

November 18, 2022

Dear Noteholders and Parties in Interest:

In my capacity as Corporate Monitor, I and my Team have been and continue to diligently work on this matter with the goal of fulfilling my duties to the Court and working to maximize potential recovery for all Noteholders and other Parties in Interest. I am obligated by the Court to issue Quarterly Reports and I have tried to be as transparent and informative as possible under the circumstances. We have created the website which contains updates and important information related to the case (www.nationalseniormonitorship.com)(the "Website"). On the Website, we have posted the required Reports as well as informal updates such as this communication. We have also attempted to be responsive to the multiple emails and phone calls that we receive on a daily basis from Noteholders and their representatives.

We understand and appreciate that this situation remains frustrating for many reasons, including how long the process can take and the ultimate path to recovery for Noteholders. We assure you that much work is being done to move this case along as promptly as possible with the goal of recovering assets, working with others to provide funds for recovery, as well as devising and working through the Claims Process that was approved by the Court.

We continue our efforts and will respond to your direct inquires as promptly as practical. It is impossible to respond to every question that everyone may have, but know that my Team and I do our best to do so, but some of the most recent inquires have been as follows:

1. **Claims Process Update:** On June 17, 2022, I filed my Unopposed Motion to Approve Proposed Noticing and Claims Process. On June 27, 2022, the Court entered its Agreed Order Approving the Noticing and Claims Administration Process and further on June 29, 2022, the Court entered its Amended Agreed Order Approving the Noticing and Claims Administration Process. Pursuant to these Order, the Claims Bar Date was set as August 31, 2022, and the Court approved the Claims Packet to be sent to all Noteholders and other Parties in Interest.

On September 19, 2022, the federal court, in the matter *Millstein v. Marshal Seeman, et al.* entered its Order Preliminarily Approving Class Action Settlement Certifying Settlement Class and Approving Notice Program wherein I was named Settlement Administrator and the Court extended the Claims Bar Date until October 31, 2022.

As of today, the particulars for the Claims Process are as follows:

- Total Number of Claims – 1,486
- Total Number of Claimants – 990
- Total Dollar Value of All Claims - \$351,957,218
- Total Dollar Value of Noteholder Claims - \$318,278,321
- Total Dollar Value of Trade Creditor/Non-Noteholder Claims - \$33,678,896

My Team has commenced a claims review and reconciliation process and will review each and every Proof of Claim filed and will, as necessary, follow up with the Claimant if

additional information and/or documentation is necessary. This review and reconciliation process will be time consuming.

We will not be able to propose an initial plan of distribution to the Court until this claims review and reconciliation process is completed as the total amount of claims is one of the necessary components in any calculation that will be utilized and proposed to the Court for consideration and to allow for a fair and equitable process for distribution.

2. **Additional Recovery Effort(s)/Action(s)**: My Team and I have turned our attention and efforts to try and recover funds that we believe may be due to the Monitorship Estate, which could be called “claw backs” and/or litigation claims. Our investigation is ongoing and we will take, based upon information and documentation and applicable governing law, action as appropriate once we have completed our investigation.

We appreciate your comments and suggestions as to where we should seek to recover monies from but can and will only do so after full and complete investigation and analysis of applicable law to the facts and circumstances presented.

3. **Grace Holdings**: As of today, Grace Holdings remains outside of the purview of the Agreed Consent Order entered on September 14, 2021, and the January 6, 2022 Agreed Order Granting Corporate Monitor’s Unopposed Motion to Expand Corporate Monitorship Estate. However, pursuant to my request, the Grace Holdings Noteholders were specifically included in the Court approved Claims Process and will be included in any initial plan of distribution that will be proposed to the Court for consideration.

There continue to be ongoing discussions amongst the Plaintiff (OFR) and Defendants and my Team regarding the expansion of the Monitorship over Grace Holdings to include Grace Holdings within the Monitorship Estate.

4. **Vantage IRA-related Issues/Valuation/Annual Fees/RMD**: I have and continue to receive communications and participate in teleconferences with Noteholders regarding Vantage IRA-related issues. Please be advised that my Team and I have and continue to interact and interface with Vantage personnel and representatives regarding current Vantage IRA Account Holders and issues raised, most recently this week.

I cannot and am not, as the Corporate Monitor, requiring any Noteholder to maintain your IRA at any particular custodian, including Vantage, and Noteholders are free to change custodian(s) of your IRA(s).

If you do not wish to continue to use Vantage as your IRA Custodian, I would recommend that you speak with your financial advisor, tax preparer, and/or attorney about finding a substitute Custodian for the IRA currently at Vantage.

FOR ALL THESE ISSUES AND ANY AND ALL TAX ISSUES RELATED TO THE INVESTMENT THAT YOU MADE AND CURRENT TAX TREATMENT, WE

URGE YOU TO CONSULT WITH YOUR INDIVIDUAL TAX PROFESSIONAL FOR ADVICE RELATED TO THESE ISSUES.

If you do choose to not pay the fees due to Vantage, I have been advised that Vantage may prepare and send you a 1099-R upon their withdrawal as Custodian because they are, effectively, distributing the account assets to you as the Account Holder - this does not mean that they would be providing a "value" or distributing actual "cash" to you. You would then have the opportunity to engage a new custodian to effectuate a rollover of the Vantage IRA. The 1099-R provides for the entry of the total amount of the distribution, and either the taxable amount of the distribution or that a taxable amount was not determined.

As you are aware, I was appointed as Corporate Monitor in the matter captioned Office of Financial Regulation, State of Florida v. National Senior Insurance, Inc. et al., Case No. 2021-CA-008718-XXXX-MB, in the Circuit Court of the Fifteenth Judicial Circuit, in and for Palm Beach County, Florida, Civil Division, pursuant to the Agreed Order Granting Plaintiff's Consent Motion for Appointment of Corporate Monitor and Related Injunctive Relief ("Order") dated September 14, 2021. The Complaint, which remains pending today, seeks to restrain acts and practices of the Defendants and Relief Defendants in violation of various provisions of Chapter 517, Florida Statutes, including sections 517.301, 517.12 and 517.07, and "halt the securities fraud scheme and common enterprise operated and controlled by Defendant Marshal Seeman ("Seeman") and Seeman's recently deceased business partner, Eric Charles Holtz ("Holtz")."

Pursuant to the Agreed Consent Order, I was appointed Corporate Monitor over twenty-seven entities, including certain Private Placement Entities ("PPEs") which sought to raise capital from investors to fund the purchases of life settlement insurance policies, in addition to other insurance-related investments. You may have entered into a Private Placement Memorandum/Notes with certain of these PPEs and opened related IRAs through Vantage, although monies were not provided to Vantage such that the PPEs continued to theoretically hold the money that was credited to the IRA and the PPE would theoretically forward periodic funding to Vantage who in turn would make distribution(s) to IRA Account Holders, including You.

Presently, neither the Consenting Corporate Defendants nor I are not in a position to make any distributions at this time, including paying the Vantage Annual Fee and/or any RMDs (as may be applicable), as there is insufficient cash on hand to do so. I have been and continue to actively work to determine a plan to create liquidity from the Consenting Corporate Defendants' assets to achieve a distribution plan that is fair and equitable, subject to Court approval, but I cannot project when any such potential plan will occur nor can I project the extent of such potential plan.

I have and will continue to advise Noteholders that questions regarding your Vantage IRA Account and its "value" and/or distribution related issues need to be addressed with your tax preparer or financial advisor as my Team and I cannot and will not provide you with legal or tax advice. Each Noteholder is in a different and individualized situation relative

to your financial position and how to handle the RMD or same not occurring is a matter for you and your professionals to discuss and resolve.

Further, with regard to your IRA, again, I am not providing you with legal or tax advice and would strongly encourage you to discuss this issue with your Counsel, Financial Advisor, and Tax Preparer.

"Values", whether from Vantage, or with regard to your Note, contain "numbers" that were provided by SeemanHoltz at the time of your investment or the creation of your IRA with Vantage, all of which occurred prior to my appointment as Corporate Monitor.

As to the "value" and/or "valuation" of your IRA Account or Note, I am not aware of any third-party valuation obtained by any of the Consenting Corporate Defendants or Defendant PPEs with respect to their equity value at any time. Further, the Corporate Monitor's office has not performed a valuation or obtained a third-party valuation of the equity value of any of the Consenting Corporate Defendants or Defendant PPEs, or of any specific investor's investment, at any time. With respect to account statements issued by the Consenting Corporate Defendants or Defendant PPEs to Noteholder's prior to the appointment of the Corporate Monitor, the Corporate Monitor's office has not reviewed or audited the information set forth therein and cannot verify or otherwise comment at this time on the value of any account.

Vantage has advised that they will not lower the value of debt instruments. Unlike other assets held in IRAs, Vantage views that debt instruments are subject to additional tax reporting when the debt associated with those instruments is lowered or discharged. The tax reporting obligations of a creditor can often be an afterthought in these situations, but a failure by a creditor to file a Form 1099-C may result in severe penalties under IRC §§ 6721 and 6722

I strongly encourage each Noteholder to consult with your independent legal counsel and tax and other advisors to advise you with respect to all matters relating to your investment, the OFR Action, and the Consenting Corporate Defendants or Defendant PPEs. The Corporate Monitor's office cannot and does not provide legal, tax, or other advice to any investors.

Please review the Website – <https://nationalseniormonitorship.com/> – for updates and other information regarding the status of these proceedings. If you have other questions that are not addressed through the information on this website, you may contact our office by sending an email to monitor@nationalseniormonitorship.com.

Very truly yours,

Daniel J. Stermer

Corporate Monitor