

**December 22, 2021**

**Dear Investors:**

**Background of Corporate Monitorship**

Pursuant to the Court's [Agreed Order Granting Plaintiff's Consent Motion for Appointment of Corporate Monitor and Related Injunctive Relief](#), dated September 14, 2021 (the "Order") entered in the matter [State of Florida, Office of Financial Regulation \(the "OFR"\) vs. National Senior Insurance, Inc. d/b/a Seeman Holtz, et al.](#), entered in Palm Beach County Circuit Court Case No. 50-2021-CA-008718-XXXX-MB (the "OFR Action"), pending before the Honorable Bradley Harper, Daniel J. Stermer was Corporate Monitor (the "Corporate Monitor") for the property, assets, and business of the twenty-seven (27) corporate-entity Defendants identified below (collectively, the "Consenting Corporate Defendants"):

1. NATIONAL SENIOR INSURANCE, INC. D/B/A SEEMAN HOLTZ
2. CENTURION INSURANCE SERVICES GROUP, LLC
3. EMERALD ASSETS 2018, LLC
4. INTEGRITY ASSETS 2016, LLC
5. INTEGRITY ASSETS, LLC
6. PARA LONGEVITY 2014-5, LLC
7. PARA LONGEVITY 2015-3, LLC
8. PARA LONGEVITY 2015-5, LLC
9. PARA LONGEVITY 2016-3, LLC
10. PARA LONGEVITY 2016-5, LLC
11. PARA LONGEVITY 2018-3, LLC
12. PARA LONGEVITY 2018-5, LLC
13. PARA LONGEVITY 2019-3, LLC
14. PARA LONGEVITY 2019-5, LLC
15. PARA LONGEVITY 2019-6, LLC
16. PARA LONGEVITY VI, LLC
17. SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC
18. VALENTINO GLOBAL HOLDINGS, LLC
19. AMERITONIAN ENTERPRISES, LLC
20. SEEMAN-HOLTZ CONSULTING CORP.
21. CENTURION ISG Holdings, LLC
22. CENTURION ISG Holdings II, LLC
23. CENTURION ISG (Europe) Limited
24. CENTURION ISG SERVICES, LLC
25. CENTURION ISG FINANCE GROUP, LLC
26. CENTURION FUNDING SPV I LLC, and
27. CENTURION FUNDING SPV II LLC.

**Investors in the Private Placement Entities**

In its [Complaint for Temporary and Permanent Injunction, Appointment of Receiver, Restitution, Civil Penalties, and Other Statutory and Equitable Relief](#) filed on July 12, 2021 in the OFR Action,

the OFR defines the following fourteen (14) entities under the Corporate Monitor's control as the "Defendant Private Placement Entities" or the "Defendant PPEs":

1. EMERALD ASSETS 2018, LLC ("Emerald 2018");
2. INTEGRITY ASSETS 2016, LLC ("Integrity 2016")
3. INTEGRITY ASSETS, LLC ("Integrity")
4. PARA LONGEVITY 2014-5, LLC ("PL 2014-5")
5. PARA LONGEVITY 2015-3, LLC ("PL 2015-3")
6. PARA LONGEVITY 2015-5, LLC ("PL 2015-5")
7. PARA LONGEVITY 2016-3, LLC ("PL 2016-3")
8. PARA LONGEVITY 2018-3, LLC ("PL 2018-3")
9. PARA LONGEVITY 2018-5, LLC ("PL 2018-5")
10. PARA LONGEVITY 2019-3, LLC ("PL 2019-3")
11. PARA LONGEVITY 2019-5, LLC ("PL 2019-5")
12. PARA LONGEVITY 2019-6, LLC ("PL 2019-6")
13. PARA LONGEVITY VI, LLC ("PL VI"), and
14. SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC ("SH Global").

The OFR alleges that the Defendant PPEs received millions of dollars from hundreds of investors after issuing a Private Placement Memorandum ("PPM") through which the investors subscribed and participated as investors in the Defendant PPEs.

#### **The Corporate Monitor's Communications with Investors/Noteholders**

Since his appointment, the Corporate Monitor has received numerous inquiries from investors and their representatives seeking information about the status of the PPEs and the investors' respective investments. The Corporate Monitor maintains a [Frequently Asked Questions](#) page for investors available online: <https://nationalseniormonitorship.com/> along with the [Court Documents](#) filed in the case.

Further, on October 6, 2021, the Corporate Monitor provided a [Notice to Investors](#) regarding Tax Matters, which remains available online. Following the October 6, 2021 Notice to Investors, the Corporate Monitor filed and posted the [Corporate Monitor's Initial Report](#) on the Monitorship website providing the Court and the investors with the Corporate Monitor's initial findings. Subsequent to the filing of the Corporate Monitor's Initial Report, on October 22, 2021, the Corporate Monitor provided additional [Frequently Asked Questions](#), which remains available online.

#### **December 2021 – UPDATE from the Corporate Monitor**

Currently, cash on hand for the Consenting Corporate Defendants is very limited. The Corporate Monitor and his team of professionals are actively working to determine a plan to create liquidity from the Consenting Corporate Defendants' assets with the goal of proposing a distribution plan that is fair and equitable, subject to Court approval. However, it is premature to project when or if any such potential plan to create liquidity will occur, if ever, or to offer guidance on the extent of the potential recovery by any investor. Due to the lack of liquidity, the Corporate Monitor is not in a position to fund any distributions or payments to creditors, including without limitation any

required minimum distribution (RMD) for any Noteholder annuity that may be in existence. Nor is the Corporate Monitor in a position to pay the annual fee(s) for same.

### **A Claims Process Has Not Been Proposed to the Court**

Among the general powers and duties delegated to the Corporate Monitor by the Court is to “propose to this Court a claims process for the determination of amounts owed to investors and other creditors, the determination of priorities among such claims, and a distribution plan for the return of funds.” And the Corporate Monitor may “disburse funds to investors only upon further Order of this Court.” At this time, however, the cash on hand and/or assets of the Consenting Corporate Defendants are so insufficient that the Corporate Monitor cannot consider proposing a claims process to determine amounts owed to investors and creditors, let alone determine a distribution plan and/or seek court approval to disburse funds to investors.

### **Grace Holdings Financial, LLC and other Related Entities**

As of this update, Grace Holdings Financial, LLC is a defendant in the OFR Action, but the monitorship has not been extended to include its assets. If and/or when Grace Holdings Financial, LLC’s assets are included in the monitorship, a decision that is beyond the Corporate Monitor’s authority, the Corporate Monitor will issue an update to investors. Notably among the general powers and duties delegated to the Corporate Monitor by the Court is the ability “[t]o request permission from this Court to extend the monitorship over any corporate entity, or to apply for equitable relief over the assets of any corporate entity or natural person which or who is reasonably believed to have received or to be holding assets or proceeds or other items of value derived from the Consenting Corporate Defendants or their investors.” In this respect, based upon his investigation to date and the cooperation given by certain Consenting Individual Defendants, the Corporate Monitor anticipates seeking Court approval to extend the monitorship over other corporate entities soon.

### **Alternative Sources of Liquidity for the Consenting Corporate Defendants**

Further, among general powers and duties delegated to the Corporate Monitor is the authority to “review and consider, as deemed reasonable and appropriate by the Corporate Monitor, plans or proposals prepared by the Consenting Individual Defendants to refinance or inject liquidity and/or assets into the Consenting Corporate Defendants for the benefit of its investors.” To that end, the Corporate Monitor has been in nearly daily discussions with the Consenting Individual Defendants and their respective counsels to explore all potential proposals to inject liquidity into the Consenting Corporate Defendants for the benefit of the investors. If the Corporate Monitor determines that a proposal “would be in the best interest of the Consenting Corporate Defendants and its investors, the Corporate Monitor will seek approval of this Court to implement the same.” The Corporate Monitor does not anticipate that any of the currently contemplated liquidity sources will allow the Corporate Monitor to recommence monthly or periodic payments to investors.

### **Status of the Life Settlement Policies**

The 61 life settlement policies subject of the OFR Action and investors’/noteholders’ interests have not lapsed. The premiums continue to be paid by and through a credit agreement between Teleios LS Holdings V DE, LLC, as lender (“Teleios”) and Centurion Funding SPV II, LLC, as borrower which is in default but for which Teleios has permitted amendments in the form of protective advances to avoid cancellation of such life settlement policies by the underlying

insurance carriers. However, Teleios will not continue to extend credit indefinitely and, without one or more policies maturing in short order or the implementation other remedial measures, the preservation of the life settlement policies is uncertain. Accordingly, the Corporate Monitor and his professionals are exploring several options, including refinancing the portfolio of life settlement policies to payoff Teleios and preserve remaining assets and/or engaging in an auction process to sell the portfolio of life settlement policies. If and when the Corporate Monitor determines the appropriate course of action, the Corporate Monitor will seek Court approval prior to implementation.

Please continue to monitor the website <https://nationalseniormonitorship.com/> along with the [Court Documents](#) filed in the case, to stay informed on the progress of the monitorship.