

**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,
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, 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.

RECEIVER'S SECOND REPORT

Pursuant to Paragraph 64 of the May 12, 2023 [Order Appointing Receiver](#) (the “Receivership Order”), the Court-appointed Receiver, Daniel J. Stermer (the “Receiver”), hereby submits this second report (“Report” or “Receiver’s Second Report”) summarizing the efforts of the Receiver to marshal and collect assets, administer the receivership estate, and otherwise perform the duties mandated by the Receivership Order, and states:

The Receiver prepared and filed his [Receiver’s First Report](#) (the “Receiver’s First Report”) on June 23, 2023.

On October 17, 2023, the Receiver prepared an Update/report, attached here as **Exhibit A**, and distributed same to all Noteholders and other Parties In Interest as contained in the Receiver’s email distribution list and posted same on the website: <http://nationalseniormonitorship.com/>.

A. Additional Activity/Settlement with American Express

On August 3, 2023, the Receiver filed *Receiver, Daniel J. Stermer’s Motion to Approve Settlement Agreement and Mutual General Release With American Express Company, American Express National Bank, and American Express Travel Related Services Company* (the “Amex Settlement Motion”), seeking the approval of a *Settlement Agreement and Mutual General Release* entered into between (i) the Receiver and (ii) American Express Company, American Express National Bank, and American Express Travel Related Services Company (collectively, “American

Express”), with respect to monied paid to American Express from one or more of the Receivership Defendants during the four year period prior to Mr. Stermer’s appointment as Corporate Monitor. As set forth in the Settlement Agreement, the Receiver resolved his disputes with American Express for the sum of \$920,000.00 (the “Amex Settlement Monies”), in full and complete satisfaction of any and all claims that the Receiver has against American Express.

On August 23, 2023, the Court conducted a hearing to consider the Amex Settlement Motion, and, on August 25, 2023, entered an *Order Granting Receiver, Daniel J. Stermer’s Motion to Approve Settlement Agreement and Mutual General Release With American Express Company, American Express National Bank, and American Express Travel Related Services Company* (the “Settlement Order”), which granted the Amex Settlement Motion and approved the settlement Amex. The Amex Settlement Monies have been paid by American Express to the Receiver, in accordance with the Settlement Order.

B. Summary of Cash Activity

As of October 13, 2023, the Receiver’s book cash balance is \$3,044,444.00. Attached is the Receivership Cash Flow Summary for the period from the inception of the Corporate Monitorship Estate and now Receivership Estate through June October 13, 2023 – see **Exhibit B**.

C. Fraudulent Transfer Demand Letters

Since the filing of the Receiver’s First Report, and in connection with the Receiver’s efforts to marshal the assets of the Receivership Defendants and pursue claims against individuals and entities that owe the Receivership Defendants money or received fraudulent or otherwise improper transfers from the Receivership Defendants, the Receiver has issued seventeen demand letters (the “Demand Letters”) to various individuals seeking the recovery of in excess of \$10,000,000 in fraudulent transfers. The Receiver and his counsel have received responses to some of the Demand

Letters and have been in discussions with representative(s) of those served with Demand Letters in an effort to resolve the disputes with those who received Demand Letters . To the extent that the Receiver is unable to resolve the disputes with the Demand Letter recipients, the Receiver anticipates commencing litigation seeking the recovery of the amount(s) sought in the Demand Letters.

D. Communications

The Receiver continues to upload all filings with the Court to the Website in a dedicated section entitled Court Documents so that Noteholders and all parties in interest have access to same in one centralized location.

The Receiver will continue to update the Website with court filings, news and updates, reports from the Receiver, answers to frequently asked questions, important dates and deadlines, and other pertinent information. Additionally, the Receiver has and will continue to respond promptly to inquiries received from Noteholders and other parties in interest in the Receiver's Inbox seeking answers to questions on various issues/concerns impacting Noteholders and other creditors and parties in interest in this matter.

RECEIVER'S CERTIFICATION

I, Daniel J. Stermer, this Court's Receiver, hereby certify, under the penalties of perjury, that the foregoing Receiver's Second Report is true and accurate to the best of my personal knowledge and belief.

/s/ Daniel J. Stermer

Daniel J. Stermer

Dated: October 20, 2023

Respectfully submitted,

BERGER SINGERMANN LLP
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By: /s/ Brian G. Rich

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on October 20, 2023, the foregoing was filed using the Florida E-Portal Filing System, which will serve a copy of the foregoing electronically upon all electronic service parties indicated on the attached Service List.

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

SERVICE LIST

<p>A. Gregory Melchior, Esq., Chief Counsel George C. Bedell, III, Esq., Chief Counsel <i>Office of General Counsel</i> <i>Florida Office of Financial Regulation</i> 200 East Gaines Street Tallahassee, FL 32309 Greg.Melchior@flofr.gov George.Bedell@flofr.gov Sharon.Sutor@flofr.gov <i>Counsel for Plaintiff</i></p>	<p>Scott Alan Orth, Esq. <i>Law Offices of Scott Alan Orth</i> 3860 Sheridan Street, Ste. A Hollywood, FL 33021 scott@orthlawoffice.com service@orthlawoffice.com eserviceSAO@gmail.com <i>Attorney for Defendant Marshal Seeman, Twenty-six Defendant Entities</i></p>
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EXHIBIT A

October 17, 2023

Dear Noteholder and Parties in Interest:

In my capacity as Receiver, similar to those while I was 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. While I was obligated by the Court to issue Quarterly Reports during the time that I was Corporate Monitor, the May 12, 2023 Order Appointing Receiver requires that I do so every six months. I have and continue to be as transparent and informative as possible under the circumstances which is why I am providing you with this Update. As you are aware, 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, both the Quarterly Reports while Corporate Monitor and the Receiver's First Report, 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.

I 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. I 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 and trying to finalize the Claims Process that was approved by the Court.

I plan to prepare and file a proposed initial plan of distribution; however, I cannot today tell you exactly when and/or how much will be available for distribution. The distributable amount will be determined, in large part, by the finality of the claims review/reconciliation process, our efforts to marshal additional dollars which would increase the amount of any distribution, and Court review and approval. The distribution will be impacted by the recoveries that could occur as part of the potential Recovery Claims/lawsuits that are expected to be filed soon and as described further below.

My team and I are keenly focused on our investigation, and analysis as to where all of the money that came into the Companies went and attempting to recover as much of those proceeds as possible, whether voluntarily from third parties and/or through litigation after we have performed the necessary due diligence, including financial analysis and applying the applicable law, and the inherent cost-benefit analysis relating to the expense of litigation and the recoverability of claims, if proven.

As I wrote in my June 26th Receiver's Report, we are continuing our claims review and reconciliation and are in the process of preparing an initial plan of distribution to propose to the Court for review and consideration. Understanding the amount owed to each Noteholder and others is critical to the process and we work every day to determine that amount and, in some cases, we are awaiting response(s) from Noteholders to question(s) we may have asked when doing our Claims Review and Reconciliation.

My team has sent out an initial set of Demand Letters directed to third parties that improperly received funds from the Companies and has demanded the return of amounts that we believe should be returned to the Receivership Estate. Should a recipient ignore the Demand Letter, we will probably commence litigation seeking the recovery of amount(s) we believe should be returned to the Receivership Estate - this process will continue as we investigate all outflows of dollars from the Companies and propriety of these outflows. However, this is also a civil process and one that will not necessarily move quickly. To help expedite the process, we filed a motion to implement certain procedures through the Court regarding the handling of these types of matters on an expedited basis. The Court entered the Order we requested which has been uploaded to the data room.

We continue down the path understanding that this is not a straightforward matter and we continue to receive additional records that allow us to update our database of information for Noteholders and amount(s) that they received over time. Additional subpoenas to various financial institutions have also been served.

Understanding the exact amount claimed and due to Noteholders and other parties in interest is an important and necessary data point as that amount is one-half of the equation that is part of our computation for any potential future to-be-proposed initial plan of distribution for the Court's for review and consideration. We have been following up with Noteholders from whom we have requested additional information/documentation from to move the process along.

The other half of the equation is the amount of funds available when we prepare and submit any proposed initial plan of distribution to the Court for review and consideration. As of today, our current cash position is in excess of \$3,000,000.00 and we are, as detailed above, continuing our efforts to recover additional monies we believe are due to the Receivership Estate - that effort is ongoing with the hope that recoveries will result in additional monies available for distribution to you and your fellow Noteholders and other parties in interest.

My team and I filed our Second Interim Fee Applications for the period August 1, 2022 through the end of the Corporate Monitorship Period, May 11, 2023. The Applications were filed this week and will be appearing on the Court's Docket in due course. I am advising you of same in order to be transparent and open about the Applications. As we did with our Initial Fee Applications, my team and I have agreed to 20% reductions in our fees resulting in the following: (i) Corporate Monitor request: \$459,184.88; (ii) DSI request: \$367,920.80 and \$1,037.19 in costs; (iii) Berger Singerman request: \$274,234.80 and \$4,989.98 in costs; and (iv) e-Forensics request: \$17,650.50, \$3,375.00 in forensic-data fees, and \$285.09 in costs.

Many have asked about certain individuals and why criminal charges have not been lodged against them. The Order of Appointment of Corporate Monitor and Order Appointing Receiver grant me the authority to "cooperate with regulatory and other government authorities with regard to any inquiry and to provide access and produce records upon request, with or without subpoena." Order dated 09/14/21, ¶13(EE) and Order dated 05/12/23, ¶8(dd). If called upon to do so, I would fully cooperate with any and all law enforcement authorities, whether local, state, and/or federal. Under Florida law, active criminal investigations conducted by state or local law enforcement are confidential until a charge is filed or an investigation is closed. Only the

investigating agency has authority to release information about an ongoing investigation. Therefore, I am not at liberty to confirm or deny the existence of any criminal investigation with respect to this matter.

I understand and appreciate your frustration but we are working tirelessly to get to a point when we can prepare and file our initial proposed plan of distribution and we hope to be able to do so in the near term.

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

Receiver

EXHIBIT B

NSI - Receivership Cash Flows

	Actual Cash Receipt and Disbursement Activity												
	2021 4-Months	2022 12-Months	Jan-23 1-Month	Feb-23 1-Month	Mar-23 1-Month	Apr-23 1-Month	May-23 1-Month	Jun-23 1-Month	Jul-23 1-Month	Aug-23 1-Month	Sep-23 1-Month	Oct-23 1-Month	Cumulative Total
Cash Receipts													
Insurance Commissions	63,402	140,447	10,509	8,191	7,651	9,855	6,368	8,044	11,128	5,065	5,741	7,109	283,509
Settlement/Litigation Proceeds	-	2,250,000	-	776,337	-	-	-	-	-	920,000	-	-	3,946,337
Interest	-	-	-	332	5,148	4,994	5,174	5,019	5,199	5,959	7,299	-	39,125
Other Receipts	56,242	30,637	-	-	-	-	35	-	-	-	226	-	87,139
Total Cash Receipts	119,643	2,421,084	10,509	784,860	12,799	14,850	11,576	13,063	16,327	931,023	13,266	7,109	4,356,110
Operating Disbursements													
Payroll & Taxes	69,399	61,200	5,816	5,799	5,602	5,604	6,388	7,622	5,604	5,604	5,604	2,802	187,044
Purchased Services	19,719	92,737	4,786	3,531	2,498	2,495	2,943	3,359	3,389	2,428	2,672	149	140,706
Insurance	-	705	-	267	-	-	-	405	-	-	-	-	1,377
Utilities	3,106	2,295	-	-	-	-	-	-	-	-	-	-	5,401
Rent	-	37,000	-	37,010	-	-	-	-	-	-	-	-	74,010
Other	1,370	3,851	1	31	17	1	1	1	1	1	1	-	5,277
Total Operating Disbursements	93,594	197,788	10,604	46,637	8,117	8,100	9,332	11,387	8,994	8,033	8,277	2,952	413,814
Professional Fees													
Legal	-	308,667	-	-	-	-	-	-	-	-	-	-	308,667
Monitor Fees	-	216,518	-	-	-	-	-	-	-	-	-	-	216,518
Financial Advisor (DSI)	-	211,393	-	-	-	-	-	-	-	-	-	-	211,393
Tax Accountant	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Professionals	-	89,817	-	75,000	-	-	-	-	-	-	-	-	164,817
Total Professional Fees	-	826,395	-	75,000	-	-	-	-	-	-	-	-	901,395
Total Disbursements	93,594	1,024,183	10,604	121,637	8,117	8,100	9,332	11,387	8,994	8,033	8,277	2,952	1,315,209
Net Cash Flow	26,050	1,396,901	(95)	663,223	4,682	6,750	2,244	1,676	7,333	922,990	4,989	4,157	3,040,901
Cash Balance													
Beginning Cash Book Balance	3,544	29,593	1,426,494	1,426,399	2,089,622	2,094,304	2,101,054	2,103,298	2,104,975	2,112,307	3,035,298	3,040,287	3,544
Intercompany Receipts	-	87,342	-	2,045,000	-	-	-	5,000	-	920,000	-	-	3,057,342
Intercompany Disbursements	-	(87,342)	-	(2,045,000)	-	-	-	(5,000)	-	(920,000)	-	-	(3,057,342)
Net Cash Flow	26,050	1,396,901	(95)	663,223	4,682	6,750	2,244	1,676	7,333	922,990	4,989	4,157	3,040,901
Ending Cash^[1]	29,593	1,426,494	1,426,399	2,089,622	2,094,304	2,101,054	2,103,298	2,104,975	2,112,307	3,035,298	3,040,287	3,044,444	3,044,444
Bank Reconciliation													
Outstanding Checks	3,202	250	2,129	75,805	-	-	-	504	-	-	-	-	-
Outstanding Wires	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Book Balance	32,795	1,426,743	1,428,529	2,165,427	2,094,304	2,101,054	2,103,298	2,105,478	2,112,307	3,035,298	3,040,287	3,044,444	
Actual Bank Balance	32,795	1,426,743	1,428,529	2,165,427	2,094,304	2,101,054	2,103,298	2,105,478	2,112,307	3,035,298	3,040,287	3,044,444	
Check	0	0	0	-	(0)	-	-	-	-	-	-	-	

Notes:

[1] Final ending Cash Balance is as of 10/13/23.