

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

CIVIL DIVISION

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

STATE OF FLORIDA OFFICE OF
FINANCIAL REGULATION,

Plaintiff,

vs.

NATIONAL SENIOR INSURANCE, INC.
D/B/A SEEMAN HOLTZ, et al.

Defendants.

**RESPONSE AND RESERVATION OF RIGHTS OF TELEIOS LS HOLDINGS IV, LLC
AND TELEIOS LS HOLDINGS V DE, LLC TO INTERVENORS, EDWIN AND KAREN
EZRINE'S RESPONSE TO THE CORPORATE MONITOR'S MOTION TO CLARIFY
THIS COURT'S ORDER APPOINTING THE CORPORATE MONITOR**

Teleios LS Holdings IV DE, LLC as lender under that certain Credit Agreement dated as of December 14, 2018 and Teleios LS Holdings V DE, LLC as purchaser under that certain Preferred Units Purchase Agreement dated as of December 14, 2018 (collectively, "Teleios"),¹ hereby submit this response and reservation of rights to *Intervenors Edwin and Karen Ezrine's Response to the Corporate Monitor's Motion to Clarify this Court's Order Appointing the Corporate Monitor* dated August 30, 2022 (the "Ezrine Response"). In support thereof, Teleios respectfully states as follows:

¹ Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bid Procedures Order (as defined below).

Background

1. On April 22, 2022, the Court entered its *Order Granting Corporate Monitor, Daniel J. Stermer’s Motion for Entry of an Order Approving (I) a Marketing Process to Refinance Existing Secured Debt Obligations or Sell Assets, (II) Bid Procedures, (III) the Retention of MapleLife Analytics, LLC and (IV) the Agreement with Teleios, Including Authorizing Teleios (A) To Commence a Public Foreclosure Process, and (B) To Exercise Certain Remedies* (the “Bid Procedures Order”).

2. Pursuant to the Bid Procedures Order, among other things, (i) the Corporate Monitor was authorized to commence a sale process for the Collateral (the “Monitor Refi/Sale Process”), (ii) in parallel, Teleios was authorized to commence a public sale process of the Collateral under Section 9-610 of the New York Uniform Commercial Code (the “NYUCC Sale Process”), (iii) if no Qualified Bids were received by the Bid Deadline for the Monitor Refi/Sale Process or the Release Price was not satisfied in full in cash on or prior to the Outside Date, Teleios was authorized to exercise remedies, including completing the NYUCC Sale Process and foreclosing on its Collateral pursuant to an NYUCC Sale and the Entitlement Order in each case, in accordance with the Bidding Procedures Order and the Bid Procedures without further order of the Court and (iv) an express reservation of rights in favor of the Ezrines (that they requested, negotiated and agreed to) was included. Bid Procedures Order, ¶¶ 36, 37, 38, 39; Notice of Cancellation of Sale, ¶ 8.

3. The Corporate Monitor extended the Bid Deadline on multiple occasions for a total of thirty (30) days, as permitted by the Bid Procedures Order (indeed, the actual time was extended by 32 days with the consent of Teleios given the 30th day fell on a Saturday). Bid Procedures Order, ¶ 48; Notice of Cancellation of Sale, ¶ 7. No Qualified Bids were received through the

Monitor Refi/Sale Process and the Release Price was not satisfied in full in cash on or prior to the Outside Date. Accordingly, on June 27, 2022, the Corporate Monitor filed the *Corporate Monitor's Notice of No Qualified Bids, Cancellation of Auction and Conclusion of Monitor Refinance/Sale Process* (the "Notice of Cancellation of Sale") which, among other things, concluded the Monitor Refi/Sale Process and cancelled the Monitor Auction and the Refinance/Sale Hearing. Notice of Cancellation of Sale, ¶¶ 7, 9.

4. As permitted by the Bid Procedures Order, in connection with the NYUCC Sale Process, on May 6, 2022, Teleios served a Notice of Disposition of Collateral and, at the completion of the NYUCC Sale Process, on June 28, 2022, Teleios served a Notice of Default and held an auction for the Collateral at which Teleios was the successful bidder for the Collateral pursuant to a Credit Bid of a portion of the outstanding Obligations under the Credit Agreement. The NYUCC Sale closed on June 28, 2022.

Response

5. The Ezrine Response contains unsubstantiated inuendo and veiled allegations with respect to Teleios and its counsel, Winston & Strawn LLP ("Winston") thus necessitating this response.² Although it is unclear exactly what the Ezrines are asserting and the implications of such assertions, what is clear is that such assertions are inappropriate and have no place in this context. As noted above, at the Ezrines' request, agreed reservation of rights language was included in the Bid Procedures Order that provides, in relevant part, as follows:

² As this Court is no doubt aware, the Ezrines' counsel also represents Tom Echolds and has previously raised unsubstantiated assertions in pleadings relating to various professionals in the case who share a common office building address in Los Angeles. See *Tom Echold's Reply to Teleios LS Holdings IV DE, LLC, and Teleios LS Holdings V DE, LLC's Limited Objection* filed July 25, 2022 ¶¶ 24-27; see also *Corporate Monitor's Response and Limited Objection to Intervenor Tom Echold's Limited Objection to Refinance or Sale of Centurion Assets and Motion to Intervene and Incorporated Memorandum of Law* filed July 25, 2022; see also *Limited Objection and Reservation of Rights of Teleios LS Holdings IV DE, LLC and Teleios LS Holdings V DE, LLC to Echold's Motion to Intervene* filed July 22, 2022. On July 26, 2022, this Court entered its *Order Denying Mr. Echold's Motion to Intervene*.

... (ii) if there is a sale, refinance, auction, foreclosure or other process in which the McDougal policy is sold and proceeds are not received, due to a credit bid or any other reason, then all of the Ezrines' rights in the McDougal Policy would be preserved and the Ezrines can assert that they have superior rights in the McDougal Policy subsequent to the sale and the rights of all parties in interest, including the new owner of the McDougal Policy's right, to challenge the rights preserved by the Ezrines in the McDougal Policy and any assertion that the Ezrines have superior rights in the McDougal Policy would also be preserved. (i.e., the Ezrines can assert a superior right in the policy to that of the new owner and all parties in interest, including the new owner of the policy, can challenge those rights).

Bid Procedures Order, ¶ 36.

6. As a gating matter, upon information and belief, despite repeated requests, the Ezrines have failed to provide even the most basic evidence that they have a valid, perfected security interest in the McDougal Policy, and have not provided any evidence of any interest that is superior to that of Teleios. Nevertheless, if the Ezrines believe that they have rights vis a vis Teleios, they are free to pursue those in an appropriate manner at an appropriate time, in an appropriate Court and parties can respond appropriately at such time to any allegations. However, this Court should not continue to countenance the Ezrines' scatter-shot approach vis a vis Teleios and its professionals, which serves only to clutter this Court's docket and force parties to respond at a not insignificant expense.

Reservation of Rights

7. Teleios reserves any and all rights, claims, and objections with respect to the Response, including, but not limited to, the right to raise any such right, claim or objection during the hearing on the Response and particularly the right to object to the Response on a substantive basis, including submitting a brief on any issue this Court deems relevant.³ Teleios further reserves

³ For example, (i) Teleios is unaware of any disclosure requirement regarding attorneys who previously worked for other law firms joining Winston and (ii) the Bid Procedures Order was entered on April 22, 2022, months before Carl

its rights to amend, update, and/or supplement this response and reservation of rights at any time and in any respect.

WHEREFORE, Teleios respectfully requests that this Court reject the relief requested in the Response and grant such other and further relief this Court deems appropriate.

DATED: September 2, 2022.

MELAND BUDWICK, P.A.
3200 Southeast Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
Telephone: (305) 358-6363
Facsimile: (305) 358-1221

By: /s/ Joshua W. Dobin
Joshua W. Dobin, Esquire
Florida Bar No. 93696
jdobin@melandbudwick.com
James C. Moon, Esquire
Florida Bar Number: 938211
jmoon@melandbudwick.com

*Email Designation per Fla. R. Jud.
Admin 2.516*

jdobin@melandbudwick.com
jmoon@melandbudwick.com
mramos@melandbudwick.com
ihernandez@melandbudwick.com

Carey D. Schreiber, Esquire
cschreiber@winston.com
Winston & Strawn LLP
200 Park Avenue
New York, NY 10166-4193
Telephone: (212) 294-3547

*Attorneys for Teleios LS Holdings V DE,
LLC and Teleios LS Holdings IV DE, LLC*

Fornaris joined Winston, rendering the issue entirely irrelevant.