside all the "noise" posited by the Ezrines in their Response, the issues before the Court in the Motion are straightforward: (a) what is the intention and scope of Paragraph 54; and (b) what rights, if any, do the Ezrines have pursuant to Paragraph 54 and their limited intervention.

² Capitalized terms undefined herein shall have the same meaning as they are defined in the Motion.

3. As to the intention and scope of Paragraph 54, that has been clearly set forth in the Motion and has been confirmed by the Plaintiff, who participated in the drafting and filing of the Appointment Order. Paragraph 54 was focused on the Corporate Monitor's duty to create reports and lists which would be available for public access and review to provide noteholders and investors summaries and updates of the proceeding. The intent and scope of Paragraph 54 was **not** to allow unfettered access to anyone who requested the documents or information or to allow non-parties to circumvent the Florida Rules of Civil Procedure or to require the Corporate Monitor to waive any privileges.

4. The Ezrines do not offer up any interpretation of their own as to Paragraph 54. Instead, they state that Paragraph 54 is unambiguous and that this Court should compel the Corporate Monitor to provide the Ezrines with the "documents" they requested. **See Paragraph 6 of the Response.** They do not describe what those "documents" are until they fill six (6) pages with wrongful attacks of the Corporate Monitor, improper analysis of the facts and the Ezrines' interpretation of the facts to fit their improper analysis, and collateral attacks on prior Court Orders. In **Paragraph 27 of the Response**, they finally set forth the list of documents they have requested:

- a. *Subpoena Duces Tecum Without Deposition* and *Supplemental Subpoena Duces Tecum Without Deposition* directed to Wells Fargo Bank, N.A. (Doc. Nos. 20 & 45);
- b. *Subpoena Duces Tecum Without Deposition*, *Supplemental Subpoena Duces Tecum Without Deposition*, and *Second Supplemental Subpoena Duces Tecum Without Deposition* directed to First National Bank of Coffee County (Doc. Nos. 21, 37, & 81);
- c. *Subpoena Duces Tecum Without Deposition* directed to Coral Gables Collateral Agency, Inc. (Doc. No. 20);
- d. *Subpoena Duces Tecum Without Deposition* directed to Brighthouse Life Insurance Co. (Doc. No. 33); and
- e. *Subpoena Duces Tecum Without Deposition* directed to AXA Equitable Life Insurance Co. (Doc. No. 18).
- f. Document(s) showing which of the Centurion Entities first purchased the Collateral;
- g. Document(s) showing, as of January 1, 2017, which Centurion Entity owned and/or

- had entitlement to the Collateral;
- h. Document(s) showing when, if at all, the Centurion Entity originally owning/having entitlement to the Collateral assigned and/or transferred rights in the policy to Centurion Funding SPV II, LLC;
- i. Document(s) showing which individual(s) and/or entities filed the Articles of Organization with Delaware Secretary of State for Teleios LS Holdings IV DE, LLC, and Teleios Holdings V DE, LLC;
- j. Document(s) showing who owns Teleios LS Holdings IV DE, LLC, and/or Teleios Holdings V DE, LLC, and what is their relationship to Eric Holtz, Marshal Seeman, and/or Brian Schwartz is;
- k. Document(s) showing that Teleios is in fact perfected in all sixty-one (61) life insurance policies;
- l. The Teleios Credit Document(s) and Preferred Unit Purchase Agreement(s) (and amendments thereto); and
- m. Documents from Wells Fargo and/or any other securities intermediary related to the McDougal Policy.
(the “Alleged Requested Documents”).

5. Through Paragraph 28 of the Response, the Ezrines would lead this Court to believe that they have not been provided any of the Alleged Requested Documents, and that the Corporate Monitor “refused” to produce the documents received from Wells Fargo. What they fail to disclose to the Court is that starting on May 5, 2022, and continuing through May 18, 2022, undersigned and the Corporate Monitor provided specific responses to inquiries from the Ezrines and their counsel and produced all documents responsive to (b) through (m) above, which were received as a result of subpoenas served by the Corporate Monitor and/or gathered by the Corporate Monitor as part of the Corporate Monitor’s investigation, along with serving on the Ezrines, the *Corporate Monitor’s Responses and Objections to Intervenor’s, Edwin and Karen Ezrine’s First Request for Copies of Documents and Records* (“*Corporate Monitor’s Responses and Objections*”) which is attached hereto as **Exhibit “A”**. A Notice of Compliance with the Ezrines’ request was also filed on the docket on May 18, 2022, at Doc. 101. As set forth in the Corporate Monitor’s Responses and Objections, the documents received from Wells Fargo are the subject of a Stipulated Protective Order (Doc No. 53) and therefore the Corporate Monitor properly objected to this request. The

Corporate Monitor's Responses and Objections specifically objected to the Ezrines' request for the Wells Fargo documents stating:

To the extent that the Intervenor obtain a stipulation from Wells Fargo Bank, N.A., or such other document or order of the Court authorizing and/or directing the Corporate Monitor to produce discovery materials subject of the Protective Order, the Corporate Monitor will produce to the Intervenor the documents in response to this Request. *See* Corporate Monitor's Responses and Objections.

While efforts were undertaken between the Corporate Monitor and Wells Fargo to address this request, the Ezrines have not provided a stipulation from Wells Fargo nor sought additional relief from the Court authorizing the Corporate Monitor to produce the Wells Fargo documents. The burden was on them to do that. Instead of pursuing that remedy, they wrongfully accuse the Corporate Monitor of refusing to produce the Wells Fargo documents.

6. Further, the Ezrines seek to mislead this Court by failing to advise the Court of the significant volume of documents that were voluntarily produced by the Corporate Monitor to them. See attached **Composite Exhibit B** which sets forth the documents and data that was in fact voluntarily provided to their counsel. This production took significant time and effort on the part of the Corporate Monitor and counsel in response to their allegation that they had an interest in a specific insurance policy which then expanded into requests related to the entire portfolio and the documents related to the financing of same. To be clear, the Corporate Monitor did more than just produce documents to the Ezrines – the Corporate Monitor provided answers and explanations to the Ezrines and their counsel to explain certain information relative to documents requested/produced and to provide context for certain information/documents. **See Composite Exhibit B.**

7. Simply stated, the Ezrines and their counsel are seeking to mislead this Court regarding the Alleged Requested Documents, what they have been voluntarily provided, and their

true motives. When pressed via email by undersigned to state their position to avoid unnecessary motion practice, they chose to not respond. See attached **Exhibit C**.

8. Non-responsiveness by the Ezrines and their counsel leads to the next threshold issue before the Court - What is the nature of the claims that the Ezrines have, what was the purpose of the Ezrines' intervention and what rights flow from such intervention. Again, the answers to these questions are clear and do not support the expansion of the Ezrines' activity in this case. As set forth in the Motion, the Ezrines appear to be victims and creditors by virtue of their investment, the execution of promissory notes by one or more of the Consenting Corporate Defendants, and their belief (wrongly) that they had a security interest in **one** specific life insurance policy (the McDougal Policy ending 1005). Despite multiple and repeated requests for the Ezrines or their counsel to provide evidence of their secured status (*i.e.* documents that would evidence a security interest and a security interest that was superior to Teleios), the Ezrines never substantively responded to such requests or produced any documents which would evidence that position, because none exists. That leaves them in the position of an unsecured creditor in this case.

9. As set forth in the Motion, the Ezrine Intervention Motion and the negotiated and agreed upon resolution and preservation of rights as set forth in the Bid Procedure Order dealt solely with the Ezrines' rights, if any, in the McDougal Policy. Since the Ezrines never produced any evidence of their secured claim in the McDougal Policy, and since Teleios has foreclosed (as the Bid Procedure Order- which counsel for the Ezrines participated in preparing) upon the McDougal Policy, the limited rights and remedies that the Ezrines and their counsel agreed to is no longer at issue in this case. The Ezrines are now attempting to hijack these proceedings for their own purpose at the expense of all other constituents. And they are doing so through improper

means and improper innuendo without truly making any specific allegations. This should not be permitted and should not be allowed to continue.

10. Any other issues being raised in the Response are again, simply noise, unfounded, false allegations, and innuendo designed to tarnish the reputation of the Corporate Monitor and distract and impede this case. The Corporate Monitor prefers to be focused on the tasks at hand and does not wish to be quarreling with a noteholder (who is a victim) or their counsel. Unfortunately, this reply is necessary due to the continued behavior of the Ezrines and their counsel. To not respond could be perceived as acquiescence.

11. The Ezrines (and their counsel) fail to comprehend that the Corporate Monitor, pursuant to the *September 14, 2021 Order*, is a fiduciary arm of this Court with broad ranging investigatory powers. The Corporate Monitor is not a “party” to the litigation. As such, the Corporate Monitor is not limited or hindered in its duties described in the Case Management Order referenced by the Ezrines nor any current discovery deadlines imposed on the parties. The Corporate Monitor continues to fulfill his responsibilities under the *September 14, 2021 Order* and if litigation is commenced, alternative discovery deadlines will be set accordingly. Conversely, should the parties to this litigation choose to reach a mutually agreeable resolution, that does not mean that the Monitorship Estate is terminated but it continues to live on until terminated and/or concluded by order of this Court.

12. To read the Ezrines’ Response, one would infer that they believe the Corporate Monitor has not undertaken an investigation or pursued any discovery. Nothing could be further from the facts and reality. The Corporate Monitor has served seventeen (17) subpoenas, obtained thousands of pages of data from third parties, the defendants (through informal discovery) and obtaining access to all of the Consenting Corporate Defendants books and records, including

electronic data. As has been described in the various reports filed by the Corporate Monitor, a vast and diligent investigation into all aspects of the Consenting Corporate Defendants has been ongoing and continues today.

13. Next, the Ezrines and their counsel continue to allege impropriety between the Corporate Monitor's firm, Development Specialists, Inc. ("DSI") and the Teleios Parties' counsel, Winston & Strawn. These allegations are identical to the unsupported claims Tom Echolds ("Echolds") filed in the *Intervenor Tom Echolds' Limited Objection to Refinance or Sale of Centurion Assets and Motion to Intervene and Incorporated Memorandum of Law* (the "Echolds' Intervention Motion") and his reply. The Court conducted a hearing on the Echolds' Intervention Motion and entered an order denying the motion. Yet, the Ezrines' counsel, who also represents Echolds, attempts to use their Response as a battering ram to attempt to tarnish the Corporate Monitor's professional reputation. As the Court indicated on July 26, 2022, if the Echolds, the Ezrines, or any party has any issues regarding the administration of this case, they should file a motion clearly articulating their grievances, so the Court can review and rule on the issue. The Ezrines have filed no such motion and have produced no evidence of impropriety (which they cannot, since there is none).

14. As the Court is aware, the Corporate Monitor commenced a Noticing and Claims Administration Process (with the Claims Bar Date being August 31, 2022). The Ezrines have participated in this process and filed claims on August 14, 2022. The Corporate Monitor continues to work diligently to recover assets and to ultimately propose a plan of distribution to this Court so that funds can be distributed to creditors (including the Ezrines). The Ezrines should pursue their claim against the Monitorship estate through the Claims Process as approved by the Court.

Conclusion

Through the Motion, the Corporate Monitor is seeking clarification as to his obligations under Paragraph 54. The Corporate Monitor and the Plaintiff have provided their position on the intent and scope of Paragraph 54. The efforts by the Ezrines to disrupt these proceedings and interject themselves should not be permitted or allowed by virtue of their limited intervention rights which are now moot. As the Court previously advised their counsel, if they have claims against third parties, they should bring them in an appropriate forum. If they have issues to raise with this Court, they should file a Motion. But they should remain mindful of their professional obligations and not mislead the Court or file papers that are not factually or legally supported.

WHEREFORE, Daniel J. Stermer, as Corporate Monitor, respectfully requests this Court enter an order granting the Motion and entering such other and additional relief as the Court deems just and proper.

Dated: September 1, 2022

Respectfully submitted,

BERGER SINGERMANN LLP
Counsel for Corporate Monitor
525 Okeechobee Boulevard, Suite 1250
West Palm Beach, FL 33401
Tel. (561) 241-9500
Fax (561) 998-0028

By: /s/ Brian G. Rich

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on September 1, 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. I further certify that a true and correct copy of the foregoing was served by electronic transmission upon all parties on the attached Service List.

By: /s/ *Brian G. Rich*
Brian G. Rich

SERVICE LIST

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EXHIBIT “A”

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IN AND FOR PALM BEACH COUNTY, FLORIDA
CIVIL DIVISION**

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION,

Plaintiff,

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CASE NO.: 50-2021-CA-008718-XXXX-MB

NATIONAL SENIOR INSURANCE, INC.
D/B/A SEEMAN HOLTZ,
MARSHAL SEEMAN,
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PRIME SHORT TERM CREDIT INC.,

Defendants.

THE ESTATE OF ERIC CHARLES HOLTZ,
SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC
F/K/A SEEMAN HOLTZ PROPERTY AND CASUALTY, INC.,
SHPC HOLDINGS I, LLC,

Relief Defendants.

**CORPORATE MONITOR'S RESPONSES AND OBJECTIONS TO
INTERVENORS, EDWIN AND KAREN EZRINE'S FIRST REQUEST FOR
COPIES OF DOCUMENTS AND RECORDS**

Daniel J. Stermer, as Court-appointed Corporate Monitor (the “Corporate Monitor”) for the property, assets and businesses of the thirty-two (32) corporate entities¹ (the “Consenting Corporate Defendants”) pursuant to the *Agreed Order Granting Plaintiff's Consent Motion for Appointment of Corporate Monitor and Related Injunctive Relief*, dated September 14, 2021, and the *Agreed Order Granting Corporate Monitor, Daniel J. Stermer's Unopposed Motion to Expand Corporate Monitorship Estate*, dated January 6, 2022, and pursuant to Florida Rules of Civil Procedure, hereby responds to the *Intervenors Edwin and Karen Ezrine's First Request for Copies of Documents and Records* dated April 27, 2022 (the “Request”) filed by Intervenors, Edwin and Karen Ezrine (the “Intervenors”), as follows:

¹ The Consenting Corporate Defendants include: NATIONAL SENIOR INSURANCE, INC. D/B/A SEEMAN HOLTZ, CENTURION INSURANCE SERVICES GROUP, LLC, EMERALD ASSETS 2018, LLC, INTEGRITY ASSETS 2016, LLC, INTERGRITY ASSETS, LLC, PARA LONGEVITY 2014-5, LLC, PARA LONGEVITY 2015-3, LLC, PARA LONGEVITY 2015-5, LLC, PARA LONGEVITY 2016-3, LLC, PARA LONGEVITY 2016-5, LLC, PARA LONGEVITY 2018-3, LLC, PARA LONGEVITY 2018-5, LLC, PARA LONGEVITY 2019-3, LLC, PARA LONGEVITY 2019-5, LLC, PARA LONGEVITY 2019-6, LLC, PARA LONGEVITY VI, LLC, SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC, VALENTINO GLOBAL HOLDINGS, LLC, AMERITONIAN ENTERPRISES, LLC, SEEMAN-HOLTZ CONSULTING CORP., CENTURION ISG Holdings, LLC, CENTURION ISG Holdings II, LLC, CENTURION ISG (Europe) Limited, CENTURION ISG SERVICES, LLC, CENTURION ISG FINANCE GROUP, LLC, CENTURION FUNDING SPV I LLC, CENTURION FUNDING SPV II LLC, PARA GLOBAL 2019, LLC, ALLOY ASSETS, LLC, SEEMAN HOLTZ WEALTH MANAGEMENT, INC. AGENCY ACQUISITION FUNDING, LLC, and AMERICA'S FAVORITE INSURANCE SERVICES LLC

GENERAL OBJECTIONS

A. The Defendant objects to the Request to the extent that it calls for the production of documents produced by Wells Fargo Bank, N.A., as such production is governed by the *Stipulated Protective Order* (the “Protective Order”) entered by the Court on December 14, 2021. As set forth in the Protective Order, prior to making any disclosure, the Corporate Monitor (as recipient) is directed to provide Wells Fargo Bank, N.A. (as disclosing party) with prompt written notice of the requirement to produce documents subject of the Protective Order, so that Wells Fargo Bank, N.A. may seek a protective order or other remedy, and/or provide reasonable assistance in opposing such disclosure or seek a protective order or other limitations on disclosure.

B. The Corporate Monitor objects generally to the scope of the Request insofar as the Request seeks to impose obligations upon the Defendant beyond those obligations imposed under Rule 1.350 of the Florida Rules of Civil Procedure.

C. The Corporate Monitor objects to the Request which uses terms not defined in Request, wherein it is unclear as to what the Intervenor is actually requesting of the Corporate Monitor.

D. All responses are made without waiving or intending to waive the right to object on the grounds of competency, privilege, relevance or materiality, or any other proper grounds, to the use of any information disclosed pursuant to the discovery requests and any subsequent step or proceeding in this action or any other action.

E. By responding to any and all requests, the Corporate Monitor does not waive any objection, general or specific, to that or any other request.

RESERVATION OF RIGHTS

The Corporate Monitor is producing the only documents in the Corporate Monitor’s

possession and/or control that are or may be responsive to the Request. By producing documents in response to the Request, the Corporate Monitor is not representing that the documents being produced are, in fact, responsive to the Request but instead that the documents being produced are those documents in the Corporate Monitor's possession and/or control that are or may be in any way responsive to the Request.

RESPONSES TO REQUESTS FOR PRODUCTION

REQUEST NO. 1 Legible copies of each and every document, record of information, object, video, and/or photographs provided to the Corporate Monitor's attorneys, in response to that certain *Subpoena Duces Tecum Without Deposition* dated September 29, 2021, and directed to:

Wells Fargo Bank, N.A.
Attn.: Corporation Service Company, Registered Agent
1201 Hayes Street
Tallahassee, FL 32301-2525

RESPONSE: The Corporate Monitor objects to Request No. 1 of the Request on the basis that all documents received from Wells Fargo Bank, N.A. in response to the *Subpoena Duces Tecum Without Deposition* dated September 29, 2021, directed to Wells Fargo Bank, N.A., are governed by the Protective Order. To the extent that the Intervenor obtains a stipulation from Wells Fargo Bank, N.A., or such other document or order of the Court authorizing and/or directing the Corporate Monitor to produce discovery materials subject of the Protective Order, the Corporate Monitor will produce to the Intervenor the documents in response to this Request.

REQUEST NO. 2 Legible copies of each and every document, record of information, object, video, and/or photographs provided to the Corporate Monitor's attorneys, in response to that certain *Supplemental Subpoena Duces Tecum Without Deposition* dated November 19, 2021, and directed to:

Wells Fargo Bank, N.A.
Attn.: Corporation Service Company, Registered Agent
1201 Hayes Street
Tallahassee, FL 32301-2525

Timothy J. Lindquist, Paralegal
Wells Fargo Legal Department
90 South 7th Street, 17th Floor
Minneapolis, MN 55479
Timothy.j.lindquist@wellsfargo.com

Jonathan B. Morton, Esq.
K&L Gates
Southeast Financial Center, Suite 3900
200 South Biscayne Blvd.
Miami, FL 33131
Jonathan.morton@klgates.com

RESPONSE: The Corporate Monitor objects to Request No. 2 of the Request on the basis that all documents received from Wells Fargo Bank, N.A. in response to the *Supplemental Subpoena Duces Tecum Without Deposition* dated November 19, 2021, directed to Wells Fargo Bank, N.A., are governed by the Protective Order. To the extent that the Intervenor obtain a stipulation from Wells Fargo Bank, N.A., or such other document or order of the Court authorizing and/or directing the Corporate Monitor to produce discovery materials subject of the Protective Order, the Corporate Monitor will produce to the Intervenor the documents in response to this Request.

REQUEST NO. 3 Legible copies of each and every document, record of information, object, video, and/or photographs provided to the Corporate Monitor's attorneys, in response to that certain *Subpoena Duces Tecum Without Deposition* dated September 29, 2021, and directed to:

First National Bank of Coffee County
d/b/a First National Bank Coastal Community (FNBCC)
301 Yamato Road, Suite 1111
Boca Raton, FL 33431

RESPONSE: The Corporate Monitor will produce to the Intervenor the documents received by the Corporate Monitor from First National Bank of Coffee County d/b/a First National Bank Coastal Community (FNBCC) in response to the *Subpoena Duces Tecum Without Deposition* dated September 29, 2021.

REQUEST NO. 4 Legible copies of each and every document, record of information, object, video, and/or photographs provided to the Corporate Monitor's attorneys, in response to that certain *Supplemental Subpoena Duces Tecum Without Deposition* dated November 12, 2021, and directed to:

First National Bank of Coffee County (FNBCC)
c/o Richard Pearlman, Esq.
Igler Pearlman, P.A.
2457 Care Drive, Suite 203
Tallahassee, FL 32308
Richard.pearlman@iglerlaw.com

RESPONSE: The Corporate Monitor will produce to the Intervenors the documents received by the Corporate Monitor from First National Bank of Coffee County (FNBCC) in response to the *Supplemental Subpoena Duces Tecum Without Deposition* dated November 12, 2021.

REQUEST NO. 5 Legible copies of each and every document, record of information, object, video, and/or photographs provided to the Corporate Monitor's attorneys, in response to that certain *Second Supplemental Subpoena Duces Tecum Without Deposition* dated April 14, 2022, and directed to:

First National Bank of Coffee County
d/b/a First National Bank of Coastal Community (FNBCC)
301 Yamato Road, Suite 1111
Boca Raton, FL 33431

First National Bank of Coffee County (FNBCC)
c/o Richard Pearlman, Esq.
Igler Pearlman, P.A.
2457 Care Drive, Suite 203
Tallahassee, FL 32308
Richard.pearlman@iglerlaw.com

RESPONSE: The Corporate Monitor will produce to the Intervenors the documents received by the Corporate Monitor from First National Bank of Coffee County (FNBCC) in response to the *Second Supplemental Subpoena Duces Tecum Without Deposition* dated April 14, 2022.

REQUEST NO. 6 Legible copies of each and every document, record of information, object, video, and/or photographs provided to the Corporate Monitor's attorneys, in response to that certain *Subpoena Duces Tecum Without Deposition* dated October 1, 2021, and directed to:

Coral Gables Collateral Agency, Inc.
f/k/a Coral Gables Title and Escrow, Inc.
Attn.: Jeffrey L. Baxter, Esq., Registered Agent
One Datran Center
9100 S. Dadeland Boulevard, Suite 700
Miami, FL 33156

RESPONSE: The Corporate Monitor does not have any documents in his possession produced by Coral Gables Collateral Agency, Inc.

REQUEST NO. 7 Legible copies of each and every document, record of information, object, video, and/or photographs provided to the Corporate Monitor's attorneys, in response to that

certain *Subpoena Duces Tecum Without Deposition* dated November 4, 2021, and directed to:

Brighthouse Life Insurance Company
Attn.: Chief Financial Officer, Registered Agent
200 Gaines Street
Tallahassee, FL 32399
Miami, FL 33156

RESPONSE: The Corporate Monitor does not have any documents in his possession produced by Brighthouse Life Insurance Company.

REQUEST NO. 8 Legible copies of each and every document, record of information, object, video, and/or photographs provided to the Corporate Monitor's attorneys, in response to that certain *Subpoena Duces Tecum Without Deposition* dated October 11, 2021, and directed to:

AXA Equitable Life Insurance Co.
Attn.: Tammy Blume
1290 Avenue of the Americas
New York, NY 10104
Tammy.blume@equitable.com

RESPONSE: The Corporate Monitor will produce to the Intervenors the documents received by the Corporate Monitor from AXA Equitable Life Insurance Co. in response to the *Subpoena Duces Tecum Without Deposition* dated October 11, 2021.

DATED: May 18, 2022

BERGER SINGERMAN LLP
Counsel for Corporate Monitor
525 Okeechobee Boulevard, Suite 1250
West Palm Beach, FL 33401
Tel. (561) 241-9500
Fax (561) 998-0028

By: /s/ Brian G. Rich

Brian G. Rich, FBN 38229
brich@bergersingerman.com
Gavin C. Gaukroger, FBN 76489
ggaukroger@bergersingerman.com
Michael J. Niles, FBN 107203
mniles@bergersingerman.com
DRT@bergersingerman.com

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on May 18, 2022, the foregoing was served by electronic transmission upon all parties listed below.

By: /s/ Brian G. Rich
Brian G. Rich

Bernard Charles Carollo, Jr., Esq.
John J. Truitt, Esq.
William Leve, Esq.
Vernon Litigation Group
8985 Fontana Del Sol Way
Naples, FL 34109
bcarollo@vernonlitigation.com
jtruitt@vernonlitigation.com
wleve@vernonlitigation.com
nzumaeta@vernonlitigation.com
Attorneys for Edwin and Karen Ezrine, Intervenors

COMPOSITE
EXHIBIT “B”

From: Brian Rich <BRich@bergersingerman.com>
Sent: Thursday, May 5, 2022 3:20 PM
To: Benny Carollo; Chris Vernon
Cc: Gavin Gaukroger; Daniel J. Stermer; Michael J. Niles
Subject: Ezrine: Documents Requested
Attachments: 2022_5_3 Collateral Assignments.pdf; 2022_5_3 Collateral Assignment - McDougal Policy Ending 1005.pdf; 2022_5_3 Securities Account Control and Custodian Agreement.pdf; 2022_5_3 Tripartite Entitlement Order.pdf; 2022_5_3 UCC Search Results - Teleios Related - From 9-30-2021 Search.pdf; 2022_5_3 CENTURIONSPVII Client Statement of Assets_2022-05-01.pdf; Assignment (Fairmarket-Centurion) McDougal 1005 10-30-14-signed.pdf; 03.05.15 McDougal # [REDACTED] 1005 Change of Owner and Beneficiary Confirmation.pdf; 05.08.15 McDougal # [REDACTED] 1005 Change of Owner and Beneficiary Confirmation.pdf; 13687-Owner & Bene Confirmation-2017.11.09.pdf; McDougal 1005 13687-Owner & Bene Confirmation-2018.10.01.pdf

Importance: High

Benny and Chris:

As an initial response, please see attached:

- [All Collateral Assignments for 61 policies](#)
- [Collateral Assignment for McDougal Policy ending 1005](#)
- [Teleios Securities Account Control and Custodian Agreement](#)
- [Teleios Tripartite Entitlement Order](#)
- [UCC Searches for All Entities](#)
- [Wells Fargo Statement of Assets as of 5/1/2022](#)
- [Assignment 10-30-14](#)
- [Change of Owner and Beneficiary Confirmation 3/5/2015](#)
- [Change of Owner and Beneficiary Confirmation 5/8/2015](#)
- [Owner and Beneficiary Confirmation 11/9/2017](#)
- [Owner and Beneficiary Confirmation 10/1/2018](#)

We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Again, as a fiduciary unravelling this difficult situation, we are very sympathetic to the fact that your clients believed that they had a security interest in the specific Policy. Unfortunately for them, Teleios is clearly properly perfected. The position you are asserting is hindering the prospect of recovery for ALL creditors. The cloud created on the McDougal policy is creating an issue in the sale process and we will need to address that sooner rather than later. We remain open to a creative solution, but your client is similarly situated to many Noteholders.

Let us know if you have specific evidence to counter what we have provided herein or if we can get on a call in the next day or so to discuss.

Thanks

From: Benny Carollo <bcarollo@vernonlitigation.com>
Sent: Friday, May 6, 2022 10:22 AM
To: Brian Rich; Chris Vernon
Cc: Gavin Gaukroger; Daniel J. Stermer; Michael J. Niles
Subject: RE: Ezrine: Documents Requested
Attachments: Wells Fargo.pdf; Email from Brian Schwartz.pdf; 2019 Collateral Assignment.pdf; SCHEDULE 1 TO TRIPARTITE ORDER AND EXHIBIT A TO CUSTODIAN AGREEMENT.pdf

Good morning Brian,

Thank you for getting us the docs yesterday. We are working on putting something together for you guys with respect to the validity of the Ezrines' claims and will hopefully have it to you early next week. In the meantime, I'd like to draw your attention to a few things.

First, in "Exhibit A" to the Corporate monitor's Motion for Entry of Order Approving a Marketing Process (Doc. No. 77 at Exhibit A), there appears to be in the Centurion portfolio three (3) separate life insurance policies all issued on the same day by Security Life of Denver and all three with a face value of \$10 Million. We believe that each of those policies are insuring the life of Delbert McDougal and request that you send an unredacted version of the Centurion Portfolio with the Policies Numbers so that we can confirm this.

Based on "Schedule 1" to the Tripartite Entitlement Order and "Exhibit A" ("Policy Schedule") to the Securities Account Control and Custodian Agreement, it appears that Teleios and/or Wells Fargo only have control over/are entitled to collect on two of the three McDougal policies. The other policy, however, is not included in any of the documents and/or agreements that you sent to us yesterday (although we are still reviewing). Notably, the third McDougal policy is included in at least two of the Ezrines' security agreements and collateral assignments and supports the statements made to the Ezrines by Brian Schwartz that Centurion ISG Services, LLC, was utilized purely for the purposes of the Ezrines' agreements and with the intent to provide the Ezrines with special protection from any other creditor, including Teleios.

Attached to this email are a few documents in support (and we will send over more next week):

- (1) A copy of an email and attached Centurion SPV II Statement of Assets from Wells Fargo dated August 1, 2019, which includes, inter alia, the following life insurance policy:

Asset ID: [REDACTED] 8036
Insured: McDougal
Carrier: Security Life of Denver Insurance Company
Face Amount: \$10,000,000.00

- (2) A copy of Schedule 1 to the Tripartite Entitlement Order and Exhibit A to the Securities Account Control and Custodian Agreement, neither of which include the above-mentioned McDougal policy.
- (3) A copy of an email from Brian Schwartz to Dr. Ezrine stating that Centurion ISG Services, LLC, was uniquely assigned the third McDougal policy and no other creditor.
- (4) A copy of one of the 2019 collateral assignments specifically collateralizing the third McDougal Policy (which to our knowledge is not included in any agreements between Wells Fargo, Centurion SPV II, and Teleios).

Again, if you can send us an unredacted version of the Centurion Portfolio, or at least an unredacted version with respect to policies issued by Security life of Denver, it will likely help us finalize our analysis and to get this issue resolved sooner rather than later. And, in the meantime, please feel free to call Chris or myself if you'd like to discuss this email or anything else before we send you over our draft and exhibits next week.

Sincerely,

Bernard Charles Carollo, Jr.



8985 Fontana Del Sol Way

Naples, FL 34109

Phone: (239) 649-5390

Cell: (850) 420-4846

Fax: (239) 325-1892

www.vernonlitigation.com

bcarollo@vernonlitigation.com

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From: [Brian Rich](#)

Sent: Thursday, May 5, 2022 3:26 PM

To: [Benny Carollo](#); [Chris Vernon](#)

Cc: [Gavin Gaukroger](#); [Daniel J. Stermer](#); [Michael J. Niles](#)

Subject: Ezrine: Documents Requested

Importance: High

Benny and Chris:

As an initial response, please see attached:

- All Collateral Assignments for 61 policies
- Collateral Assignment for McDougal Policy ending 1005
- Teleios Securities Account Control and Custodian Agreement
- Teleios Tripartite Entitlement Order
- UCC Searches for All Entities
- Wells Fargo Statement of Assets as of 5/1/2022

- Assignment 10-30-14
- Change of Owner and Beneficiary Confirmation 3/5/2015
- Change of Owner and Beneficiary Confirmation 5/8/2015
- Owner and Beneficiary Confirmation 11/9/2017
- Owner and Beneficiary Confirmation 10/1/2018

We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Again, as a fiduciary unravelling this difficult situation, we are very sympathetic to the fact that your clients believed that they had a security interest in the specific Policy. Unfortunately for them, Teleios is clearly properly perfected. The position you are asserting is hindering the prospect of recovery for ALL creditors. The cloud created on the McDougal policy is creating an issue in the sale process and we will need to address that sooner rather than later. We remain open to a creative solution, but your client is similarly situated to many Noteholders.

Let us know if you have specific evidence to counter what we have provided herein or if we can get on a call in the next day or so to discuss.

Thanks

 **Brian Rich**
D: (850)521-6725 | M: (786)427-7511
bergersingerman.com

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From: Daniel J. Stermer <DStermer@DSIConsulting.com>
Sent: Friday, May 6, 2022 2:33 PM
To: Benny Carollo; Brian Rich; Chris Vernon
Cc: Daniel J. Stermer; Gavin Gaukroger; Michael J. Niles; Taylor F. Caruso
Subject: RE: Ezrine: Documents Requested
Attachments: SPV Contribution Agreement.pdf; 2022_5_6 McDougal8036
_Teleios_CA_Confirmation-2019.03.11.pdf; 2022_5_6 McDougal [REDACTED] 8036 Change of
Ownership at Carrier.pdf; 2022_5_3 CENTURIONSPVII Client Statement of Assets_
2022-05-01.pdf

Thank you Benny for your follow up of earlier today – I have inserted my comments and responses below where appropriate with yours and have attached a number of documents, all of which relate to the McDougal Policy Ending 8036 as you have raised.

The Collateral Assignment you provided in your email is dated August 29, 2019 which purports to be an assignment related to the McDougal Policy Ending 8036.

As Brian wrote yesterday: We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Once you and Chris have had an opportunity to review, we would appreciate your prompt follow up.

Thank you in advance for your continued assistance. . .

Daniel J. Stermer
Managing Director
Development Specialists, Inc.
500 W. Cypress Creek Road, Suite 400
Fort Lauderdale, Florida 33309
O: 305-374-2717
D: 954-666-7881
C: 954-205-9195
E: DStermer@DSIConsulting.com
W: www.DSIConsulting.com

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Any incoming reply to this email communication or other email communication to us will be filtered for "spam" and/or "viruses." That filtering process may result in such reply or other email communication to us being quarantined (i.e., potentially not received at our site at all) and/or delayed in reaching us. For that reason, we cannot guarantee that we will receive your reply or other email communications to us and/or that we will receive same in a timely manner. Accordingly, you should consider sending communications to us which are particularly important or time-sensitive by means in addition to and/or other than email.

From: Benny Carollo <bcarollo@vernonlitigation.com>
Sent: Friday, May 6, 2022 10:22 AM
To: Brian Rich <BRich@bergersingerman.com>; Chris Vernon <cvernon@vernonlitigation.com>
Cc: Gavin Gaukroger <ggaukroger@bergersingerman.com>; Daniel J. Stermer <DStermer@DSIConsulting.com>; Michael J. Niles <MNiles@bergersingerman.com>
Subject: RE: Ezrine: Documents Requested

Good morning Brian,

Thank you for getting us the docs yesterday. We are working on putting something together for you guys with respect to the validity of the Ezrines' claims and will hopefully have it to you early next week. In the meantime, I'd like to draw your attention to a few things.

First, in "Exhibit A" to the Corporate monitor's Motion for Entry of Order Approving a Marketing Process (Doc. No. 77 at Exhibit A), there appears to be in the Centurion portfolio three (3) separate life insurance policies all issued on the same day by Security Life of Denver and all three with a face value of \$10 Million. We believe that each of those policies are insuring the life of Delbert McDougal and request that you send an unredacted version of the Centurion Portfolio with the Policies Numbers so that we can confirm this. [We can confirm that there are 3 McDougal Policies, each with a net face death benefit of \\$10,000,000.00 – Policies Ending 1005, 3922, and 8036](#)

Based on "Schedule 1" to the Tripartite Entitlement Order and "Exhibit A" ("Policy Schedule") to the Securities Account Control and Custodian Agreement, it appears that Teleios and/or Wells Fargo only have control over/are entitled to collect on two of the three McDougal policies. The other policy, however, is not included in any of the documents and/or agreements that you sent to us yesterday (although we are still reviewing). Notably, the third McDougal policy is included in at least two of the Ezrines' security agreements and collateral assignments and supports the statements made to the Ezrines by Brian Schwartz that Centurion ISG Services, LLC, was utilized purely for the purposes of the Ezrines' agreements and with the intent to provide the Ezrines with special protection from any other creditor, including Teleios. [The Wells Fargo Statement of Assets lists the 3 McDougal policies on page 3 of 8 – Policies Ending 1055, 3922, and 8036](#)

Attached to this email are a few documents in support (and we will send over more next week):

- (1) A copy of an email and attached Centurion SPV II Statement of Assets from Wells Fargo dated August 1, 2019, which includes, inter alia, the following life insurance policy:

Asset ID: [REDACTED] 8036
Insured: McDougal
Carrier: Security Life of Denver Insurance Company
Face Amount: \$10,000,000.00

- (2) A copy of Schedule 1 to the Tripartite Entitlement Order and Exhibit A to the Securities Account Control and Custodian Agreement, neither of which include the above-mentioned McDougal policy. [Policies were transferred to Teleios in Phases and the Tripartite Entitlement Order provided was for Phase 1 transfers to Teleios and the McDougal Policy Ending 8036 was part of Phase 2 and was to transferred to Teleios in early 2019 – there was the SPV Contribution Agreement dated December 14, 2018 which has Exhibit A-1 "Policies to be Transferred On the Initial Closing Date" and Exhibit A-2 "Policies to be Transferred On the Additional Closing Date" which included the McDougal Policy ending 8036 – see attached.](#)
- (3) A copy of an email from Brian Schwartz to Dr. Ezrine stating that Centurion ISG Services, LLC, was uniquely assigned the third McDougal policy and no other creditor.
- (4) A copy of one of the 2019 collateral assignments specifically collateralizing the third McDougal Policy (which to our knowledge is not included in any agreements between Wells Fargo, Centurion SPV II, and Teleios). [See attached Collateral Assignment and Confirmation – also please see Change of Ownership at Carrier for McDougal Policy Ending 8036 dated January 2019.](#)

Again, if you can send us an unredacted version of the Centurion Portfolio, or at least an unredacted version with respect to policies issued by Security life of Denver, it will likely help us finalize our analysis and to get this issue resolved sooner rather than later. And, in the meantime, please feel free to call Chris or myself if you'd like to discuss this email or anything else before we send you over our draft and exhibits next week.

Sincerely,

Bernard Charles Carollo, Jr.



8985 Fontana Del Sol Way

Naples, FL 34109

Phone: (239) 649-5390

Cell: (850) 420-4846

Fax: (239) 325-1892

www.vernonlitigation.com

bcarollo@vernonlitigation.com

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From: [Brian Rich](#)

Sent: Thursday, May 5, 2022 3:26 PM

To: [Benny Carollo](#); [Chris Vernon](#)

Cc: [Gavin Gaukroger](#); [Daniel J. Stermer](#); [Michael J. Niles](#)

Subject: Ezrine: Documents Requested

Importance: High

Benny and Chris:

As an initial response, please see attached:

- All Collateral Assignments for 61 policies
- Collateral Assignment for McDougal Policy ending 1005
- Teleios Securities Account Control and Custodian Agreement
- Teleios Tripartite Entitlement Order
- UCC Searches for All Entities
- Wells Fargo Statement of Assets as of 5/1/2022
- Assignment 10-30-14
- Change of Owner and Beneficiary Confirmation 3/5/2015
- Change of Owner and Beneficiary Confirmation 5/8/2015
- Owner and Beneficiary Confirmation 11/9/2017
- Owner and Beneficiary Confirmation 10/1/2018

We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Again, as a fiduciary unravelling this difficult situation, we are very sympathetic to the fact that your clients believed that they had a security interest in the specific Policy. Unfortunately for them, Teleios is clearly properly perfected. The position you are asserting is hindering the prospect of recovery for ALL creditors. The cloud created on the McDougal policy is creating an issue in the sale process and we will need to address that sooner rather than later. We remain open to a creative solution, but your client is similarly situated to many Noteholders.

Let us know if you have specific evidence to counter what we have provided herein or if we can get on a call in the next day or so to discuss.

Thanks

 **Brian Rich**
D: (850)521-6725 | M: (786)427-7511
bergersingerman.com

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From: Benny Carollo <bcarollo@vernonlitigation.com>
Sent: Monday, May 9, 2022 9:27 AM
To: Daniel J. Stermer; Brian Rich
Cc: Gavin Gaukroger; Michael J. Niles; Taylor F. Caruso; Chris Vernon; John J. Truitt
Subject: RE: Ezrine: Documents Requested
Attachments: ASSET ID.pdf

Good morning Daniel and Brian,

I have a few follow up questions that are hopefully easy to answer. I plan on having something to send over with respect to the Ezrines' position and validity of their claim within the next day or two.

First, it appears that the policies in the first chart in the attached PDF are missing collateral assignments for Teleios. Can you please forward those documents to us when you get the chance?

Second, the chart at the bottom of the attached PDF shows policies for which Teleios does have a collateral assignment but are not included in the Centurion SPV II portfolio. Can you advise as to where those policies are/went?

Last, based on the Notice received from Teleios on Friday, it appears they plan to move forward with disposing of the policies sooner rather than later. Will Marshal Seeman still have a chance to extend the date 30 days? Also, is there a reason why Teleios only sent the notice to the Ezrines and Prime Short Term Credit and not to all the other investors?

Sincerely,

Bernard Charles Carollo, Jr.



8985 Fontana Del Sol Way
Naples, FL 34109
Phone: (239) 649-5390
Cell: (850) 420-4846
Fax: (239) 325-1892

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From: [Daniel J. Stermer](#)
Sent: Friday, May 6, 2022 2:33 PM
To: [Benny Carollo](#); [Brian Rich](#); [Chris Vernon](#)
Cc: [Daniel J. Stermer](#); [Gavin Gaukroger](#); [Michael J. Niles](#); [Taylor F. Caruso](#)
Subject: RE: Ezrine: Documents Requested

Thank you Benny for your follow up of earlier today – I have inserted my comments and responses below where appropriate with yours and have attached a number of documents, all of which relate to the McDougal Policy Ending 8036 as you have raised.

The Collateral Assignment you provided in your email is dated August 29, 2019 which purports to be an assignment related to the McDougal Policy Ending 8036.

As Brian wrote yesterday: We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Once you and Chris have had an opportunity to review, we would appreciate your prompt follow up.

Thank you in advance for your continued assistance. . .

Daniel J. Stermer
Managing Director
Development Specialists, Inc.
500 W. Cypress Creek Road, Suite 400
Fort Lauderdale, Florida 33309
O: 305-374-2717
D: 954-666-7881
C: 954-205-9195
E: DStermer@DSIConsulting.com
W: www.DSIConsulting.com

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Any incoming reply to this email communication or other email communication to us will be filtered for "spam" and/or "viruses." That filtering process may result in such reply or other email communication to us being quarantined (i.e., potentially not received at our site at all) and/or delayed in reaching us. For that reason, we cannot guarantee that we will receive your reply or other email communications in a timely manner. Accordingly, you should consider sending communications to us which are particularly important or time-sensitive by means in addition to and/or other than email.

From: Benny Carollo <bcarollo@vernonlitigation.com>
Sent: Friday, May 6, 2022 10:22 AM
To: Brian Rich <BRich@bergersingerman.com>; Chris Vernon <cvernon@vernonlitigation.com>
Cc: Gavin Gaukroger <ggaukroger@bergersingerman.com>; Daniel J. Stermer <DStermer@DSIConsulting.com>; Michael J. Niles <MNiles@bergersingerman.com>
Subject: RE: Ezrine: Documents Requested

Good morning Brian,

Thank you for getting us the docs yesterday. We are working on putting something together for you guys with respect to the validity of the Ezrines' claims and will hopefully have it to you early next week. In the meantime, I'd like to draw your attention to a few things.

First, in "Exhibit A" to the Corporate monitor's Motion for Entry of Order Approving a Marketing Process (Doc. No. 77 at Exhibit A), there appears to be in the Centurion portfolio three (3) separate life insurance policies all issued on the same

day by Security Life of Denver and all three with a face value of \$10 Million. We believe that each of those policies are insuring the life of Delbert McDougal and request that you send an unredacted version of the Centurion Portfolio with the Policies Numbers so that we can confirm this. [We can confirm that there are 3 McDougal Policies, each with a net face death benefit of \\$10,000,000.00 – Policies Ending 1005, 3922, and 8036](#)

Based on “Schedule 1” to the Tripartite Entitlement Order and “Exhibit A” (“Policy Schedule”) to the Securities Account Control and Custodian Agreement, it appears that Teleios and/or Wells Fargo only have control over/are entitled to collect on two of the three McDougal policies. The other policy, however, is not included in any of the documents and/or agreements that you sent to us yesterday (although we are still reviewing). Notably, the third McDougal policy is included in at least two of the Ezrines’ security agreements and collateral assignments and supports the statements made to the Ezrines by Brian Schwartz that Centurion ISG Services, LLC, was utilized purely for the purposes of the Ezrines’ agreements and with the intent to provide the Ezrines with special protection from any other creditor, including Teleios. [The Wells Fargo Statement of Assets lists the 3 McDougal policies on page 3 of 8 – Policies Ending 1055, 3922, and 8036](#)

Attached to this email are a few documents in support (and we will send over more next week):

- (1) A copy of an email and attached Centurion SPV II Statement of Assets from Wells Fargo dated August 1, 2019, which includes, inter alia, the following life insurance policy:

Asset ID: [REDACTED] 8036
Insured: McDougal
Carrier: Security Life of Denver Insurance Company
Face Amount: \$10,000,000.00

- (2) A copy of Schedule 1 to the Tripartite Entitlement Order and Exhibit A to the Securities Account Control and Custodian Agreement, neither of which include the above-mentioned McDougal policy. [Policies were transferred to Teleios in Phases and the Tripartite Entitlement Order provided was for Phase 1 transfers to Teleios and the McDougal Policy Ending 8036 was part of Phase 2 and was to be transferred to Teleios in early 2019 – there was the SPV Contribution Agreement dated December 14, 2018 which has Exhibit A-1 “Policies to be Transferred On the Initial Closing Date” and Exhibit A-2 “Policies to be Transferred On the Additional Closing Date” which included the McDougal Policy ending 8036 – see attached.](#)
- (3) A copy of an email from Brian Schwartz to Dr. Ezrine stating that Centurion ISG Services, LLC, was uniquely assigned the third McDougal policy and no other creditor.
- (4) A copy of one of the 2019 collateral assignments specifically collateralizing the third McDougal Policy (which to our knowledge is not included in any agreements between Wells Fargo, Centurion SPV II, and Teleios). [See attached Collateral Assignment and Confirmation – also please see Change of Ownership at Carrier for McDougal Policy Ending 8036 dated January 2019.](#)

Again, if you can send us an unredacted version of the Centurion Portfolio, or at least an unredacted version with respect to policies issued by Security Life of Denver, it will likely help us finalize our analysis and to get this issue resolved sooner rather than later. And, in the meantime, please feel free to call Chris or myself if you’d like to discuss this email or anything else before we send you over our draft and exhibits next week.

Sincerely,

Bernard Charles Carollo, Jr.



8985 Fontana Del Sol Way

Naples, FL 34109

Phone: (239) 649-5390

Cell: (850) 420-4846

Fax: (239) 325-1892

www.vernonlitigation.com

bcarollo@vernonlitigation.com

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From: [Brian Rich](#)

Sent: Thursday, May 5, 2022 3:26 PM

To: [Benny Carollo](#); [Chris Vernon](#)

Cc: [Gavin Gaukroger](#); [Daniel J. Stermer](#); [Michael J. Niles](#)

Subject: Ezrine: Documents Requested

Importance: High

Benny and Chris:

As an initial response, please see attached:

- All Collateral Assignments for 61 policies
- Collateral Assignment for McDougal Policy ending 1005
- Teleios Securities Account Control and Custodian Agreement
- Teleios Tripartite Entitlement Order
- UCC Searches for All Entities
- Wells Fargo Statement of Assets as of 5/1/2022
- Assignment 10-30-14
- Change of Owner and Beneficiary Confirmation 3/5/2015
- Change of Owner and Beneficiary Confirmation 5/8/2015
- Owner and Beneficiary Confirmation 11/9/2017
- Owner and Beneficiary Confirmation 10/1/2018

We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Again, as a fiduciary unravelling this difficult situation, we are very sympathetic to the fact that your clients believed that they had a security interest in the specific Policy. Unfortunately for them, Teleios is clearly properly perfected. The position you are asserting is hindering the prospect of recovery for ALL creditors. The cloud created on the McDougal policy is creating an issue in the sale process and we will need to address that sooner rather than later. We remain open to a creative solution, but your client is similarly situated to many Noteholders.

Let us know if you have specific evidence to counter what we have provided herein or if we can get on a call in the next day or so to discuss.

Thanks

 **Brian Rich**
D: (850)521-6725 | M: (786)427-7511
bergersingerman.com

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From: Daniel J. Stermer <DStermer@DSIConsulting.com>
Sent: Monday, May 9, 2022 11:28 AM
To: Benny Carollo; Brian Rich
Cc: Daniel J. Stermer; Gavin Gaukroger; Michael J. Niles; Taylor F. Caruso; Chris Vernon; John J. Truitt
Subject: RE: Ezrine: Documents Requested
Attachments: 2022_5_9 Additional CAs For Ezrine - Teleios CA.zip

Benny – thank you for your follow up of earlier today regarding the Ezrine purported claim to Policy Ending 1005 and then your subsequent requests related to Policy Ending 8036 – we believe that our communications to date, including ours of Friday wherein we provided you additional information and documentation related to Policy Ending 8036 should resolve the issues related to both Policies Ending 1005 and 8036.

I would request that you respond directly to whether the documents we have provided to date resolve your claim that Dr. Ezrine has an interest in either the Policy Ending 1005 and/or Policy Ending 8036 – we believe that we have.

You have now requested additional information and documentation that are outside of the policies referenced regarding Dr. Ezrine – while we believe that these are outside of your Client’s potential claim, we provide same in the interest of providing you with responsive documents so you can see them all and that Teleios has perfected its interest in all of the Policies that make up the Centurion Portfolio – in response, please see attached zip folder with balance of Collateral Assignments and/or Verifications which show that Wells Fargo is the Owner that line up with the top portion of your pdf attached to your email earlier this morning – I will forward the 4 remaining Collateral Assignments a bit later but I can assure you they are in the name of Teleios for the Lax, Sasseville, Levin, and Kreindler Policies.

As to the policies you reference at the bottom of your pdf:

1827	ADAMS	Security Life of Denver	\$1,000,000	This Insured Matured
0275	BLANK	America Life Ins. Corp.	\$5,000,000	This Policy was Sold
9490	DIMMERMAN	Pacific Life Insurance Company	\$2,000,000	This Policy was Sold
4097	GOING	General American Life Ins. Co.	\$5,000,000	This Policy was Sold
3089	YAKOVAKIS	Transamerica Life Ins. Co.	\$8,500,000	This Policy was Sold

As for your question regarding the Teleios Notice, their Auction Date, June 2, 2022, is after the date which we have set to receive Qualified Bids and their Auction would proceed **IF** we did not receive any qualified bids by the deadline by which they are due which is May 26, 2022 and our Auction Date is set for June 1, 2022 – again, their date is set for June 2, 2022 and the Notice continues, in the next paragraph: “The Secured Parties reserve the right to adjourn the Auction to such time and place as the Secured Parties, in their sole discretion, may deem fit, or to cancel the Auction in its entirety, without notice to the Borrower or any other party. The terms of sale set forth in this Notice may be subject to additional or amended terms to be announced at the time thereof.” So, Teleios may be able to proceed to foreclosure on June 2, 2022 **IF** there are no qualified bids by the required deadline – if there are qualified bids, Teleios will adjourn their auction.

As Brian wrote last week and I again asked on Friday: **We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios’s holds the superior perfected position in the policy.**

We have accommodated every request you have made regarding the Ezrine issue and even those beyond the scope of the Ezrine issue in an effort to give you comfort as to the Teleios secured/perfected interest in the Centurion Portfolio.

I respectfully request you respond directly to the bolded request above today as your continued actions are clouding the title to the McDougal Policy at a time when we are trying to maximize values and your actions are diminishing such value in the marketplace – this is detrimental to All Noteholders, including Dr. Ezrine, in this matter and we reserve our rights regarding same should you continue to not respond to our request.

Thank you in advance for your prompt response.

Daniel J. Stermer

Managing Director
Development Specialists, Inc.
500 W. Cypress Creek Road, Suite 400
Fort Lauderdale, Florida 33309
O: 305-374-2717
D: 954-666-7881
C: 954-205-9195
E: Dstermer@DSIConsulting.com
W: www.DSIConsulting.com

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Any incoming reply to this email communication or other email communication to us will be filtered for "spam" and/or "viruses." That filtering process may result in such reply or other email communication to us being quarantined (i.e., potentially not received at our site at all) and/or delayed in reaching us. For that reason, we cannot guarantee that we will receive your reply or other email communications to us and/or that we will receive same in a timely manner. Accordingly, you should consider sending communications to us which are particularly important or time-sensitive by means in addition to and/or other than email.

From: Benny Carollo <bcarollo@vernonlitigation.com>
Sent: Monday, May 9, 2022 9:27 AM
To: Daniel J. Stermer <Dstermer@DSIConsulting.com>; Brian Rich <BRich@bergersingerman.com>
Cc: Gavin Gaukroger <ggaukroger@bergersingerman.com>; Michael J. Niles <MNiles@bergersingerman.com>; Taylor F. Caruso <tcaruso@DSIConsulting.com>; Chris Vernon <cvernon@vernonlitigation.com>; John J. Truitt <jtruitt@vernonlitigation.com>
Subject: RE: Ezrine: Documents Requested

Good morning Daniel and Brian,

I have a few follow up questions that are hopefully easy to answer. I plan on having something to send over with respect to the Ezrines' position and validity of their claim within the next day or two.

First, it appears that the policies in the first chart in the attached PDF are missing collateral assignments for Teleios. Can you please forward those documents to us when you get the chance?

Second, the chart at the bottom of the attached PDF shows policies for which Teleios does have a collateral assignment but are not included in the Centurion SPV II portfolio. Can you advise as to where those policies are/went?

Last, based on the Notice received from Teleios on Friday, it appears they plan to move forward with disposing of the policies sooner rather than later. Will Marshal Seeman still have a chance to extend the date 30 days? Also, is there a reason why Teleios only sent the notice to the Ezrines and Prime Short Term Credit and not to all the other investors?

Sincerely,

Bernard Charles Carollo, Jr.



8985 Fontana Del Sol Way

Naples, FL 34109
Phone: (239) 649-5390
Cell: (850) 420-4846
Fax: (239) 325-1892
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From: [Daniel J. Stermer](#)
Sent: Friday, May 6, 2022 2:33 PM
To: [Benny Carollo](#); [Brian Rich](#); [Chris Vernon](#)
Cc: [Daniel J. Stermer](#); [Gavin Gaukroger](#); [Michael J. Niles](#); [Taylor F. Caruso](#)
Subject: RE: Ezrine: Documents Requested

Thank you Benny for your follow up of earlier today – I have inserted my comments and responses below where appropriate with yours and have attached a number of documents, all of which relate to the McDougal Policy Ending 8036 as you have raised.

The Collateral Assignment you provided in your email is dated August 29, 2019 which purports to be an assignment related to the McDougal Policy Ending 8036.

As Brian wrote yesterday: We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Once you and Chris have had an opportunity to review, we would appreciate your prompt follow up.

Thank you in advance for your continued assistance. . .

Daniel J. Stermer
Managing Director
Development Specialists, Inc.
500 W. Cypress Creek Road, Suite 400
Fort Lauderdale, Florida 33309
O: 305-374-2717
D: 954-666-7881
C: 954-205-9195
E: DStermer@DSIConsulting.com
W: www.DSIConsulting.com

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From: Benny Carollo <bcarollo@vernonlitigation.com>
Sent: Friday, May 6, 2022 10:22 AM
To: Brian Rich <BRich@bergersingerman.com>; Chris Vernon <cvernon@vernonlitigation.com>
Cc: Gavin Gaukroger <ggaukroger@bergersingerman.com>; Daniel J. Stermer <DStermer@DSIConsulting.com>; Michael

Good morning Brian,

Thank you for getting us the docs yesterday. We are working on putting something together for you guys with respect to the validity of the Ezrines' claims and will hopefully have it to you early next week. In the meantime, I'd like to draw your attention to a few things.

First, in "Exhibit A" to the Corporate monitor's Motion for Entry of Order Approving a Marketing Process (Doc. No. 77 at Exhibit A), there appears to be in the Centurion portfolio three (3) separate life insurance policies all issued on the same day by Security Life of Denver and all three with a face value of \$10 Million. We believe that each of those policies are insuring the life of Delbert McDougal and request that you send an unredacted version of the Centurion Portfolio with the Policies Numbers so that we can confirm this. [We can confirm that there are 3 McDougal Policies, each with a net face death benefit of \\$10,000,000.00 – Policies Ending 1005, 3922, and 8036](#)

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Attached to this email are a few documents in support (and we will send over more next week):

- (1) A copy of an email and attached Centurion SPV II Statement of Assets from Wells Fargo dated August 1, 2019, which includes, inter alia, the following life insurance policy:

Asset ID: [REDACTED] 8036
Insured: McDougal
Carrier: Security Life of Denver Insurance Company
Face Amount: \$10,000,000.00

- (2) A copy of Schedule 1 to the Tripartite Entitlement Order and Exhibit A to the Securities Account Control and Custodian Agreement, neither of which include the above-mentioned McDougal policy. [Policies were transferred to Teleios in Phases and the Tripartite Entitlement Order provided was for Phase 1 transfers to Teleios and the McDougal Policy Ending 8036 was part of Phase 2 and was to be transferred to Teleios in early 2019 – there was the SPV Contribution Agreement dated December 14, 2018 which has Exhibit A-1 "Policies to be Transferred On the Initial Closing Date" and Exhibit A-2 "Policies to be Transferred On the Additional Closing Date" which included the McDougal Policy ending 8036 – see attached.](#)
- (3) A copy of an email from Brian Schwartz to Dr. Ezrine stating that Centurion ISG Services, LLC, was uniquely assigned the third McDougal policy and no other creditor.
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Again, if you can send us an unredacted version of the Centurion Portfolio, or at least an unredacted version with respect to policies issued by Security life of Denver, it will likely help us finalize our analysis and to get this issue resolved sooner rather than later. And, in the meantime, please feel free to call Chris or myself if you'd like to discuss this email or anything else before we send you over our draft and exhibits next week.

Sincerely,

Bernard Charles Carollo, Jr.



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From: [Brian Rich](#)

Sent: Thursday, May 5, 2022 3:26 PM

To: [Benny Carollo](#); [Chris Vernon](#)

Cc: [Gavin Gaukroger](#); [Daniel J. Stermer](#); [Michael J. Niles](#)

Subject: Ezrine: Documents Requested

Importance: High

Benny and Chris:

As an initial response, please see attached:

- All Collateral Assignments for 61 policies
- Collateral Assignment for McDougal Policy ending 1005
- Teleios Securities Account Control and Custodian Agreement
- Teleios Tripartite Entitlement Order
- UCC Searches for All Entities
- Wells Fargo Statement of Assets as of 5/1/2022
- Assignment 10-30-14

- [Change of Owner and Beneficiary Confirmation 3/5/2015](#)
- [Change of Owner and Beneficiary Confirmation 5/8/2015](#)
- [Owner and Beneficiary Confirmation 11/9/2017](#)
- [Owner and Beneficiary Confirmation 10/1/2018](#)

We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Again, as a fiduciary unravelling this difficult situation, we are very sympathetic to the fact that your clients believed that they had a security interest in the specific Policy. Unfortunately for them, Teleios is clearly properly perfected. The position you are asserting is hindering the prospect of recovery for ALL creditors. The cloud created on the McDougal policy is creating an issue in the sale process and we will need to address that sooner rather than later. We remain open to a creative solution, but your client is similarly situated to many Noteholders.

Let us know if you have specific evidence to counter what we have provided herein or if we can get on a call in the next day or so to discuss.

Thanks

 **Brian Rich**
D: (850)521-6725 | M: (786)427-7511
bergersingerman.com

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From: Brian Rich <BRich@bergersingerman.com>
Sent: Wednesday, May 11, 2022 2:19 PM
To: Daniel J. Stermer; Chris Vernon
Cc: John J. Truitt; Nicole Zumaeta; Benny Carollo; Brian Rich
Subject: RE: Ezrine: Next Steps
Attachments: Attachments.html

Chris:

In anticipation for our call we transmit the attached documents and set forth in detail the specific disagreements we have with some of the positions that you are taking. We will start with what we have said from the beginning, we appreciate that your client did not get what they thought they were getting and likely has significant claims against one or more of the Consenting Corporate Defendants and likely others. Some of those claims could be for fraud and we leave it to you to sort out how to best assert those claims and against whom they should be asserted. Please be mindful of the Stay that exists in the September 14, 2021 Agreed Consent Order as to the Consenting Corporate Defendants.

We have asked you multiple times to show us how and where your client is properly perfected in the McDougal policy ending 1005. We have been forthcoming and responsive with documents, yet when we ask you for the same courtesy, it feels like that fundamental question is being ignored. It cannot be denied that there is a properly perfected secured creditor (Teleios) and that they have funded and continue to fund the premiums for the policies. Your clients, unfortunately, are not perfected, and it does not appear that they made any effort to do so, and didn't pay premiums related to the policies. If you have evidence that supports otherwise or which supports the position that they should be superior in "perfected priority" to Teleios, we have asked that you share that. To date, despite our repeated requests you have not done so.

We raise these points not to be argumentative, but to stress the fact that Mr. Stermer is a Fiduciary who needs to act in the best interest of ALL the creditors. If you feel that doing so is contrary to your clients best interest then you are free to assert that position. Again, we have tried to be sympathetic, understanding and transparent about your client's plight but also about our fiduciary duty to ALL Noteholders and other creditors in this matter.

The fiduciary duty to all creditors calls for the refinance/sales process which the court approved. Absent that process, it is most likely that all the policies would have been lost to Teleios in foreclosure. That would not benefit ALL creditors and would be detrimental to your client and all Noteholders. We are now looking at the prospect of bringing value into the estate for ALL and we do take issue with any action(s) that may put that at risk.

We have thoughts on an interim resolution, which we can discuss, but frankly we feel as if you are not being understanding or appreciative of our position as a fiduciary and since we are simply not agreeing that your client can get paid a "priority position" that somehow you want to take shots or impugn the efforts of the Monitor and his efforts for all creditors. As you know from our previous discussions, we resolved other creditor(s) objections before the hearing by sharing information and documentation like we have with you. We hope that is not the case. See below for more specifics and we look forward to speaking at 2:30.

In an effort to focus on the Ezrine issues:

- August 23, 2017 Promissory Note and Security Agreement
 - Between: Vantage Retirement Plans FBO Edward Ezrine ("Lender") and Centurion ISG Services, LLC ("Borrower")
 - Policy: [REDACTED] 1005/Voya Life Insurance Company/Delbert G. McDougal

- Policy █████1005 was obtained via an Assignment and Sale Agreement dated October 30, 2014 between FairMarket Life Settlement Corp and **Centurion Insurance Services Group**.
- Policy █████1005 Teleios Collateral Assignment dated December 13, 2018 and confirmed by VOYA on December 14, 2018 as to assignment to Teleios
- December 13, 2018 Teleios Credit Agreement and PUPA entered into
 - Done in Phases starting December 13, 2018 and early 2019
 - Collateral Assignments for all Policies in Portfolio
 - Between: **Centurion Funding SPV II, LLC** (“Borrower”) and Teleios LS Holdings V DE, LLC (“Lender”)
 - Guarantor: Centurion ISG Holding II, LLC
- August 23, 2019 Promissory Note, Security Agreement, and Collateral Assignment of Interest In Life Insurance Policy
 - Between: Vantage Retirement Plans FBO Edward Ezrine (“Lender”) and **Centurion ISG Services, LLC** (“Borrower”)
 - Policy: █████8036/Voya Life Insurance Company/Delbert G. McDougal
 - Policy █████8036 was obtained via an Assignment and Sale Agreement dated October 30, 2014 between FairMarket Life Settlement Corp and **Centurion Insurance Services Group**.
 - Policy █████8036 Teleios Collateral Assignment dated March 8, 2019 and confirmed by VOYA on March 11, 2019 as to assignment to Teleios

In the Corporate Monitor’s Initial Report, Section IV, The Consenting Corporate Defendants, Subsection C – Centurion and the Centurion Related Entities (Page 10) states:

Centurion Insurance Services Group, LLC (“Centurion”) is owned by Altrai Global, LLC a/k/a Altrai Holdings, LLC (“Altrai”), Valentino Global Holdings, LLC (“Valentino”), and Ameritonian Enterprises, LLC (“Ameritonian”). Altrai is owned by the Estate of Eric Holtz, Valentino is owned by Seeman, and Ameritonian is owned by Schwartz. Centurion was formed as an asset manager, consolidating the holdings and servicing of all life insurance policies acquired by the PPE’s through the use of financial institutions as securities intermediaries, as discussed below. Once Centurion was formed, the PPE’s began to provide funding to Centurion to purchase life insurance policies in the tertiary market and pay premiums on the policies. The “Centurion Related Entities” subject of the Monitorship are:

1. Centurion Funding SPVI, LLC (“CF SPVI”) previously owned certain life insurance policies and related single premium annuity contracts on the same insureds, is owned in part by Centurion ISG Holdings, LLC (“CISG Holdings”).
2. Centurion ISG Holdings II, LLC (“CISG Holdings II”) is part of the Teleios credit facility and is the guarantor to the various Teleios Agreements.
3. Centurion Funding SPVII, LLC (“CF SPVII”) is an entitlement holder to insurance policies which are the subject policies for Centurion’s credit facility.
4. Centurion ISG (Europe), Ltd., (“CISG Europe”) was the original owner of the insurance policies and is no longer in operations. CF SPVII which is affiliated with Centurion’s credit facility which pays premiums on the insurance policies, has taken its place.
5. Centurion ISG Services, LLC (“CISG Services”) was set up to be the servicer to Centurion to pay premiums on the life insurance policies acquired and to perform other administrative activities. Its duties have been outsourced to a third-party servicer, MLF LexServ LP (“LexServ”).
6. Centurion ISG Finance Group, LLC (“CISG Finance”) is an entity which pursued capital from a small number of from independent investors (totaling 13) and was also the entity to which fund from Prime Short Term Credit, Inc. were invested.

The PPEs loaned funds directly to Centurion so Centurion, and the above listed Centurion Related Entities, could purchase, hold, and service the life settlement portfolio subject of the Monitorship.

In the Corporate Monitor’s Initial Report, Section V, Report Regarding Centurion (Page 11) states

A. The Portfolio of Life Insurance Policies (the “Centurion Portfolio”).

Centurion and the Centurion Related Entities currently own 61 life insurance policies with the total net policy value of approximately \$255 Million. The last policy was purchased in 2018. There are no recent valuations of the Centurion Portfolio but, according to a valuation performed as of December 31, 2018, the 61 policies had a then net present value of approximately \$92 Million, when a discount rate of 8% was

applied. The Corporate Monitor is in the process of having the Centurion Portfolio's valuation updated by a third-party. . . .

Of material concern to the Corporate Monitor is the premium payments currently required to maintain the life insurance policies in the Centurion Portfolio which are approximately \$880,000 per month for the fourth quarter of 2021 and are projected to average \$940,000 per month for 2022.6 Premiums are projected to increase by approximately 11% per year for 2023 through 2025. Comparably, during 2020 and 2021 only one policy matured⁷ yielding approximately \$1.2 million in total policy proceeds. Presently, there is no ability to fund these premium payments solely from the operations of the Consenting Corporate Defendants without the credit facility.

B. Teleios LS Holdings V DE, LLC.

The Corporate Monitor and his team have undertaken extensive discussion and negotiation with Centurion's primary credit facility lender, Teleios LS Holdings V DE, LLC ("Teleios") and its counsel, to continue to support the maintenance of the life insurance policies owned by the Centurion entities through advances to pay premiums and expenses for the policies. Notably, the premium payments necessary to maintain the current portfolio of life insurance policies is nearly \$1 Million per month.

The Teleios transaction closed on December 14, 2018 and was evidenced by a Credit Agreement ("CA") and Preferred Units Purchase Agreement ("PUPA") (collectively the "Teleios Transaction Documents"). The Teleios Transaction Documents contemplated a loan of \$22.5 Million to be advanced in 4 tranches and sale and issuance of up to 7,500,000 preferred membership interests in Centurion Funding SPV II, LLC, for an aggregate purchase price of \$7,500,000.

The CA and PUPA generally operate in tandem, with the CA providing for 75% of the borrowings for repayment by the borrower and the PUPA providing for 25% of the borrowings in the form of preferred unit purchases for redemption by the seller.¹⁰ Both agreements provided for 4 tranches, namely, 4 loan advances and 4 issuances of preferred units; however, only 1 loan advance for \$7.5 Million under the CA and 1 issuance of 2.5 million preferred units in exchange for \$2.5 Million actually took place. The remainder and majority of the funds advanced were in the nature of protective advances under the CA and PUPA in order to pay premiums to insurance carriers for policies pledged as collateral, fund the reserve account, and pay fees and expenses of the Company as approved by Teleios. The protective advances were reflected in 17 amendments to the CA and PUPA¹¹ and an additional fee was charged for protective advances under the CA. The last amendment to the CA dated September 13, 2021 states that \$23,792,044.61 is owed but schedule 1 attached thereto does not list the last protective advance reflected on that amendment

made on September 13, 2021 in the amount of \$956,006.²⁵ The current balance, therefore, has risen to approximately \$26,176,232. The last amendment to the PUPA dated September 13, 2021 (called an acknowledgement) states that the value of the preferred units totals \$9,337,816. As of October 13, 2021, the balance rose to approximately \$9,522,011.

The indebtedness under the CA and the PUPA are secured by the following collateral:

As to the Teleios Lender:

- (i) Pledge Agreement dated 12/14/18 between guarantor Centurion Holdings and the Teleios Lender, whereby Centurion Holdings pledged to the Teleios Lender (a) all membership interests of Company designated as common units held by Centurion Holdings (i.e., 100% of common units), all equity interests of Company held by Centurion Holdings, all substitutes and replacements of any collateral, all books and records pertaining to any collateral and all of Centurion Holdings other property/rights, with any investment property or securities received by Centurion Holdings and any cash proceeds of the collateral held in trust for the Teleios Lender.
- (ii) Pledge and Security Agreement dated 12/14/18 between Company and Teleios Lender, whereby Company grants security interest to Teleios Lender in policies and security entitlements, policy documents and files, accounts, chattel paper, commercial tort claims, all types of bank accounts (i.e., collections, disbursement, operating reserve and other accounts), documents, general intangibles, goods, instruments, investment related property, letter of credit rights, money, fixtures, intellectual property, agreements, vehicles, collateral records and all substitutions, replacement or proceeds of the foregoing.

As to the Teleios Purchaser:

(i) Subordinated Pledge Agreement dated 12/14/18 between guarantor Centurion Holdings and the Teleios Purchaser, whereby Centurion Holdings pledged to the Teleios Purchaser (a) all membership interests of Company designated as common units held by Centurion Holdings (i.e., 100% of common units), all equity interests of Company held by Centurion Holdings, all substitutes and replacements of any collateral, all books and records pertaining to any collateral and all of Centurion Holdings other property/rights, with any investment property or securities received by Centurion Holdings and any cash proceeds of the collateral held in trust for the Teleios Purchaser.

(ii) Subordinated Pledge and Security Agreement dated 12/14/18 between Company and Teleios Purchaser, whereby Company grants security interest to Teleios Purchaser in policies and security entitlements, policy documents and files, accounts, chattel paper, commercial tort claims, all types of bank accounts (i.e., collections, disbursement, operating reserve and other accounts), documents, general intangibles, goods, instruments, investment related property, letter of credit rights, money, fixtures, intellectual property, agreements, vehicles, collateral records and all substitutions, replacement or proceeds of the foregoing.

Effectively, all of the policies in the Centurion Portfolio are pledged to Teleios. The Corporate Monitor is concerned about the availability and cost of capital necessary to continue to fund premium payments for the life insurance policies in the Centurion Portfolio, however, any attempt to refinance or restructure the credit facility with Teleios is premature and would not be without additional costs, penalties, and fees which may limit the economic viability of making any change at this time. In order to prevent further default under the Teleios Transaction Documents, the Corporate Monitor entered into an 18th Amendment and Acknowledgement with Teleios on October 11, 2021, to provide for the payment of premiums due and for other expenses being advanced by Teleios totaling \$983,506.

In the Corporate Monitor's Second Report, Section J, Portfolio/Teleios states (Page 13)

Section V (A) of the Initial Report provided a detailed discussion regarding Centurion and the Life Settlement Portfolio and the associated debt thereon. Specifically, Centurion and the Centurion Related Entities currently own 61 life insurance policies with the total net face policy value of approximately \$255 Million. The last policy was purchased in 2018. However, the premium payments currently required to maintain the life insurance policies in the Centurion Portfolio which are approximately \$880,000 per month for the fourth quarter of 2021 and are projected to average \$940,000 per month for 2022.¹⁰ Premiums are projected to increase by approximately 11% per year for 2023 through 2025. During 2020 and 2021 only one policy matured¹¹ yielding approximately \$1.2 million in total policy proceeds.¹² Presently, there is no ¹⁰ The projected premiums could decrease based upon maturities, which would result in less active policies requiring premiums to be paid.

Centurion's primary credit facility lender is Teleios LS Holdings V DE, LLC ("Teleios"). The Initial Report provides a detailed description of the Teleios financing, but it is important to note that effectively, all of the life insurance policies (and the proceeds thereof namely the net face policy value of approximately \$255 million) in the Centurion Portfolio are **pledged to, and secured by**, Teleios as detailed in the Initial Report (See Section V (B)). The Corporate Monitor remains concerned about the availability and cost of capital necessary to continue to fund premium payments for the life insurance policies in the Centurion Portfolio and has undertaken steps to evaluate the true value of the policies, investigate refinance and sale process alternatives to maximize the value, if any, in the policies. It is anticipated that some restructuring action will be undertaken in the next 60 to 90 days. In order to prevent further default under the Teleios Transaction Documents, the Corporate Monitor entered into a 18th, 19th, and then 20th Amendment and Acknowledgement with Teleios to provide for the payment of premiums due and for other expenses being advanced by Teleios. The balance of the loan as of December 31, 2021, after execution of the 20th Amendment (which included premium payments for December 2021 and January 2022), has risen to \$30,494,494.91. The balance of the Preferred Units Purchase Agreement (PUPA) as of December 13, 2021 is \$10,024,034.25. **In addition to the Teleios' first position secured interest in the policies**, it also appears that at least 26 of the policies have also been pledged to Prime Short Term Credit, Inc. These transactions are being reviewed and investigated by the Corporate Monitor and his professionals.

Additionally, many individual noteholders (and specifically investors or noteholders in Grace Holdings) have indicated to the Corporate Monitor that they believe that they also have a "security interest" in certain of the life

insurance policies. Moreover, as referenced in the Initial Report, there are certain Life Insurance Policy Beneficiary Designation and Servicing Agreements that were entered into by one or more of the Consenting Corporate Defendants which relate to specific designated life insurance policies contemplated in each agreement. Accordingly, there are competing interests that claim to be entitled to the proceeds of the life insurance policies. Any such determination as to priority may need to be determined by the Court at a future date. (LANGUAGE YOU QUOTE BUT WHICH WE SUBMIT IS TAKEN OUT OF CONTEXT)

In the Corporate Monitor's Third Report, Section I, Portfolio/Teleios states (Page 14) states:

Section V (A) of the Initial Report and Section J of the Second Report provided detailed discussions regarding Centurion and the Life Settlement Portfolio and the associated debt thereon. As set forth in the Second Report, as of the filing of the Second Report, Centurion and the Centurion Related Entities owned 61 life insurance policies with the total net face policy value of approximately \$255 Million. Since the filing of the Second Report, there have been two maturities⁷ in the portfolio, which will yield approximately \$2,500,000.00 in policy proceeds which will be distributed pursuant to the applicable Teleios agreement(s). The premium payments currently required to maintain the life insurance policies in the Centurion Portfolio is projected to average \$940,000 per month for 2022.⁸ Premiums are projected to increase by approximately 11% per year for 2023 through 2025. Presently, there is no ability to fund these premium payments solely from the operations of the Consenting Corporate Defendants.

Centurion's primary credit facility lender is Teleios LS Holdings V DE, EEC ("Teleios"). The Initial Report provided a detailed description of the Teleios financing, and, **as set forth in the Initial Report and Second Report, all of the life insurance policies (and the proceeds thereof namely the net face policy value of approximately \$255 million) in the Centurion Portfolio are pledged to, and secured by, Teleios.** The Corporate Monitor continues to remain concerned about the availability and cost of capital necessary to continue to fund premium payments for the life insurance policies in the Centurion Portfolio and has undertaken steps to evaluate the true value of the policies, investigate refinance and sale process alternatives to maximize the value, if any, in the policies.

The premium payments required to maintain the Policies in the Centurion Portfolio were approximately \$880,000 per month for the fourth quarter of 2021 and are projected to average \$940,000 per month for 2022.¹⁰ Premiums are projected to increase by approximately 11% per year for the years 2023 through 2025. During 2020 and 2021, only one policy matured¹¹ yielding approximately \$1.2 million in total policy proceeds. In 2022, thus far, two policies have matured that are anticipated to yield approximately \$2.5 million in total policy proceeds which, in accordance with the Credit Documents, will be paid to the Lender and reduce the obligations owing to the Lender.

Prior to the Corporate Monitor's appointment, in August 2019, certain Events of Default (as defined in the Teleios Credit Agreement) occurred and were continuing under the Credit Documents and a Mandatory Full Redemption Event (as defined in the PUPA) occurred and was continuing under the Preferred Unit Documents. Teleios and the Centurion Related Entities entered into a series of amendments to the Credit Documents and amendments to and acknowledgements with respect to PUPA (Amendment Nos. 1-17 and Nos. 1-14, respectively), pursuant to which, among other things, Teleios funded the almost \$1 million in premiums each month and other necessary expenses and the Centurion Related Entities provided certain release(s) to Teleios.

The Consenting Corporate Defendants and the Corporate Monitor have no ability to fund the continuing premium payments absent a significant infusion of capital. Nor have the Consenting Individual Defendants (including Mr. Seeman) agreed to provide any funding. Accordingly, to prevent additional defaults under the Credit Documents and redemption events under the Preferred Unit Documents, the Corporate Monitor entered into additional amendments to the Credit Documents with the Lender (Amendment Nos. 18 - 22) pursuant to which the Lender agreed to forbear from exercising certain remedies available to it and has funded the almost \$1 million in premiums each month and other necessary expenses and acknowledgments of even date with the Holder pursuant to which, among other things, the Borrower acknowledged the Existing Defaults (as defined therein) and outstanding aggregate Mandatory Full Redemption Payments immediately due and payable. Given the lack of another source of funding for the Corporate Monitorship, the Corporate Monitor, on behalf of the Borrower, will need to continue to borrow funds from Teleios in order to maintain the Policies in the Centurion Portfolio. Subject to additional amendments to the Credit Documents and Acknowledgements under the Preferred Unit

Documents, the Lender is willing to continue to provide such financing to permit the Corporate Monitor through the Refinance/Sale Process, but there is no commitment, at this point, to fund beyond that process to run the process on the terms set forth herein.

In addition to the Teleios' first position secured interest in the policies, it also appears that at least 26 of the policies have also been pledged to Cmme Short Perm Credit, Inc. These transactions are being reviewed and investigated by the Corporate Monitor and his professionals. Additionally, many individual noteholders (and specifically investors or noteholders in Grace Holdings) have indicated to the Corporate Monitor that they believe that they also have a "security interest" in certain of the life insurance policies, including policies that were pledged to the Lender. Moreover, as referenced in the Initial Report, there are certain Life Insurance Policy Beneficiary Designation and Servicing Agreements that were entered into by one or more of the Consenting Corporate Defendants which relate to specific designated life insurance policies contemplated in each agreement. Accordingly, there may be competing interests that claim to be entitled to the proceeds of the life insurance policies. Any such determination as to priority may need to be determined by the Court at a future date. (LANGUAGE YOU QUOTE BUT WHICH WE SUBMIT IS TAKEN OUT OF CONTEXT)

What remains clear is that the value of the Life Settlement Portfolio diminishes every month, due to accruing interest and the increased debt from premium and expense funding. The value of the Life Settlement Portfolio may be minimal or it may have significant value. The Refinance/Sale Process will allow the market to determine the value and what, if any, benefit remains for Noteholders and creditors in this case. Absent the Refinance/Sale Process, it would be likely that Teleios and the Lender would exercise their remedies, at some point, and that there would be no value to the Life Settlement Portfolio.

[External E-mail]

Citrix Attachments		Expires November 7, 2022
<hr/>		
2021_10_14 Corporate Monitor's Report - ...LED.pdf		519.3 KB
2022_1_12 Corporate Monitor's Second Report.pdf		1.7 MB
2022_4_12 Corporate Monitor's Third Repo...ete.pdf		26 MB
Assignment (Fairmarket-Centurion) McDou...ned.pdf		99.1 KB
Assignment (Fairmarket-Centurion) McDou...ned.pdf		97.9 KB
Credit Agreement.pdf		1.2 MB
Exhibit A (Mr. Ezrine August 23, 2017).pdf		1.6 MB
Exhibit C (Mr. Ezrine August 29, 2019).pdf		2.5 MB
McDougal 1005_centurionspvii_271_12272...ent.pdf		146.6 KB
McDougal 3688_Teleios_CA_Confirmation-....11.pdf		346.5 KB
Preferred Units Purchase Agreement.pdf		1 MB

Download Attachments

Daniel Stermer uses Citrix Files to share documents securely.

 **Brian Rich**
D: (850)521-6725 | M: (786)427-7511
bergersingerman.com

From: Daniel J. Stermer <DStermer@DSIConsulting.com>
Sent: Tuesday, May 10, 2022 7:25 PM
To: Brian Rich <BRich@bergersingerman.com>; Chris Vernon <cvernon@vernonlitigation.com>
Cc: Daniel J. Stermer <DStermer@DSIConsulting.com>; John J. Truitt <JTruitt@vernonlitigation.com>; Nicole Zumaeta <nzumaeta@vernonlitigation.com>; Benny Carollo <bcarollo@vernonlitigation.com>
Subject: RE: Ezrine: Next Steps

[External E-mail]

Chris – further to Brian’s email of earlier this afternoon, we stand ready to convene a call with you tomorrow to discuss the Ezrine matter further – we await your confirmation for same.

Also, attached please find additional documentation including:

- Teleios Credit Agreement
- Teleios Preferred Unit Purchase Agreement
- Certain Collateral Assignments referenced yesterday

I believe that these documents complete our production of documents in response to your requests – if I have missed one, please advise.

We look forward to speaking with you further in a collaborative effort.. . .

Daniel J. Stermer
Managing Director
Development Specialists, Inc.
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From: Brian Rich <BRich@bergersingerman.com>
Sent: Tuesday, May 10, 2022 3:52 PM
To: Chris Vernon <cvernon@vernonlitigation.com>; Daniel J. Stermer <DStermer@DSIConsulting.com>
Cc: John J. Truitt <JTruitt@vernonlitigation.com>; Nicole Zumaeta <nzumaeta@vernonlitigation.com>; Benny Carollo <bcarollo@vernonlitigation.com>
Subject: RE: Ezrine: Next Steps

Chris:

I guess we are likewise surprised by the tone and tenor of your email below. We remain committed to seeing if a resolution can be reached and perhaps we are speaking past one another on some issues. I have been in a meeting all day and need some time to connect with Dan and to reflect on your email. Can we set a time tomorrow to speak?

 **Brian Rich**
D: (850)521-6725 | M: (786)427-7511
bergersingerman.com

From: Chris Vernon <cvernon@vernonlitigation.com>

Sent: Tuesday, May 10, 2022 1:58 PM

To: Daniel J. Stermer <DStermer@DSIConsulting.com>; Brian Rich <BRich@bergersingerman.com>

Cc: John J. Truitt <JTruitt@vernonlitigation.com>; Nicole Zumaeta <nzumaeta@vernonlitigation.com>; Benny Carollo <bcarollo@vernonlitigation.com>

Subject: RE: Ezrine: Next Steps

Importance: High

[External E-mail]

Brian and Daniel,

We received the surprising e mail below from Daniel yesterday.

The Corporate Monitor's Initial, Second, and Third Report represent that Centurion Insurance Services Group, LLC, and the Centurion Related Entities own the life insurance policies. Additionally, the Monitorship repeatedly represented to investors that there are competing interests in and claims to specific life insurance policies pledged as collateral to multiple creditors, including individual noteholders, and that their rights and interests will need to be determined by the Court. In contrast to these representations to investors, there was a sudden switch with the motion that was recently granted (on short notice), wherein the Corporate Monitor asserted that only Centurion SPV II owned 100% of the Centurion portfolio and that all competing claims and interests in the policies are inferior to Teleios' claims.

Based on our immediate review of documents just provided by you in the last several business days (and noting that additional documents have not yet been provided), we do not believe that Teleios has a superior interest (unless of course, the remaining documents yet to be provided change our analysis). Some of our reasons for this conclusion are outlined below.

The assignee of a policy of insurance, such as life insurance, assigned by way of security, generally occupies the same status with respect to the rights and liabilities under the policy which the assignor occupied, to the extent of the indebtedness for which the policy was assigned as collateral. See *Nationwide Mut. Co. v. Ft. Myers Total Rehab Center, Inc.*, 657 F. Supp. 2d 1279 (M.D. Fla. 2009); *AXA Equitable Life Ins. Co. v. Infinity Financial Group, LLC*, 608 F. Supp. 2d 1349 (S.D. Fla. 2009); *Travelers Inc. v. Tallahassee Bank & Trust Co.*, 133 So.2d 463 (Fla. 4d DCA 1961). Furthermore, there is authority holding that legal title actually vests in the assignee subject to the right of redemption (upon paying the debt) by the assignor. See *Jennings v. Prudential Ins. Co. of America*, 402 So. 2d 1367 (Fla. 1st DCA 1981); *Moon v. Williams*, 135 So. 555 (Fla. 1931); *Kaplan v. Equitable Life Assur. Soc. of U.S.*, 31 N.Y.S.2d 972 (Sup 1940), judgment aff'd, 27 N.Y.S.2d 780 (1st Dep't 1941). Notably, the assignee of a policy of insurance takes subject to any equity in favor of third persons and the assignee prior in point of time is prior in right, irrespective of which assignee first gives notice of his or her assignment to the company. See *Culmer v. American Grocery Co.*, 48 N.Y.S. 431 (1st Dep't 1897); *Rose v. AmSouth Bank of Florida*, 391 F.3d 63 (2d Cir. 2004); *Columbia Bank v. Equitable Life Assur. Soc. of the United States*, 70 N.Y.S. 767 (1st Dep't 1901).

In the light of the foregoing, Centurion ISG Services, LLC, was the owner of the policy at issue, beneficially or otherwise. As a result, the Ezrines occupy the same status with respect to the rights and liabilities under the policy which Centurion ISG Services, LLC, occupied, to the extent of the indebtedness for which the policy was assigned as collateral. As a result, any subsequent assignee after the Ezrines, such as Teleios, took such assignment subject to the equity in favor of third persons, irrespective of which assignee first gives notice of his or her assignment to the company. See also *Carnegie Trust Co. v. Battery Place Realty Co.*, 122 N.Y.S. 697, 698 (App. Term., N.Y. County 1910) (recognizing that where “two parties claim to be the owners of the same debt or chose in action, the party having the superior title [by virtue of his earlier assignment] may maintain an action for money had and received against the wrong claimant if [the wrong claimant] receives the money”).

Until Daniel’s e mail yesterday, we were under the impression that we were going to work with you towards a possible solution, but the e mail below indicates that the Monitorship does not actually have an interest in working through this matter in a way that respects the rights of the Ezrines. If we are mistaken about the e mail below and the Monitorship has an interest in working through a solution with us, then we can send you a draft of what we anticipate filing with the Court as soon as you provide the remaining information. If we are not mistaken (i.e. if the Corporate Monitor has no interest in working towards a resolution with the Ezrines), then to expedite matters, we will simply file with the court.

Lastly, we don’t think it is productive for the Monitorship to falsely assert that a legitimate claim to one of the policies is the genesis of the Monitorship’s problem in selling a portfolio of 57 other policies. As previously indicated, the Monitorship repeatedly stated that there are competing interest in and claims to specific life insurance policies pledged as collateral to multiple creditors, including individual noteholders, and that their rights and interests will need to be determined by the Court. Those representations have created this situation along with: The lack of a valuation of the policies that investors anticipated receiving based on Monitorship representations; and the recent redaction of the amount owed to Teleios. These combined actions leave investors in the dark as to a number of issues, including what, if anything, they might receive as a result of the decisions of the Monitorship.

We look forward to promptly receiving the Credit Agreement and Preferred Unit Purchase Agreement (and any related documents) and also to hearing from you on whether there is any interest in finding a common and creative resolution before we file with the Court.

Regards,

Chris T. Vernon



8985 Fontana Del Sol Way

Naples, FL 34109

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From: Daniel J. Stermer <DStermer@DSIConsulting.com>

Sent: Monday, May 9, 2022 11:28 AM

To: Benny Carollo <bcarollo@vernonlitigation.com>; Brian Rich <BRich@bergersingerman.com>

Cc: Daniel J. Stermer <DStermer@DSIConsulting.com>; Gavin Gaukroger <ggaukroger@bergersingerman.com>; Michael J. Niles <MNiles@bergersingerman.com>; Taylor F. Caruso <tcaruso@DSIConsulting.com>; Chris Vernon <cvernon@vernonlitigation.com>; John J. Truitt <jtruitt@vernonlitigation.com>

Subject: RE: Ezrine: Documents Requested

Benny – thank you for your follow up of earlier today regarding the Ezrine purported claim to Policy Ending 1005 and then your subsequent requests related to Policy Ending 8036 – we believe that our communications to date, including ours of Friday wherein we provided you additional information and documentation related to Policy Ending 8036 should resolve the issues related to both Policies Ending 1005 and 8036.

I would request that you respond directly to whether the documents we have provided to date resolve your claim that Dr. Ezrine has an interest in either the Policy Ending 1005 and/or Policy Ending 8036 – we believe that we have.

You have now requested additional information and documentation that are outside of the policies referenced regarding Dr. Ezrine – while we believe that these are outside of your Client's potential claim, we provide same in the interest of providing you with responsive documents so you can see them all and that Teleios has perfected its interest in all of the Policies that make up the Centurion Portfolio – in response, please see attached zip folder with balance of Collateral Assignments and/or Verifications which show that Wells Fargo is the Owner that line up with the top portion of your pdf attached to your email earlier this morning – I will forward the 4 remaining Collateral Assignments a bit later but I can assure you they are in the name of Teleios for the Lax, Sasseville, Levin, and Kreindler Policies.

As to the policies you reference at the bottom of your pdf:

1827	ADAMS	Security Life of Denver	\$1,000,000	This Insured Matured
0275	BLANK	America Life Ins. Corp.	\$5,000,000	This Policy was Sold
9490	DIMMERMAN	Pacific Life Insurance Company	\$2,000,000	This Policy was Sold
4097	GOING	General American Life Ins. Co.	\$5,000,000	This Policy was Sold
3089	YAKOVAKIS	Transamerica Life Ins. Co.	\$8,500,000	This Policy was Sold

As for your question regarding the Teleios Notice, their Auction Date, June 2, 2022, is after the date which we have set to receive Qualified Bids and their Auction would proceed **IF** we did not receive any qualified bids by the deadline by which they are due which is May 26, 2022 and our Auction Date is set for June 1, 2022 – again, their date is set for June 2, 2022 and the Notice continues, in the next paragraph: “The Secured Parties reserve the right to adjourn the Auction to such time and place as the Secured Parties, in their sole discretion, may deem fit, or to cancel the Auction in its entirety, without notice to the Borrower or any other party. The terms of sale set forth in this Notice may be subject to additional or amended terms to be announced at the time thereof.” So, Teleios may be able to proceed to foreclosure on June 2, 2022 **IF** there are no qualified bids by the required deadline – if there are qualified bids, Teleios will adjourn their auction.

As Brian wrote last week and I again asked on Friday: **We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.**

We have accommodated every request you have made regarding the Ezrine issue and even those beyond the scope of the Ezrine issue in an effort to give you comfort as to the Teleios secured/perfected interest in the Centurion Portfolio.

I respectfully request you respond directly to the bolded request above today as your continued actions are clouding the title to the McDougal Policy at a time when we are trying to maximize values and your actions are diminishing such value in the marketplace – this is detrimental to All Noteholders, including Dr. Ezrine, in this matter and we reserve our rights regarding same should you continue to not respond to our request.

Thank you in advance for your prompt response.

Daniel J. Stermer
Managing Director
Development Specialists, Inc.
500 W. Cypress Creek Road, Suite 400
Fort Lauderdale, Florida 33309
O: 305-374-2717
D: 954-666-7881
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From: Benny Carollo <bcarollo@vernonlitigation.com>
Sent: Monday, May 9, 2022 9:27 AM
To: Daniel J. Stermer <DStermer@DSIConsulting.com>; Brian Rich <BRich@bergersingerman.com>
Cc: Gavin Gaukroger <ggaukroger@bergersingerman.com>; Michael J. Niles <MNiles@bergersingerman.com>; Taylor F. Caruso <tcaruso@DSIConsulting.com>; Chris Vernon <cvernon@vernonlitigation.com>; John J. Truitt <jtruitt@vernonlitigation.com>
Subject: RE: Ezrine: Documents Requested

Good morning Daniel and Brian,

I have a few follow up questions that are hopefully easy to answer. I plan on having something to send over with respect to the Ezrines' position and validity of their claim within the next day or two.

First, it appears that the policies in the first chart in the attached PDF are missing collateral assignments for Teleios. Can you please forward those documents to us when you get the chance?

Second, the chart at the bottom of the attached PDF shows policies for which Teleios does have a collateral assignment but are not included in the Centurion SPV II portfolio. Can you advise as to where those policies are/went?

Last, based on the Notice received from Teleios on Friday, it appears they plan to move forward with disposing of the policies sooner rather than later. Will Marshal Seeman still have a chance to extend the date 30 days? Also, is there a reason why Teleios only sent the notice to the Ezrines and Prime Short Term Credit and not to all the other investors?

Sincerely,

Bernard Charles Carollo, Jr.



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From: [Daniel J. Stermer](#)
Sent: Friday, May 6, 2022 2:33 PM
To: [Benny Carollo](#); [Brian Rich](#); [Chris Vernon](#)
Cc: [Daniel J. Stermer](#); [Gavin Gaukroger](#); [Michael J. Niles](#); [Taylor F. Caruso](#)
Subject: RE: Ezrine: Documents Requested

Thank you Benny for your follow up of earlier today – I have inserted my comments and responses below where appropriate with yours and have attached a number of documents, all of which relate to the McDougal Policy Ending 8036 as you have raised.

The Collateral Assignment you provided in your email is dated August 29, 2019 which purports to be an assignment related to the McDougal Policy Ending 8036.

As Brian wrote yesterday: We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Once you and Chris have had an opportunity to review, we would appreciate your prompt follow up.

Thank you in advance for your continued assistance. . .

Daniel J. Stermer
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From: Benny Carollo <bcarollo@vernonlitigation.com>

Sent: Friday, May 6, 2022 10:22 AM

To: Brian Rich <BRich@bergersingerman.com>; Chris Vernon <cvernon@vernonlitigation.com>

Cc: Gavin Gaukroger <ggaukroger@bergersingerman.com>; Daniel J. Stermer <DStermer@DSIConsulting.com>; Michael J. Niles <MNiles@bergersingerman.com>

Subject: RE: Ezrine: Documents Requested

Good morning Brian,

Thank you for getting us the docs yesterday. We are working on putting something together for you guys with respect to the validity of the Ezrines' claims and will hopefully have it to you early next week. In the meantime, I'd like to draw your attention to a few things.

First, in "Exhibit A" to the Corporate monitor's Motion for Entry of Order Approving a Marketing Process (Doc. No. 77 at Exhibit A), there appears to be in the Centurion portfolio three (3) separate life insurance policies all issued on the same day by Security Life of Denver and all three with a face value of \$10 Million. We believe that each of those policies are insuring the life of Delbert McDougal and request that you send an unredacted version of the Centurion Portfolio with the Policies Numbers so that we can confirm this. [We can confirm that there are 3 McDougal Policies, each with a net face death benefit of \\$10,000,000.00 – Policies Ending 1005, 3922, and 8036](#)

Based on "Schedule 1" to the Tripartite Entitlement Order and "Exhibit A" ("Policy Schedule") to the Securities Account Control and Custodian Agreement, it appears that Teleios and/or Wells Fargo only have control over/are entitled to collect on two of the three McDougal policies. The other policy, however, is not included in any of the documents and/or agreements that you sent to us yesterday (although we are still reviewing). Notably, the third McDougal policy is included in at least two of the Ezrines' security agreements and collateral assignments and supports the statements made to the Ezrines by Brian Schwartz that Centurion ISG Services, LLC, was utilized purely for the purposes of the Ezrines' agreements and with the intent to provide the Ezrines with special protection from any other creditor, including Teleios. [The Wells Fargo Statement of Assets lists the 3 McDougal policies on page 3 of 8 – Policies Ending 1055, 3922, and 8036](#)

Attached to this email are a few documents in support (and we will send over more next week):

- (1) A copy of an email and attached Centurion SPV II Statement of Assets from Wells Fargo dated August 1, 2019, which includes, inter alia, the following life insurance policy:

Asset ID: [REDACTED] 8036

Insured: McDougal

Carrier: Security Life of Denver Insurance Company

Face Amount: \$10,000,000.00

- (2) A copy of Schedule 1 to the Tripartite Entitlement Order and Exhibit A to the Securities Account Control and Custodian Agreement, neither of which include the above-mentioned McDougal policy. [Policies were transferred to Teleios in Phases and the Tripartite Entitlement Order provided was for Phase 1 transfers to Teleios and the McDougal Policy Ending 8036 was part of Phase 2 and was to be transferred to Teleios in early 2019 – there was the SPV Contribution Agreement dated December 14, 2018 which has Exhibit A-1 "Policies to be Transferred On the Initial Closing Date" and Exhibit A-2 "Policies to be Transferred On the Additional Closing Date" which included the McDougal Policy ending 8036 – see attached.](#)
- (3) A copy of an email from Brian Schwartz to Dr. Ezrine stating that Centurion ISG Services, LLC, was uniquely assigned the third McDougal policy and no other creditor.

- (4) A copy of one of the 2019 collateral assignments specifically collateralizing the third McDougal Policy (which to our knowledge is not included in any agreements between Wells Fargo, Centurion SPV II, and Teleios). [See attached Collateral Assignment and Confirmation – also please see Change of Ownership at Carrier for McDougal Policy Ending 8036 dated January 2019.](#)

Again, if you can send us an unredacted version of the Centurion Portfolio, or at least an unredacted version with respect to policies issued by Security life of Denver, it will likely help us finalize our analysis and to get this issue resolved sooner rather than later. And, in the meantime, please feel free to call Chris or myself if you'd like to discuss this email or anything else before we send you over our draft and exhibits next week.

Sincerely,

Bernard Charles Carollo, Jr.



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From: [Brian Rich](#)
Sent: Thursday, May 5, 2022 3:26 PM
To: [Benny Carollo](#); [Chris Vernon](#)
Cc: [Gavin Gaukroger](#); [Daniel J. Stermer](#); [Michael J. Niles](#)
Subject: Ezrine: Documents Requested
Importance: High

Benny and Chris:

As an initial response, please see attached:

- [All Collateral Assignments for 61 policies](#)

- Collateral Assignment for McDougal Policy ending 1005
- Teleios Securities Account Control and Custodian Agreement
- Teleios Tripartite Entitlement Order
- UCC Searches for All Entities
- Wells Fargo Statement of Assets as of 5/1/2022
- Assignment 10-30-14
- Change of Owner and Beneficiary Confirmation 3/5/2015
- Change of Owner and Beneficiary Confirmation 5/8/2015
- Owner and Beneficiary Confirmation 11/9/2017
- Owner and Beneficiary Confirmation 10/1/2018

We reiterate our request back to you for any documents which evidence that your client holds a perfected interest in the policy. Absent such evidence, we will need you to acknowledge that Teleios's holds the superior perfected position in the policy.

Again, as a fiduciary unravelling this difficult situation, we are very sympathetic to the fact that your clients believed that they had a security interest in the specific Policy. Unfortunately for them, Teleios is clearly properly perfected. The position you are asserting is hindering the prospect of recovery for ALL creditors. The cloud created on the McDougal policy is creating an issue in the sale process and we will need to address that sooner rather than later. We remain open to a creative solution, but your client is similarly situated to many Noteholders.

Let us know if you have specific evidence to counter what we have provided herein or if we can get on a call in the next day or so to discuss.

Thanks

 **Brian Rich**
D: (850)521-6725 | M: (786)427-7511
bergersingerman.com

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EXHIBIT “C”

From: Brian Rich <BRich@bergersingerman.com>
Sent: Thursday, July 28, 2022 8:47 AM
To: Chris Vernon <cvernon@vernonlitigation.com>; Benny Carollo <bcarollo@vernonlitigation.com>
Cc: Gavin Gaukroger <ggaukroger@bergersingerman.com>; Daniel J. Stermer <DStermer@DSIConsulting.com>; Michael J. Niles <MNiles@bergersingerman.com>
Subject: OFR/Seeman Holtz

Chris and Benny:

After my discussion with Chris yesterday morning, I promptly reviewed paragraph 54 of the Order Appointing the Monitor (dated 9/14/21). As I relayed to Chris in a later email yesterday, my firm was not engaged when that Order was entered and we didn't participate in the drafting of that Order, so any statements in that regard are not accurate. We did reach out to OFR to determine their understanding and the intent behind that paragraph 54. They have advised that the intent was not to provide "investors" such as your clients with unfettered access to whatever documents that may be in the possession of the Monitor. Such access would be contrary to necessary privacy and confidentiality obligations and concerns which would prohibit OFR from agreeing to make such records, including all investor personal investment information available to anyone who asked.

Accordingly, if you believe that paragraph 54 provides you free access to all the records that you have demanded, then we will seek Court intervention promptly. Please advise by the close of business on Friday what your position is in that regard, as we don't want this issue hanging out there.

Next, I refer to paragraph 21 of the Echold Reply to Teleios' Limited Objection that you filed on July 25, 2022 at 5:24 pm. That paragraph sets forth "Given the appearance of potential conflicts of interest, Mr. Echolds has doubts as to the commercial reasonableness of the Bid Procedures..." Please identify the **specific** "potential conflicts of interest" that Mr. Echolds (or you on his behalf) believe exist. We ask that you also provide this information by the close of business Friday as we don't want this issue to be in a Court pleading and not responded to for any length of time.

We reiterate the request that we made to have a discussion about specific documents that you are requesting and the true reason for such request. If we can reach agreement, we are happy to work with you, but we don't read paragraph 54 in the same manner that you read it and OFR has confirmed to us that their view is consistent with our view.

We remain interested in collaborating and not engaging in unnecessary pleadings. Please let us know your position. Thanks

 **Brian Rich**
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