

STATE OF NORTH CAROLINA  
WAKE COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
19 CVS 008664

MIKE CAUSEY, )  
COMMISSIONER OF INSURANCE )  
OF NORTH CAROLINA, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
SOUTHLAND NATIONAL INSURANCE )  
CORPORATION, SOUTHLAND NATIONAL )  
REINSURANCE CORPORATION, BANKERS )  
LIFE INSURANCE COMPANY, COLORADO )  
BANKERS LIFE INSURANCE COMPANY )  
North Carolina Domiciled Insurance Companies, )  
 )  
Respondents. )

AMENDED  
RECEIVERS'  
QUARTERLY REPORT

NOW COMES the Commissioner of Insurance of the State of North Carolina, in his capacity as Court appointed Receiver of Southland National Insurance Corporation, Southland National Reinsurance Corporation, Bankers Life Insurance Company and Colorado Bankers Life Insurance Company (Receiver), and hereby makes this report pursuant to North Carolina General Statute § 58-30-80(b) and 105(e), and the Orders of this Court dated June 27, 2019, December 30, 2022, and May 2, 2023, which require the Receiver, until further order of this Court, to make a quarterly report to the Court including a statement of receipts and disbursements to date and a statement of financial position (balance sheet). Attached hereto and incorporated herein by reference as Exhibits A - D, are the quarterly reports of activity of the Receiver as of September 30, 2024, and a balance sheet, summary of operations and schedule of Lindberg affiliated investments as of September 30, 2024, of Southland National Insurance Corporation, Southland National Reinsurance Corporation, Bankers Life Insurance Company and Colorado Bankers Life Insurance Company, as prepared by the Special Deputy Receivers on behalf of the Receiver.

This the 14th day of March, 2025.

JEFF JACKSON  
ATTORNEY GENERAL  
Attorney for Petitioner,

/s/M. Denise Stanford  
M. Denise Stanford  
Special Deputy Attorney General

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## **CERTIFICATE OF SERVICE**

I, the undersigned attorney, do certify that a copy of the foregoing pleading or paper was served by electronic mail to the following attorney or party at their electronic mail addresses as set out below:

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This the 14th day of March 2025.

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**SOUTHLAND NATIONAL INSURANCE CORPORATION**  
**NORTH CAROLINA COMMISSIONER OF INSURANCE AS RECEIVER**  
**AS OF SEPTEMBER 30, 2024,**  
**A BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2024**  
**A SUMMARY OF OPERATIONS**  
**THROUGH SEPTEMBER 30, 2024**  
**AND**  
**A SCHEDULE OF LINDBERG AFFILIATED INVESTMENTS**  
**AS OF SEPTEMBER 30, 2024**

## INTRODUCTION

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### BACKGROUND

Southland National Insurance Corporation (hereinafter, “SNIC” or “Company” or collectively with other of the North Carolina insurance companies in receivership, the “Insurance Companies”) was originally formed in 1950 as an Alabama mutual aid association under the name of Southland National Insurance Company. In January 1969, the Company was incorporated in Alabama under the name Southland National Insurance Company. In 1988, the Company adopted its current name Southland National Insurance Corporation. In December 2015, the Company redomesticated to North Carolina. On June 27, 2019, the Wake County Superior Court (hereinafter, the “Court”) issued an Order of Rehabilitation (hereinafter, “Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (“Rehabilitator” or “Receiver”). On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter “Moratorium”). SNIC is now in liquidation, as set out below.

The Company is part of a group of insurance companies known as Global Bankers Insurance Group (hereinafter, “GBIG”). GBIG is part of a larger group of companies known as Global Growth (f/k/a Eli Global). Global Growth is owned by Greg Lindberg (hereinafter, “Lindberg”).

### PURPOSE OF THIS REPORT

The purpose of this report is to provide a quarterly update to the Court, as required by the Order and Liquidation Order. This report includes an update on the work that the Receiver and his staff carried out from the issuance of the Order to the issuance of the Liquidation Order, the work that the Liquidator and his staff have carried out from the issuance of the Liquidation Order, and the present situation of the Company, as of September 30, 2024. This report also provides a balance sheet and schedule of Lindberg affiliated investments as of September 30, 2024, and a summary of operations through September 30, 2024. This report also notes that the Commissioner determined that the Company should be placed into liquidation. The Commissioner as Petitioner filed a Motion for Entry of Order of Liquidation with this Court as to SNIC on March 10, 2023. The Court entered an Order of Liquidation on May 2, 2023 (“Liquidation Order”), appointing the Commissioner as Liquidator (“Liquidator” or “Receiver”). *See* Liquidation Section on page 54 for additional information about liquidation.

### LIMITATIONS

This report is based only on the knowledge that the Commissioner as Receiver and his staff have gained from the work performed since the issuance of the Order and Liquidation Order. Facts may exist that the Receiver is unaware of that may have a material effect on the information provided in this report. The Receiver will update the information in future quarterly reports as additional facts are discovered.

## **SUMMARY**

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### **COMPANY PROPERTY**

- In accordance with the Liquidation Order, the Receiver has taken possession of all known assets and property of the Company.
- The Receiver is currently working in conjunction with applicable state life and health insurance guaranty associations regarding the Company's in-force business and reinsurance programs.

### **MEMORANDUM OF UNDERSTANDING AND INTERIM AMENDMENT TO LOAN AGREEMENTS**

On June 27, 2019, the Company entered into a Memorandum of Understanding ("MOU") and Interim Amendment to Loan Agreements ("IALA") with Greg E. Lindberg, Academy Association, Inc. and Edwards Mill Asset Management, LLC. The Parties executed this MOU to set forth their agreements, including but not limited to, (i) the immediate partial amendment of, among other things, the interest rate and repayment terms of various affiliated loans through the IALA; (ii) the global restructuring of various affiliated companies through the formation of a new holding company; and (iii) the global restructuring and modifications of all affiliated loans, including assignment of the loans to such new holding company. The restructuring was to be completed by September 30, 2019. The restructuring was not completed by this date. The Company, along with the other insurance companies in rehabilitation, filed a Complaint against the other parties to the MOU on October 1, 2019. This Court issued a Judgment and Order in the MOU litigation on May 18, 2022. Defendants filed a notice of appeal. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the MOU Judgment and Order and allowing damages for Defendants' fraud. See the Investment Portfolio and Litigation sections for more information.

### **INVESTMENT PORTFOLIO**

The goal of the Receiver is to reduce the amount of affiliated investments and to increase long-term liquidity. The non-affiliated investments are invested primarily in publicly traded securities. The Receiver continues to work on the plan for the Global Growth non-insurance operating companies to repay the affiliated investments.

- The Company has approximately \$126.2MM of affiliated investments as of September 30, 2024 that have been non-admitted as statutory assets.
- The Company reduced the value of some preferred equity that was invested in Colorado Bankers Life Insurance Company and Bankers Life Insurance Company in the total amount of \$32MM since both companies have been ordered to liquidation. See the Schedule of Affiliated Investments.
- During the quarter, the Company received some interest payments on the affiliated investments. The amount received was not in accordance with the IALA. See the Litigation section for more information.

As set out in the notes to the financial statements, on July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat. §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent

(10%) of the insurer's admitted assets or fifty percent (50%) of the insurer's policyholders' surplus, provided that after those investments, the insurer's policyholders' surplus will be reasonable in relation to the insurers' outstanding liabilities and adequate to its financial needs. The excess amount of affiliated investments should be non-admitted for purposes of statutory accounting. The statutory limitation on affiliated investments was enacted after the companies were placed into rehabilitation. As of September 30, 2024, the Company has non-admitted \$126.2 million of affiliated investments and \$37.4 million of affiliated interest due and accrued.

### **EXPENSE REDUCTIONS**

The Receiver is evaluating the Company's contracts to identify those that are essential and will need to be continued through the liquidation of the Company.

### **LITIGATION**

To the Receiver's knowledge, the Company is a party to or has a financial interest in the following lawsuits:

#### **Non-Affiliated**

The following litigation was initiated against the Company by non-Global Growth affiliated persons:

#### ***In re PB Life and Annuity Co. Ltd.*, No. 1:20-BK-12791, Bankruptcy Court for the Southern District of New York**

A Bermudan court appointed Joint Provisional Liquidators ("JPLs") to liquidate PB Life and Annuity Co. ("PBLA"), Northstar Financial Services (Bermuda) Ltd., Omnia Ltd. And PB Investment Holdings, Ltd (four Bermudan insurance and reinsurance companies previously affiliated with Greg Lindberg). This Chapter 15 proceeding, initiated on December 3, 2020, recognizes the companies Bermudan liquidation proceedings by the United States Bankruptcy Court. The Bankruptcy Court governs how the United States-based assets of the Bermudan entities will be liquidated.

None of the Insurance Companies are parties to this bankruptcy proceeding. However, the Insurance Companies have participated as an "interested party" in various filings and motions that impact the Insurance Companies, their assets, or their insolvency proceedings. Only items that significantly impact or relate to the Insurance Companies are included here. Other events have occurred in this proceeding that are not included in this summary.

On August 26, 2022, the JPLs filed a Motion to Enforce the Automatic Stay and Extend the Automatic Stay. In the motion, the JPLs seek to prevent the Insurance Companies and the Lindberg entities from enforcing the MOU Amended Judgment and Order or implementing the MOU. After disputes over discovery related to the motion, the Bankruptcy Court ordered that the JPLs withdraw their motion re-file by September 20, 2022. The JPLs refiled an Amended Motion to Enforce the Automatic Stay and Extend the Automatic Stay (the "Motion to Enforce").

On March 3, 2023, the Insurance Companies filed their objection to the Motion to Enforce. The JPLs filed their reply on March 17, 2023.



On March 23, 2023, the Bankruptcy Court heard argument on the Motion to Enforce. On April 10, 2023, the Bankruptcy Court entered an Order Denying the JPLs' Motion to Enforce Stay. The Bankruptcy Court also stayed the Insurance Companies' declaratory judgment action because most of the issues in the declaratory judgment action were resolved by the Order denying the JPLs' Motion to Enforce.

On April 24, 2023, the JPLs noticed an appeal of the Order denying their Motion to Enforce. On May 8, 2023, the JPLs filed their designation of the record on appeal for the Motion to Enforce. On May 22, 2023, the Insurance Companies filed their counter-designations of the record on appeal. On July 5, 2023, the JPLs dismissed their appeal of the Order denying their Motion to Enforce.

***Johnston, et al. v. Lindberg, et al*, Case No. 1:23-AP-01000, Bankruptcy Court for the Southern District of New York**

This case was filed on January 4, 2023 by the JPLs. The lawsuit named the insurance companies, Greg Lindberg, and all Global Growth-affiliated entities as defendants.

The JPLs sued CBL, BLIC, SNIC, and SNRC for, among other things, fraud, fraudulent transfer, conversion, unjust enrichment, and breach of fiduciary duty under North Carolina and Bermuda law related to execution of the IALA and MOU and distribution of interest payments. The JPLs sought a declaratory judgment that the IALA and MOU are void and unenforceable, an accounting of loans where CBL and SNIC are the agents, monetary damages, and an injunction related to the insurance companies' distribution of interest payments.

The lawsuit was filed in violation of the injunctions prohibiting lawsuits against CBL, BLIC, SNIC, and SNRC issued by this Court in the Order of Rehabilitation, entered June 27, 2019. The JPLs did not receive this Court's permission to file this lawsuit against the insurance companies.

On January 18, 2023, CBL, BLIC, SNIC, and SNRC filed a motion to stay the claims as to CBL, BLIC, SNIC, and SNRC because the lawsuit was filed in violation of the anti-suit injunction issued by this Court. The motion asked the court to stay the lawsuit against CBL, BLIC, SNIC, and SNRC until the JPLs obtained permission from this Court permitting the claims to proceed. On January 31, 2023, the JPLs responded and opposed the Motion to Stay arguing that this Court's injunction did not apply to the lawsuit as filed. CBL, BLIC, SNIC, and SNRC filed a reply on February 8, 2023 explaining that the McCarran-Ferguson Act required the Bankruptcy Court to defer to this Court's injunction.

A hearing on the Motion to Stay was held on February 10, 2023. The Bankruptcy Court permitted the JPLs to file a sur-reply on the application of the McCarran-Ferguson Act on this matter, which was filed on February 21, 2023.

A second hearing on the Motion to Stay was held on February 27, 2023. During the hearing, the Bankruptcy Court granted the Motion to Stay, found that the McCarran-Ferguson Act applied and required the Bankruptcy Court to give this Court's injunction force and effect, and found that the

JPLs' violated the injunction by filing this suit against CBL, BLIC, SNIC, and SNRC without this Court's prior permission and that such action was prohibited by the McCarran-Ferguson Act. The Bankruptcy Court stayed the claims against CBL, BLIC, SNIC, and SNRC until the JPLs obtained permission to proceed from this Court. An order memorializing the same was entered on March 10, 2023.

On March 24, 2023, the JPLs noticed an appeal of the Order granting the Motion to Stay, in the District Court for the Southern District of New York. On April 14, 2023, the JPLs filed their designation of the record on appeal. On April 21, 2023, the Insurance Companies filed their counter-designations of the record on appeal.

On April 24, 2023, the Insurance Companies filed a letter requesting a hearing for permission to file a motion to dismiss the JPLs' appeal as interlocutory. The JPLs filed an opposition to the Insurance Companies' request for permission. On April 27, 2023, the JPLs prematurely filed their opening appellant brief. On May 5, 2023, the District Court stayed the substantive briefing and ordered the Insurance Companies to file a motion to dismiss by May 26, 2023. The Insurance Companies filed their motion to dismiss on May 26, 2023.

On May 22, 2023, the JPLs' filed a motion in this Court seeking permission to pursue their adversary proceeding against the Insurance Companies. The Insurance Companies and Receiver opposed the motion and filed a response on June 15, 2023. This Court heard argument on June 19, 2023 and orally denied the JPLs' motion. A written order reflecting the same was entered on July 5, 2023.

On June 20, 2023, the JPLs filed their response in opposition to the Motion to Dismiss and argued that the appeal was not interlocutory. On June 27, 2023, the Insurance Companies requested to withdraw their Motion to Dismiss due to this Court's denial of the JPLs' motion for permission to pursue their claims against the Insurance Companies. On June 28, 2023, the District Court permitted the Insurance Companies to withdraw their Motion to Dismiss and set a briefing schedule for the substantive appeal.

On July 28, 2023, the Insurance Companies filed their appellee brief in the JPLs' appeal of Order granting the Motion to Stay. On August 11, 2023, the JPLs filed their reply in support of their appeal. The appeal remains pending.

On September 27, 2023, the JPLs filed an Amended Complaint against the Insurance Companies and hundreds of others restating their claims against the Insurance Companies and adding additional factual allegations, legal theories, and claims of recovery against the Insurance Companies.

On October 7, 2023, the JPLs wrote a letter to the Bankruptcy Court requesting that certain counts of the amended complaint be dismissed as to CBL.

On October 17, 2023, the Insurance Companies filed a motion for sanctions and contempt against the JPLs and their counsel for filing the Amended Complaint in violation of the Rehabilitation

Order, the SNIC Liquidation Order, and the Bankruptcy Court's order staying the adversary proceedings as to the Insurance Companies.

On October 31, 2023, the JPLs filed their response in opposition to the motion for sanctions and contempt.

On November 6, 2023, the Insurance Companies filed their reply in support of the motion for sanctions and contempt.

On November 8, 2023, the Bankruptcy Court held an initial hearing on the motion for sanctions and contempt. The Bankruptcy Court requested additional briefing on jurisdictional and remedial issues related to the motion for sanctions and contempt and established a briefing schedule.

On November 14, 2023, the JPLs filed their sur-reply in opposition to the motion for sanctions and contempt. On November 21, 2023, the Insurance Companies filed their sur-sur-reply in support of the motion for sanctions and contempt.

On November 28, 2023, the Bankruptcy Court heard argument on the motion for sanctions and contempt. The Bankruptcy Court issued an oral ruling finding that the JPLs and their counsel were in contempt of the Bankruptcy Court's prior order and awarded the Insurance Companies their attorneys' fees associated with bringing the motion for contempt. This sanction is to be paid by the JPLs' counsel, Stevens & Lee.

On December 14, 2023, the Insurance Companies submitted their attorneys' fee request with documentation to the Bankruptcy Court. On December 27, 2023, the JPLs filed an objection to the attorneys' fee request.

On January 12, 2024, the Insurance Companies filed their reply in support of their attorneys' fee request. On January 19, 2024, the JPLs filed a sur-reply in opposition to the Insurance Companies' attorneys' fee request. On January 17, 2024, the Insurance Companies filed a reply to the sur-reply in support of their attorneys' fee request.

On February 1, 2024, the Bankruptcy Court entered an order holding the JPLs and their counsel in contempt of court for filing the Amended Complaint in violation of the bankruptcy court's order staying the adversary proceeding against the Insurance Companies. As a sanction, the Bankruptcy Court ordered the JPLs' counsel's firm, Stevens & Lee, to pay the Insurance Companies' attorneys' fees in the amount of \$670,292.04 (the "Sanction Order"). The JPLs were also required to file a restated amended complaint that removed all new allegations and causes of action against the insurance companies.

On February 13, 2024, the Bankruptcy Court held a case conference to discuss revisions to the restated amended complaint that the insurance companies and the JPLs could not agree on. Following the Bankruptcy Court's decision on the disputed allegations, the JPLs filed a restated amended complaint on February 14, 2024.

On February 14, 2024, the JPLs and their counsel at Stevens & Lee filed a notice of appeal of the Bankruptcy Court's Sanction Order. The appeal will be heard by Judge Ramos, the same district

court judge that heard the JPLs' appeal of the Order Granting the Motion to Stay the adversary proceeding.

On February 22, 2024, the District Court hearing the JPLs' appeal of the Order Granting the Motion to Stay entered an opinion affirming the Bankruptcy Court's stay of the Adversary Proceeding against Respondents and held that the McCarran Ferguson Act reverse preempted the Bankruptcy Court's jurisdiction over the adversary proceeding against the insurance companies.

On February 28, 2024, the JPLs and Stevens & Lee filed their designated record and issues on appeal for their appeal of the Bankruptcy Court's Sanction Order. The District Court entered a scheduling order on March 15, 2024 governing the briefing schedule of the appeal.

On March 7, 2024, the Insurance Companies filed a Declaration to recover the court costs associated with the JPLs' unsuccessful appeal of the Bankruptcy Court's Order Granting the Motion to Stay.

On March 22, 2024, the JPLs appealed the District Court's order affirming the Bankruptcy Court's Order Granting the Motion to Stay the adversary proceeding. The appeal was made to the Second Circuit Court of Appeals.

On May 1, 2024, the JPLs dismissed with prejudice their appeal of the Order Granting the Motion to Stay in the Second Circuit. The Second Circuit entered an order withdrawing the appeal on May 7, 2024.

On May 1, 2024, the JPLs dismissed with prejudice the Insurance Companies from the adversary proceeding filed in the Bankruptcy Court for the Southern District of New York. The Bankruptcy Court entered an order dismissing the Insurance Companies from the adversary proceeding on May 2, 2024.

On May 3, 2024, Stevens & Lee, counsel to the JPLs, moved to dismiss without prejudice its portion of the appeal of the Bankruptcy Court's Sanctions Order.

On May 6, 2024, Eric Robinson and Wade Koenecke, two of the Stevens & Lee attorneys the Bankruptcy Court found had violated her orders in the Sanctions Order, filed a letter with the District Court seeking a dismissal of their portion of the appeal without prejudice so that those attorneys could return to the bankruptcy court to seek relief or modification of the Sanctions Order.

On May 6, 2024, Nicholas Kajon and Constantine Pourakis, the other two Stevens & Lee attorneys the Bankruptcy Court found had violated her orders in the Sanctions Order, filed a letter with the District Court "joining" in Mr. Robinson's letter.

On May 6, 2024, the JPLs dismissed with prejudice their part of the appeal of the Sanctions Order. This dismissal did not dismiss with prejudice the Stevens & Lee's or the individual attorneys' portions of the appeal. On May 9, 2024, the district judge ordered the JPLs' portion of the Sanctions Order appeal dismissed with prejudice.

On May 7, 2024, the Insurance Companies filed a letter with Judge Ramos explaining why the companies opposed Stevens & Lee's and the individual attorneys' requests to dismiss the appeal *without prejudice*.

On May 14, 2024, Nicholas Kajon and Constatine Pourakis moved to dismiss *with prejudice* their portion of the appeal of the Sanctions Order.

***Colorado Bankers Life Insurance Company v. PB Life and Annuity Co., Ltd.*, Case No. 1:22-AP-001149, Bankruptcy Court for the Southern District of New York**

CBL, BLIC, SNIC, and SNRC filed a Declaratory Judgment Action on September 21, 2022 in the JPLs' bankruptcy proceedings asking the Bankruptcy Court to determine the scope of the automatic stay as it applies to enforcement of the Amended Judgment and Order entered in the MOU litigation. CBL, BLIC, SNIC, and SNRC asked the Bankruptcy Court to declare that the automatic stay does not prohibit the Lindberg-Defendants in the MOU Action from performing their obligations under the Amended Judgment and Order to contribute the SACs to NHC.

This declaratory judgment action was filed in response to the JPLs' Motion to Enforce whereby the JPLs asked the Bankruptcy Court to prohibit the Lindberg-Defendants in the MOU action from performing their obligations under the Amended Judgment and Order or MOU.

On January 9, 2023, the JPLs answered the Declaratory Judgment Action and filed counterclaims which incorporated by reference all of the allegations and claims against CBL, BLIC, SNIC, and SNRC set forth in their adversary proceeding, discussed above.

On January 30, 2023, CBL, BLIC, SNIC, and SNRC moved to strike the counterclaims as improperly filed. The JPLs responded to the motion to strike on February 8, 2023 and the insurance companies filed a reply on February 14, 2023. The Bankruptcy Court held a hearing on the Motion to Strike on February 15, 2023.

On March 10, 2023, the Bankruptcy Court entered an order staying the counterclaims against CBL, BLIC, SNIC, and SNRC.

On March 20, 2023, the Insurance Companies requested a conference with the Bankruptcy Court to discuss filing for summary judgment on the declaratory judgment claims. On April 7, 2023, the JPLs objected to the conference and sought to take discovery on the Insurance Companies declaratory judgment action and their alleged defenses.

On April 11, 2023, the Bankruptcy Court stayed the declaratory judgment action because a separate order issued in the Chapter 15 bankruptcy proceedings denying the Motion to Enforce and finding that the Amended Judgment and Order from the MOU action and implementation of the MOU itself did not violate the Bankruptcy Court's automatic stay. That order resolved most of the issues in the declaratory judgment action.

On May 22, 2023, the JPLs filed a motion in this Court seeking permission to pursue their counterclaims against the Insurance Companies. The Insurance Companies and Receiver opposed

the motion and filed a response on June 15, 2023. This Court heard argument on June 19, 2023 and orally denied the JPLs' motion. A written order reflecting the same was entered on July 5, 2023.

***Ehmann, Schiffli and Throneberg v. Medflow, Inc., Medflow Holdings, LLC, Southland National Insurance Corporation, et al.; Case No. 15 CVS 3098, Superior Court of North Carolina, Mecklenburg County.***

This case was filed on February 18, 2015, and amended on December 2, 2015, to add SNIC as a Defendant, alleging breach of contract, wage and hour violations, retaliatory discharge, tortious retaliation, fraudulent transfer, unfair and deceptive trade practices, alter ego liability, and civil conspiracy against SNIC related to the discharge of executives at Medflow, Inc. This case is assigned to the North Carolina Business Court.

Mediation in April 2019 was unsuccessful. A bifurcated trial of some of the issues occurred in late-April to early-May of 2019. The trial resulted in a mistrial of certain issues and did not resolve the matter.

On July 23, 2019, the Court unsevered the case, declared a mistrial on some of the issues tried, and took judicial notice of SNIC's status in Rehabilitation. The parties' post-trial motions have been resolved. On October 11, 2019, Counsel for the Receiver filed a motion to vacate the order entered by the Superior Court of Wake County modifying the automatic stay provided in the Order of Rehabilitation which allows this case to proceed. The motion to vacate was granted on December 10, 2019.

By Consent Order filed January 21, 2020, the Plaintiffs were allowed to intervene in the Wake County action for the limited purpose of seeking an order lifting the stay and injunction provided in the Order of Rehabilitation. On February 18, 2020, Plaintiffs filed a Motion for Relief from Stay, which was heard on April 9, 2020. On May 13, 2020, the Wake County court entered an order lifting the stay and injunction as to SNIC, thereby allowing Plaintiffs' claims against SNIC to continue to final judgment or other final disposition; however, execution of any judgment entered against SNIC remains stayed. The Wake County court reserved the issue of whether any money owed by SNIC to Plaintiffs constitutes a "preference" prohibited by the injunction and N.C. Gen. Stat. § 58-30-20.

The parties have entered into a confidential settlement agreement resolving the claims by and against Plaintiff Schiffli. On September 10, 2020, Defendants Medflow, Inc. and Medflow, LLC voluntarily dismissed with prejudice their counterclaims against Plaintiff Schiffli. On September 11, 2020, Defendants Greg E. Lindberg, Eli Global, LLC, Eli Research, LLC, Eli Equity, LLC, GBIG Capital, LLC f/k/a SNA Capital, LLC, GBIG Holdings, Inc. f/k/a Southland National Holdings, Inc., and DJRTC, LLC voluntarily dismissed with prejudice their counterclaims against Plaintiff Schiffli.

On September 14, 2020, the Court granted Plaintiff Schiffli's Consent Motion to Stay Schiffli's Claims, staying all claims filed by Plaintiff Schiffli against all Defendants pending Defendants'

completion of their obligations under the parties' settlement agreement. On March 11, 2021, the stay was extended to June 15, 2021.

On December 8, 2020, SNIC filed a Motion to Dismiss Plaintiffs' claims against it. On January 19, 2021, Plaintiffs filed their response in opposition to SNIC's motion to dismiss. SNIC filed its reply on January 29, 2021.

The parties have entered into a confidential settlement agreement resolving the claims by and against Plaintiff Ehmann. On March 12, 2021, Defendants Medflow, Inc., Medflow Holdings, LLC, Greg E. Lindberg, Eli Global, LLC, Eli Research, LLC, Eli Equity, LLC, GBIG Capital, LLC f/k/a SNA Capital, LLC, GBIG Holdings, Inc. f/k/a Southland National Holdings, Inc., and DJRTC, LLC voluntarily dismissed with prejudice their counterclaims against Plaintiff Ehmann.

On March 19, 2021, the Court granted Plaintiff Ehmann's Consent Motion to Stay Ehmann's Claims, staying all claims filed by Plaintiff Ehmann against all Defendants pending Defendants' completion of their obligations under the parties' settlement agreement.

On July 26, 2021, the Parties held a status conference with the Court to discuss the status of the case and pending motions. Also on July 26, 2021, the Court entered a scheduling order requiring Plaintiffs Ehmann and Schiffli to dismiss their stayed claims against the defendants if the defendants have met their settlement obligations or report to the Court that the defendants could not meet their settlement obligations by October 6, 2021. The Parties were required to file a joint status report by October 13, 2021, identifying the outstanding discovery and dispositive motions to be decided with oral argument on those motions to be held in the first week of November 2021. The Court also denied Plaintiffs' request to have all defendants answer the Second Amended Complaint before the Court resolved the pending motions to dismiss.

On September 16, 2021, Plaintiffs Ehmann and Schiffli voluntarily dismissed their claims against all defendants pursuant to their settlement obligations. On October 13, 2021, Plaintiff Throneburg and the Defendants filed a status report on the outstanding motions in the matter. The Court heard oral argument on the pending motions on November 9, 2021. On November 9, 2021, the Court formally lifted the stay previously imposed in this case and ordered the parties to meet and confer regarding upcoming discovery.

On August 19, 2022, the Court entered an ESI protocol to govern the parties' discovery going forward.

On September 12, 2022, the Court entered an order on the pending motions to dismiss. The Court dismissed three claims against SNIC alleging retaliatory discharge, wrongful discharge, and civil conspiracy. The Court allowed 4 claims to proceed as to SNIC for alleged Wage and Hour Act violations, fraudulent transfer, unfair and deceptive trade practices, and alter ego liability.

On October 5, 2022, the SDRs filed a Motion for Re-Issuance of Stay in Wake County asking the rehabilitation court to stay the Business Court litigation due to SNIC's financial condition. After hearing argument on the motion, the rehabilitation court granted the Motion for Re-Issuance of Stay on November 9, 2022. On November 14, 2022, SNIC notified the Business Court of the

rehabilitation court's stay. The Business Court then entered an order acknowledging the re-issued stay as to SNIC and allowing the litigation to proceed against the other, remaining defendants.

As noted above, SNIC was ordered into liquidation on May 2, 2023. N.C. Gen. Stat. § 58-30-130(a), which is incorporated by reference into the SNIC liquidation order prohibits any person from maintaining an action against SNIC, and instead requires any claim against SNIC to be brought in the liquidation proceedings. SNIC has provided counsel for plaintiff Throneburg a copy of the SNIC liquidation order and requested dismissal of the lawsuit.

On August 1, 2023, the Special Deputy Receiver filed a motion for plaintiff Throneburg to show cause as to why the business court action should not be dismissed pursuant to N.C. Gen. Stat. § 58-30-130(a), which was incorporated by reference into the SNIC liquidation order.

On September 29, 2023, the plaintiff responded in opposition to the Special Deputy Liquidator's Motion for Order to Show Cause.

On October 5, 2023, the Rehabilitation Court heard argument on the Special Deputy Liquidator's Motion for Order to Show Cause and orally found probable cause to issue a show cause order where the plaintiff refused to dismiss the stayed Business Court action against SNIC in violation of the Liquidation Order and applicable statute.

On October 10, 2023, the plaintiff dismissed the Business Court action against SNIC without prejudice.

On October 24, 2023, the Rehabilitation Court issued a "supplemental" order on the Motion for Order to Show Cause holding that a show cause hearing was no longer necessary where the plaintiff had dismissed the Business Court action against SNIC.

***Claritte Lumar nee Smith and the Succession of Byron Smith v. Lafourche Life Insurance Company and Southland National Insurance Corporation; Case No. C-73440, 40<sup>th</sup> Judicial District Court, Parish of St. John the Baptist, State of Louisiana.***

This case was filed on May 8, 2019, which appealed a denied accidental death claim and petitioned for payment of insurance proceeds.

A response was filed on June 24, 2019 denying liability.

Counsel for Defendants requested that counsel for Plaintiffs dismiss or stay the case, which they have thus far declined to do. Defendants filed a motion to stay this litigation under the authority of the North Carolina Rehabilitation Order staying and granting injunctive relief. The motion to stay was granted on March 19, 2020.

***Rickey Baker v. Southland National Insurance Corporation, Case No. 31-SM-2020-000038.00, Small Claims Court of Etowah County, Alabama.***



This small claims action was filed on February 26, 2020, seeking payment for the surrender of a policy. On March 5, 2020, SNIC moved to stay the action on notice of the North Carolina Rehabilitation order staying and granting injunctive relief. The motion was granted on March 9, 2020, and the action was placed on the Administrative Docket. On September 1, 2023, this matter was dismissed with prejudice pursuant to a Joint Stipulation of Dismissal with Prejudice.

***Ramos v. Mothe Funeral Homes, LLC, Southland National Insurance Corporation, and Security Industrial Insurance Company, Case No. 815-053, 24<sup>th</sup> Judicial District Court for the Parish of Jefferson, State of Louisiana.***

On February 24, 2021, the Plaintiff filed a Petition for Damages against Mothe Funeral Homes, LLC, SNIC, and Security Industrial Insurance Company related to certain insurance policies. SNIC disputes that it has been properly served in the action and that the action can proceed while SNIC is in rehabilitation. On June 15, 2021, a subpoena duces tecum for deposition was issued to SNIC for certain records related to the Plaintiffs' policies. SNIC objected to the subpoena and notice of deposition.

On November 14, 2023, the plaintiff filed documents to have SNIC served with process.

On January 19, 2024, the plaintiff filed a motion to dismiss the action pursuant to the injunction in the Liquidation Order.

***Universal Life Insurance Company and TMI Trust Company v. Academy Financial Assets, LLC, et al., Case No. 22 CVS 7920, Wake County, North Carolina.***

On June 27, 2022, ULICO and TMI filed a complaint in Wake County, North Carolina seeking an order declaring the Interim Amendment to Loan Agreement ("IALA") invalid and awarding monetary damages against CBL and SNIC as agents on certain loan agreements. BLIC was also named as a defendant because the suit seeks to invalidate the IALA, a contract to which it is a party, but does not seek damages against BLIC. That same day, ULICO and TMI filed a Motion for Permission to File Action in CBL, SNIC, and BLIC's rehabilitation proceeding. The Motion sought the Court's leave to file their lawsuit against the NC Insurance Companies that otherwise violated the Court's injunction prohibiting lawsuits against the NC Insurance Companies.

On July 26, 2022, ULICO and TMI filed an Amended Complaint seeking the same relief. ULICO and TMI also agreed to extend the time to file an answer after the Court ruled on ULICO and TMI's pending motion for permission to file.

On August 12, 2022, the Court heard argument on ULICO and TMI's motion for permission to file. The Court found that the lawsuit violated the injunction but permitted the portion of the Amended Complaint seeking a declaratory judgment invalidating the IALA to proceed. The remainder of the action was stayed. On September 2, 2022, the Court entered a written order of his ruling from the hearing. CBL, SNIC, and BLIC moved to dismiss the Amended Complaint on October 3, 2022.

**Affiliated**

The following litigation was initiated by one or more of the North Carolina Insurance Companies in Rehabilitation against Global Growth affiliated entities:

***Southland National Insurance Corporation in Rehabilitation, Bankers Life Insurance Company in Rehabilitation, Colorado Bankers Life Insurance Company in Rehabilitation, and Southland National Reinsurance Corporation in Rehabilitation v. Greg Lindberg, Academy Association, Inc., Edwards Mill Asset Management, LLC, New England Capital, LLC, and Private Bankers Life and Annuity Co., Ltd., Case No. 19 CVS 013093, Wake County, North Carolina.***

This case was filed on October 1, 2019, alleging a breach of the contract entered into by the parties on June 27, 2019. An Amended Complaint was filed on October 28, 2019 and added claims for fraud and negligent misrepresentation arising from statements contained in the June 27, 2019 contract and the Defendants' conduct.

On October 1, 2019, the Wake County Superior Court entered a Temporary Restraining Order ("TRO"), which remains in place, as amended by the Court on April 1, 2020 and June 23, 2020. Essentially, the TRO prohibits the Defendants from taking any action that would negatively impact the value of Plaintiffs' investments into Defendants' companies.

The Defendants moved to dismiss the original Complaint and the Amended Complaint on various grounds. The Court denied those motions in an Order filed on January 21, 2020. Defendants filed an Answer to the Amended Complaint on February 20, 2020.

The Court entered a Case Management Order and set the matter for trial in February 2021. On July 8, 2020, Defendants filed a Motion to Modify the Case Management Order & For Continuance seeking to extend all discovery deadlines and the trial for 120 days. On August 5, 2020, the Court entered an order extending all discovery deadlines by 90 days with discovery to be completed by December 31, 2020 but kept the trial set for February 1, 2021.

The Court severed Defendant PB Life and Annuity Co. Ltd. f/k/a Private Bankers Life and Annuity Co., Ltd. ("PBLA") from this litigation after it filed Chapter 15 bankruptcy, *In re: PB Life and Annuity Co. Ltd.*, No. 1:20-BK-12791, pending in the United States Bankruptcy Court for the Southern District of New York. Plaintiffs' claims against PBLA are expected to be stayed during the pendency of its bankruptcy proceeding; however, Plaintiffs' claims against the other defendants are unaffected.

On January 8, 2021, the Court entered a Second Case Management Order extending the discovery deadline to February 28, 2021 and setting the trial for April 15, 2021.

On March 19, 2021, the Court entered an order extending the time to take the depositions of Defendants Greg Lindberg, AAI, and NEC to May 14, 2021. The Court also ordered that all

dispositive motions be filed by June 2, 2021, responses filed by June 9, 2021, and hearing on said motions to occur the week of June 14, 2021.

On June 9, 2021, the Parties filed respective Motions for Summary Judgment and on June 14, 2021 the Parties filed their respective responses. The Court orally denied the Motions for Summary Judgment and trial commenced on June 21, 2021. Trial concluded on June 30, 2021. Post-trial briefing was filed on August 31, 2021. Defendants filed a Motion to Strike certain exhibits on September 3, 2021 and Objections to Relief Requested on October 1, 2021. The Court heard argument on the Motion to Strike and Objection on October 13, 2021.

On November 22, 2021, Defendants filed a motion to compel post-trial mediation. That motion was granted at the conclusion of a hearing on January 27, 2022. The mediation was conducted on March 9, 2022, and an impasse was declared by the mediator.

On March 11, 2022, Plaintiffs' Motion to Add Global Growth Holdings, Inc. as the successor defendant to Academy Association, Inc. was granted.

On May 18, 2022, the Court entered a Judgment and Order on the issues tried at the June 2021 trial. The Court found Defendants Lindberg, Global Growth, and NEC breached the MOU and ordered specific performance of Article II of the MOU on a 90-day timeline. The Court found Plaintiffs may be entitled to an undetermined amount of contractual damages for the value of any SACs not transferred to NHC. The Court also found that Defendants Lindberg, Global Growth, and NEC made fraudulent statements to induce Plaintiffs into entering into the Revolver and IALA and ordered \$467,622,097.48 in compensatory and punitive damages. The Court conditioned the award of those damages on the appellate court determining that specific performance is unavailable. The Court also ordered appointment of a special master to oversee implementation of the Order.

On May 23, 2022, Defendants filed a motion to stay the Order while on appeal.

On May 24, 2022, Plaintiffs filed a Motion to Amend the Judgment and Order to correct clerical errors in the Order.

On May 26, 2022, the Court held a hearing on Defendants' Motion to Stay and Plaintiffs' Motion to Amend the Judgment and Order. The Court denied Defendants' Motion to Stay to the extent it sought a discretionary stay and granted Plaintiffs' Motion to Amend. The Court also entered a scheduling order for post-trial motions. The Court entered written orders on the Defendants' Motion to Stay and Plaintiffs' Motion to Amend.

The Court also entered an Amended Judgment and Order on May 26, 2022 (the "Amended Judgment") correcting the clerical errors.

The Plaintiffs' filed a second Motion to Amend the Judgment and Order on June 6, 2022 asking the Court to immediately award compensatory and punitive damages for Defendants' fraud. That same day, Defendants filed a Motion for New Trial seeking to disqualify Plaintiffs' counsel and to relieve all Defendants from liability of the Amended Judgment.

Defendants filed a Notice of Appeal of the Amended Judgment, among other pre-judgment orders on June 13, 2022.

On June 21, 2022, Plaintiffs filed a conditional Notice of Cross-Appeal of the Judgment and Order and Amended Judgment.

Plaintiffs filed a Motion for Show Cause Order on June 30, 2022 asking the Court to issue an order requiring Global Growth to show cause why it should not be held in contempt for failing to bind the D&O insurance as ordered in the Amended Judgment. Plaintiffs also asked the Court to appoint a third-party to bind the insurance at Global Growth's expense.

On July 1, 2022, the Court held a hearing on the pending post-trial motions. The Court denied Plaintiffs' second Motion to Amend and reserved ruling on Defendants' Motion for New Trial.

Defendants filed a Motion to Establish Security for a Stay Pending Appeal on July 7, 2022.

Pursuant to Court order, the Defendants served a response opposing Plaintiffs' Motion for Show Cause on July 22, 2022.

On August 4, 2022, the Court denied Defendants' Motion for New Trial and held that Defendants' counsel's motion to disqualify Plaintiffs' counsel was made without basis in law or fact. The Court also denied Plaintiffs' second motion to amend the Judgment and Order.

On August 12, 2022, the Court held a hearing on the outstanding motions. The Court found it did not have jurisdiction to hear Plaintiffs' Motion for Show Cause because of the pending appeal. The Court found that if Defendants deposited certain documents with the Clerk of Court that execution of the Amended Judgment would be stayed.

On August 18, 2022, Plaintiffs filed a Motion for Expedited Injunctive Relief at the Court of Appeals seeking an order compelling Global Growth to bind and fund the D&O policy. The Court of Appeals ordered Defendants to respond by August 22, 2022.

On August 22, 2022, Defendants filed a response in opposition to the Motion for Expedited Injunctive Relief.

On August 24, 2022, the Court of Appeals denied Plaintiffs' Motion for Expedited Injunctive Relief.

On September 20, 2022, Plaintiffs filed a Motion to Expedite the Appeal, which was opposed by the Defendants.

On October 5, 2022, the Court of Appeals entered an order denying Plaintiffs' Motion to Expedite the Appeal without explanation.

On October 31, 2022, Plaintiffs filed a Motion for Sanctions related to Defendants' motion to disqualify Plaintiffs' counsel, which was improperly styled as a Motion for New Trial.

On November 18, 2022, Plaintiffs filed Motion for Order Show Cause asking the Court to require Defendants Lindberg and GGHI show why they should not be held in contempt for violating the TRO. On December 21, 2022, the Court entered an Order of Show Cause on Plaintiffs' motion. That same day, Defendants moved to continue the hearing on the Order to Show Cause and sought discovery. On December 28, 2022, the Court entered an Amended Order to Show Cause and that same day Defendants filed a Motion to Dismiss the Order and Amended Order to Show Cause. On December 29, 2022, Plaintiffs filed a Motion for Sanctions related to Defendants' Motion to Dismiss. On December 30, 2022, the Court denied Defendants' Motion to Continue. On January 5, 2023, Plaintiffs moved to withdraw their Motion for Order to Show Cause and refile the motion following additional analysis of Defendants' financial transactions. That motion was granted the same day.

On January 25, 2023, Plaintiffs filed an exception to the TRO Review Panel's recommended use of proceeds from the sale of the Clanwilliam Group. On February 7, 2023, non-party Universal Life Insurance Company ("ULICO") and Defendant Lindberg filed separate responses in support of the TRO Review Panel's recommended use of proceeds. That same day, the Joint Provisional Receivers of PBLA and related Bermudan insurance companies filed an objection to the TRO Review Panel's recommended use of proceeds. On February 9, 2023, the Court held a hearing on the Clanwilliam Group sale objections. In a ruling announced on the record, the Court approved the sale of the Clanwilliam Group and the use of proceeds under certain conditions to be memorialized by a written order. At the same hearing, the Court announced it would disband the TRO Review Panel and future transactions would be heard by the Court. An order reflecting the approved uses of proceeds was entered on March 14, 2023.

On January 19, 2023, Plaintiffs filed their opening brief for their cross-appeal of the Amended Judgment and Order and Request for Judicial Notice. That same day, Defendants filed their opening brief of their appeal of the Amended Judgment and Order.

On February 21, 2023, Plaintiffs filed their response brief to Defendants' appeal of the Amended Judgment and order and second Request for Judicial Notice. That same day, Defendants filed their response to Plaintiffs' cross-appeal of the Amended Judgment and Order and response to Plaintiffs' Request for judicial notice. Also on February 21, 2023, non-party ULICO filed a motion for leave to file amicus brief and proposed amicus brief. On March 7, 2023, the Court of Appeals deferred ruling on Plaintiffs' first Request for Judicial Notice until the appeal is heard. That same day, the Court of Appeals denied ULICO's Motion for Leave to file amicus brief.

On March 24, 2023, the Plaintiffs and Defendants filed their reply briefs. The North Carolina Court of Appeals heard oral argument on this appeal on April 26, 2023. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the MOU Judgment and Order's holdings that the MOU is a valid and enforceable agreement after severing Article III and that the Defendants are liable for fraud and remanded to allow damages for Defendants' fraud.

On March 30, 2023, the JPLs and ULICO filed an Emergency Request for Hearing on the Clanwilliam Sale Order. On April 14, 2023, the Defendants filed a response to the Emergency

Request. On April 18, 2023, Plaintiffs filed their response to the Emergency Request. On April 19, 2023, the JPLs filed a Supplemental Statement in Support of their Emergency Request.

The Court held a hearing on the JPLs' and ULICO's Emergency Request on April 20, 2023. The Court determined that the JPLs and ULICO had not asked for any specific relief in the Emergency Request that the Court could grant.

On July 11, 2023, the Defendants filed a Petition for Writ of Supersedeas and Motion for Temporary Stay seeking to stay the Court of Appeals' unanimous decision while Defendants seek the NC Supreme Court's discretionary review. On July 13, 2023, the NC Supreme Court granted the Motion for Temporary Stay until it can consider the Petition for Writ of Supersedeas. On July 24, 2023, Plaintiffs filed their opposition to the Petition for Supersedeas. The Petition for Writ of Supersedeas remains pending.

Defendants filed a Petition for Discretionary Review on July 25, 2023. Plaintiffs filed their response in opposition to the Petition for Discretionary Review on August 7, 2023. The Petition for Discretionary Review remains pending.

On July 25, 2023, non-party ULICO filed a Motion for Leave to File Amicus Curiae Brief. ULICO filed and served on its amicus brief the same day.

On August 7, 2023, Plaintiffs filed a Motion to Expedite the NC Supreme Court's consideration of the Petition for Writ of Supersedeas and Petition for Discretionary Review. That motion remains pending.

On August 15, 2023, Plaintiffs filed a consent motion for 30-day extension of time to reply to ULICO's amicus brief. On August 17, 2023, the NC Supreme Court granted the motion for extension to reply to ULICO's amicus brief to September 27, 2023.

On September 25, 2023, Plaintiffs filed a second motion for extension of time to reply to ULICO's amicus brief until 30 days after the NC Supreme Court resolves the pending Petition for Discretionary Review or ULICO's motion for leave to file its amicus brief. The NC Supreme Court granted Plaintiffs' motion.

On November 30, 2023, ULICO filed a motion to withdraw its amicus brief. The NC Supreme Court granted that motion on December 13, 2023.

On December 13, 2023, the NC Supreme Court allowed in part Defendants' PDR to resolve the issue of reasonable reliance related to Plaintiffs' fraud claim. The NC Supreme Court denied the PDR on all other issues. The NC Supreme Court also granted the Defendants' Petition for Writ of Supersedeas.

On December 21, 2023, Plaintiffs filed a Motion for Clarification asking the NC Supreme Court to clarify its order on the Petition for Writ of Supersedeas to allow the specific performance of the MOU to proceed while the appeal on the fraud issue continues.

On January 4, 2023, Defendants responded in opposition to Plaintiffs' Motion for Clarification in the NC Supreme Court.

On January 8, 2024, Plaintiffs filed a reply in support of their Motion for Clarification in the NC Supreme Court.

On January 22, 2024, Plaintiffs filed a supplement in support of their Motion for Clarification in the NC Supreme Court.

On January 24, 2024, Defendants filed a motion to strike Plaintiffs' reply and supplement to their Motion for Clarification in the NC Supreme Court.

On January 25, 2024, Plaintiffs responded in opposition to the Motion to Strike. The Motion for Clarification remains pending.

On February 15, 2024, Defendants filed their opening brief in the NC Supreme Court appeal on the fraud issue.

On March 19, 2024, Plaintiffs filed their appellee brief in the NC Supreme Court on the appeal of the fraud issue.

On March 25, 2024, the NC Supreme Court dismissed the Plaintiffs' Motion for Clarification without providing any reasoning or written opinion. The NC Supreme Court also dismissed as moot the Defendants' motion to strike.

On March 26, 2024, the Commissioner of Insurance filed a motion for leave to file an amicus brief in support of Plaintiffs' position in the appeal and to clarify the Administrative Supervisor's role in approving certain transactions. The motion for leave was allowed on March 28, 2024.

On April 5, 2024, the Defendants sought and were permitted an extension of time to file their reply brief in the NC Supreme Court.

On April 15, 2024, Plaintiffs filed three motions to be heard by the trial court: (1) Motion to Modify TRO and Appoint Receiver over Defendant GGHI, seeking to impose additional restrictions on the Defendants to prevent dissipation of assets until the MOU is performed and to appoint a receiver over Defendant GGHI to ensure compliance with the modified TRO; (2) Renewed Motion for Order to Show Cause seeking an order requiring the defendants to show cause why they should not be held in contempt for violating the TRO by improperly transferring tens of millions of dollars; and (3) Motion to Add Global Growth Holdings, LLC as a defendant where Defendant Global Growth Holdings, Inc. converted to an LLC.

On April 16, 2024, Defendants filed a motion to continue the hearing on the Motion to Modify TRO/Appoint Receiver and Motion for Order to Show Cause. Defendants argued they needed time for discovery on the contents of the forensic accountant's affidavit supporting the Motion for Order to Show Cause.

On April 18, 2024, Plaintiffs responded in opposition to Defendants' Motion to Continue.

On April 22, 2024, the Court heard argument on the Motion to Add GGHL as defendant, Motion to Modify TRO/Appoint Receiver, and Motion for Order to Show Cause. Orally on the record, the Court granted Plaintiffs' Motion to Add GGHL as a defendant and Motion to Modify TRO/Appoint Receiver. The Court denied Defendant's motion to continue as it related to the Motion to Modify the TRO/Appoint Receiver and heard the motion that day. The Court granted Defendants' motion to continue as it related to the Motion for Order to Show cause and agreed to give Defendants approximately 90 days of discovery on the forensic accountants' affidavit supporting the Motion for Order to Show Cause. Written orders to follow.

On April 22, 2024, the Court entered an interim order appointing Bill Janvier as limited Receiver over GGHL to monitor compliance with the TRO. On April 25, 2024, Defendants filed a motion to modify the TRO to permit certain modifications to trust agreements and approve certain transactions.

On April 29, 2024, the Defendants filed their reply to the appeal and response to the Commissioner of Insurance's amicus brief.

On May 3, 2024, the Court entered an order adding GGHL as a defendant to the matter.

On May 10, 2024, the Court entered the substantive order imposing a limited receiver over Defendant GGHL to monitor compliance with the TRO.

On May 13, 2024, Defendants served their brief in support of maintaining the Miller affidavit under seal.

On May 13, 2024, the Defendants filed a Notice of Limited Waiver to Allow Implementation of NHC stating that the Defendants were waiving their objection to the stay of execution and enforcement of the amended judgment and order to permit NHC to be created, the SACs to be contributed to NHC, and for the NHC Board to assume its role.

On May 14, 2024, Nicholas Kajon and Constantine Pourakis moved to withdraw as counsel representing PBLA in the matter.

On May 15, 2024, the Defendants filed a Notice of Limited Waiver with the NC Supreme Court indicating they waived the stay of execution and enforcement of certain provisions of the Amended Judgment and Order related to specific performance.

Also on May 15, 2024, Defendants filed a notice that they had complied with certain provisions of the Modified TRO requiring them to provide notice of the Modified TRO to certain managers and employees and sought financial statements from the SACs.

On May 15, 2024, the Receiver filed its first monthly report and notice of retention of M3 Advisory Partners to provide financial support services.

On May 15, 2024, the Court entered its written order on Defendants' Motion to Continue the Hearing on the motion to modify the TRO and appoint the receiver and renewed motion to show



cause. The Court found probable cause that the Defendants violated the TRO, set the show cause hearing for August 1, 2024, and established a limited discovery schedule related to that hearing.

On May 16, 2024, Plaintiffs filed a motion requesting a status conference related to the Defendants' Notice of Limited Waiver. The Court held the status conference on May 23, 2024.

On May 23, 2024, the Court entered an order unsealing the affidavit of Carey Miller, the forensic accountant, filed in support of Plaintiffs' renewed motion for order to show cause. Plaintiffs filed the affidavit with only minimal redactions on May 30, 2024.

On June 12, 2024, the Plaintiffs and Defendants filed a Joint Motion for Limited Remand asking the NC Supreme Court to return jurisdiction of the matter to the trial court for the limited purpose of implementing the specific performance portion of the Amended Judgment and Order.

On June 18, 2024, the Receiver filed his Second Monthly Report and Request for Approval of Expenses. In the report, the Receiver identified potential violations of the TRO.

On June 24, 2024, the Receiver filed a supplement to his Second Monthly Report providing additional explanation of the TRO violations and the Defendants' explanations for the same.

On June 25, 2024, the Court held a hearing on the Defendants' Motion for Approval of Resolutions and Consents. The Court continued the hearing to June 10, 2024 to permit the Insurance Companies an opportunity to deal directly with the lenders who allegedly threatened to foreclose on the Beckett loans. The Court also heard from the Receiver related to the potential TRO violations. The Court ruled that the TRO would be modified to prevent Defendants Lindberg and/or GGHL from transferring/disposing of more than \$5,000 without the Receiver's prior approval. Written order confirming the same entered on July 12, 2024.

On June 28, 2024, the NC Supreme Court granted the Parties' Joint Motion for Limited Remand and remanded the matter to the trial court for the limited purpose of implementing the specific performance of the MOU.

On July 3, 2024, Plaintiffs filed a motion in limine to exclude Defendants' purported expert witness at the upcoming August 1, 2024 show cause hearing. The Court heard that motion on July 10, 2024.

On July 8, 2024, the Receiver filed a Notice of Request for Status Conference to discuss the Defendants' recent financial transactions that implicate the modified TRO. The Court heard this update on July 10, 2024.

On July 9, 2024, the Court entered an order approving the Receiver's second month of expenses.

On July 10, 2024, the Court heard the status update from the Receiver on the Defendants' financial transactions and the forbearance agreements related to the Beckett lenders. The Court also heard Plaintiffs' Motion to Exclude Defendants' expert testimony at the upcoming Show Cause Hearing.

On July 12, 2024, Defendants filed a Motion to Allow the Receiver to Approve Transfers from SACs to pay GGHL's and Lindberg's expenses, including the fees owed to the Receiver.

On July 12, 2024, the Court entered an order modifying the TRO's restrictions to prevent GGHL and Lindberg from transferring more than \$5,000 without the Receiver's approval.

On July 15, 2024, Emilio Mendoza on behalf of GGHL and Greg Lindberg, individually, filed affidavits attesting that Lindberg and GGHL did not have funds available, or access to funds, to pay the D&O insurance premium needed for the NHC D&O policy.

On July 15, 2024, the Receiver filed his third monthly report and request for fees. In his report, the Receiver detailed Defendants' violations of the TRO, including transacting over \$5,000 after the Receiver denied permission for the transactions.

On July 17, 2024, Defendants filed a motion to permit two witnesses to testify remotely at the upcoming Show Cause Hearing.

On July 18, 2024, the Receiver filed a request for a status conference related to the recent TRO violations identified in this third monthly report and responded in opposition to Defendants' motion to permit transfers from SACs to pay GGHL and Lindberg's expenses.

On July 18, 2024, the Court heard the Receiver's status update on the TRO violations. The Court also heard Defendants' motion to allow SAC transfers and Defendants' motion to permit remote testimony. The Court orally ruled that the SAC transfers would not be permitted. The Court also announced that one of Defendants' witnesses who lives in India could testify remotely at the Show Cause Hearing but the other witness who was only on vacation would be required to testify in person, if called.

On July 18, 2024, the Court entered written orders denying Defendants' motion to approve certain corporate resolutions related to the Beckett loans and approving the Receiver's third month of expenses.

On July 18, 2024, the Court entered a written order appointing Bill Janvier as Special Master to oversee MOU implementation.

On July 22, 2024, the Receiver filed a motion requesting permission to file certain exhibits under seal. This motion was granted on July 29, 2024.

On July 23, 2024, Defendants filed a Notice of Appeal of the orders entered on July 12, 2024 modifying the TRO and Receiver's powers to prohibit Defendants' transactions above \$5,000 without the Receiver's permission and oral order denying Defendants' motion to permit SAC transfers to pay GGHL and Lindberg's expenses.

On July 29, 2024, the Court entered a written order denying Defendants' motion to permit SAC transfers to pay GGHL and Lindberg's expenses. The Court also entered a written order granting in part and denying in part Defendants' motion to permit remote testimony at the Show Cause Hearing.

On July 30, 2024, Plaintiffs filed a motion to extend the remaining NHC implementation deadlines for 30 days to permit the prospective NHC Board members' counsel to finalize the D&O policy and to allow the NHC Board members to hire counsel to review the SAC contribution documents after the Board is seated.

On July 31, 2024, the Receiver filed a supplement to his third monthly report providing additional information on Defendants' TRO violations.

On August 1, 2024, The Court heard Plaintiffs' renewed Show Cause motion. At the hearing, the Court indicated the prior probable cause finding shifted the burden to Defendants to show cause why they should not be held in contempt for violating the TRO's restrictions. The Court heard all evidence and scheduled closing arguments for August 8, 2024.

On August 1, 2024, the Court also heard argument on Plaintiffs' motion to extend the NHC deadlines by 30 days. The Special Master supported the extension. The Defendants did not object to the extension. The Court orally granted the motion. Written order expected to follow.

On August 7, 2024, the Receiver filed a Notice of Unpaid Receiver and Professional Fees notifying the Court that Defendants have not paid any of the Receiver's fees as approved by the Court since the appointment in April 2024.

On August 8, 2024, the Court heard closing arguments from the August 1, 2024 contempt hearing.

On August 15, 2024, the Receiver filed his fourth monthly report on the Defendants' violations of the TRO and request for fees. The Court entered a written order requiring Defendants to pay the Receiver's requested fees on August 25, 2024.

On August 27, 2024, Defendants filed a Motion to Clarify TRO asking to restrict the TRO's scope to the SACs' assets and exclude Lindberg's non-SAC assets from the TRO restrictions.

On August 30, 2024, the Court entered a written order finding Defendants GGHL and Lindberg violated the TRO through various financial transactions between the SACs, GGHL, and Lindberg's personal vehicle entities from October 2019 to early 2022. The Court ordered GGHL to return \$56 million to certain FinCo companies and ordered Lindberg to return over \$52 million to GGHL and over \$13 million to various SACs. Lindberg and a representative of GGHL are ordered to be held in jail until the funds are repaid and the contempt is purged.

On September 11, 2024, the Special Master filed a Motion to Extend the NHC implementation deadlines to permit additional time for the SAC contribution documents to be finalized.

On September 13, 2024, Defendants filed a Motion to Clarify and/or For Relief from the May 26, 2022 Amended Judgment and Order. In the Motion, Defendants sought to clarify or remove the requirement that the Defendants deliver SAC contribution documents that satisfy the NHC Board where the Defendants' transferred dozens of SACs into trusts, thereby removing the Defendants' ability to contribute those SACs to NHC.

On September 13, 2024, Defendants filed an opposition to the Special Master's motion to extend the NHC implementation deadlines arguing the extension was not necessary where Defendants can contribute all SACs not held in trust.

On September 17, 2024, the Receiver filed his Fifth Monthly Report and request for fees detailing the Defendants' continued noncompliance with the TRO and requesting approval of the fees associated with his work.

On September 18, 2024, Defendants filed a Notice of Appeal of the Order holding Lindberg and GGHI in contempt of court for violations of the TRO.

On September 25, 2024, Defendants filed their brief in opposition to the Special Master's motion to continue NHC implementation deadlines and brief in support of Defendants' Motion for Clarification of Amended Judgment and Order.

On September 27, 2024, Plaintiffs filed their response in opposition to Defendants' Motion to Clarify/Relief from Amended Judgment and Order opposing the Defendants' requested relief.

On September 30, 2024, the Court heard argument on the Special Master's motion to continue NHC implementation deadlines, the Defendants' Motion to Clarify the TRO, and the Defendants' Motion to Clarify/Relief from Amended Judgment and Order. The Court orally granted the Special Master's motion and denied the Defendants' motions. Written orders to follow.

***Southland National Insurance Corporation v. AR Purchasing Solutions, LLC, Case No. 5:20-CV-367-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. SNIC filed this action in its capacity as agent of the loan but is not a lender on this loan. Colorado Bankers Life Insurance Company ("CBL") is the only lender of this loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, SNIC filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit, discussed below, were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 10, 2020, and filed counterclaims against SNIC for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, SNIC moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to SNIC's partial motion to dismiss on December 2, 2020.

On December 8, 2020, SNIC filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, SNIC filed its reply to Defendant's response.

On July 20, 2021, the Court denied SNIC's motion to dismiss Defendant's second and third counterclaims, as well as SNIC's motion to consolidate. SNIC filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, SNIC filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 14, 2023. SNIC filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 15, 2023, the Defendant dismissed its counterclaims against SNIC.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims and Defendants' affirmative defenses.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Forest Park Asset Management, LLC, iTech Funding, LLC, FPAM Holdings, I, LLC, Case No. 5:20-CV-368-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant Forest Park Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and SNIC are lenders on this loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant Borrower removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On August 7, 2020, an Amended Complaint was filed to add causes of action against iTech Funding, LLC and FPAM Holdings I, LLC seeking an order allowing foreclosure of the pledged property.

The Defendants answered the Amended Complaint on August 21, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022, extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Iron City Asset Management, LLC, iTech Funding, LLC, ICAM Holdings, I, LLC, Case No. 5:20-CV-375-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant Iron City Asset Management, LLC (“Defendant Borrower”) on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders on the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys’ fees. On July 13, 2020, the Defendant Borrower removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III. On August 7, 2020, an Amended Complaint was filed to add causes of action against iTech Funding, LLC and ICAM Holdings I, LLC seeking an order allowing foreclosure of the pledged property.

The Defendants answered the Amended Complaint on August 21, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL’s partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants’ response.

On July 20, 2021, the Court denied CBL’s motion to dismiss Defendant Borrower’s second and third counterclaims, as well as CBL’s motion to consolidate. CBL filed its answer to Defendant Borrower’s counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties’ agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8,



2022, extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Baldwin Asset Management, LLC, iTech Funding, LLC, and EAM Holdings, LLC, Case No. 5:20-CV-398-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant Baldwin Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders on the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing

foreclosure of the pledged property of Defendants iTech Funding, LLC and BAM Holdings, LLC. On July 23, 2020, the Defendants removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on August 20, 2020, and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022, extending the time to take Greg Lindberg's deposition to September 23, 2022, and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Damascus Asset Management, LLC, iTech Funding, LLC, and EAM Holdings, LLC, Case No. 5:20-CV-399-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Damascus Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and DAM Holdings, LLC. On July 23, 2020, the Defendants removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on August 20, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Ephesus Asset Management, LLC, iTech Funding, LLC, and EAM Holdings, LLC, Case No. 5:20-CV-400-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Ephesus Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and EAM Holdings, LLC. On July 23, 2020, the Defendants removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on August 20, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. iTech Funding, LLC, Case No. 5:20-CV-402-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 23, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 20, 2020, and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022, extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to

Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. HPCSP Investments, LLC, HPCSP Holdings, LLC, Case No. 20 CVS 6480, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant HPCSP Investments, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant Borrower later that day. Also, on July 16, 2020, and after CBL's entry of default was entered, Defendant Borrower filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a



claim. On July 22, 2020, Defendant Borrower filed a Motion to Set Aside the Entry of Default. On August 17, 2020, CBL filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant Borrower's Motion to Set Aside the Entry of Default and denied as moot CBL's Motion for Default Judgment.

On December 3, 2020, an Amended Complaint was filed to add causes of action against HPCSP Holdings, LLC, seeking an order allowing foreclosure of the pledged property.

The Defendants answered the Amended Complaint on January 4, 2021, and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 27, 2021, CBL replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant Borrower's motion to dismiss the Complaint and CBL's Partial Motion to Dismiss Defendant Borrower's Counterclaims remain pending.

On February 10, 2023, CBL moved for summary judgment in its favor. On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiff's motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 but would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company v. Capital Assets Fund I, LLC, Case No. 5:20-CV450--D, Eastern District of North Carolina.***

This case was filed on July 17, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On August 20, 2020, the Defendant removed the action to the Eastern District of North Carolina. On August 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 27, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on September 17, 2020, and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. The Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022, and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022, extending the time to take Greg Lindberg's deposition to September 23, 2022, and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Capital Assets Fund V, LLC, Case No. 20 CVS 6475, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant later that day. Also, on July 16, 2020, but before CBL's entry of default was entered, Defendant filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant filed a Motion to Set Aside the Entry of Default. On August 17, 2020, Plaintiffs filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant's Motion to Set Aside the Entry of Default and denied as moot Plaintiffs' Motion for Default Judgment.

The Defendant answered the Complaint on December 14, 2020, and filed counterclaims against Plaintiffs for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 13, 2021, Plaintiffs replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant's motion to dismiss the Complaint and Plaintiffs' partial motion to dismiss Defendant's Counterclaims remain pending.

On February 10, 2023, Plaintiffs moved for summary judgment in their favor.

On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiffs' motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Capital Assets Fund IV, LLC, Case No. 20 CVS 6474, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant later that day. Also, on July 16, 2020, and after CBL's entry of default was entered, Defendant filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant filed a Motion to Set Aside the Entry of Default. On August 17, 2020, Plaintiffs filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant's Motion to Set Aside the Entry of Default and denied as moot Plaintiffs' Motion for Default Judgment.

The Defendant answered the Complaint on December 14, 2020, and filed counterclaims against Plaintiffs for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 13, 2021, Plaintiffs replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant's motion to dismiss the Complaint and Plaintiffs' partial motion to dismiss Defendant's Counterclaims remain pending.

On February 10, 2023, Plaintiffs moved for summary judgment in their favor. On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiffs' motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company v. TAC Investments, LLC, Case No. 5:20-CV-453-D, Eastern District of North Carolina.***

This case was filed on July 17, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On August 20, 2020, the Defendant removed the action to the Eastern District of North Carolina. On August 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 27, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on September 17, 2020, and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022, and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022, extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Summerville Asset Management, LLC, iTech Funding, LLC, and SAM Holdings, LLC, Case No. 5:20-CV-432-D, Eastern District of North Carolina.***

This case was filed on August 10, 2020, alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Summerville Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and SAM Holdings, LLC.

On August 10, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 11, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on September 9, 2020, and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022, and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022, extending the time to take Greg Lindberg's deposition to September 23, 2022, and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by



May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:20-CV-474-D, Eastern District of North Carolina.***

This case was filed on September 3, 2020, alleging a breach of promissory notes, as modified by the IALA, entered into on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the promissory notes. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the promissory notes, as modified. The Complaint seeks repayment of all amounts owed to Plaintiffs under the notes, default interest, and attorneys' fees.

On September 3, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On September 4, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On September 30, 2020, the Defendant answered the Complaint and filed a counterclaim against Plaintiffs seeking reformation of the IALA. On October 22, 2020, Plaintiffs were granted an extension of time through November 20, 2020, to respond to Defendant's counterclaim. On November 20, 2020, Plaintiffs moved to dismiss the counterclaim. On December 11, 2020, Defendant filed its response in opposition to Plaintiffs' motion to dismiss. On December 23, 2020, Plaintiffs filed their reply in support of their motion to dismiss.

On December 8, 2020, Plaintiffs filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, Plaintiffs filed their reply to Defendant's response.

On July 20, 2021, the Court denied Plaintiffs' motion to dismiss Defendant's second and third counterclaims, as well as Plaintiffs' motion to consolidate. Plaintiffs filed their answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022, and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8,

2022, extending the time to take Greg Lindberg's deposition to September 23, 2022, and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, Plaintiffs filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. Plaintiffs filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 15, 2023, the Defendant dismissed its counterclaims against SNIC.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiffs and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiffs and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Augusta Asset Management, LLC, New England Capital, LLC, AAM Holdings I, LLC, and iTech Funding, LLC, Case No. 5:20-CV-518-D, Eastern District of North Carolina.***

This case was filed on October 2, 2020, alleging a breach of a loan agreement, as modified by the IALA entered into by Defendant Augusta Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loans. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments

when required under the loan agreements, as modified. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and AAM Holdings, LLC. Finally, the Complaint alleges that Defendant New England Capital, LLC, the agent of the loan, breached the loan agreements by failing to enforce the loan agreements following Defendant Borrower's breach.

On October 10, 2020, Plaintiffs filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On October 2, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On November 30, 2020, Defendants filed their respective motions to dismiss for failure to state a claim. On December 21, 2020, Plaintiffs filed a response in opposition to Defendants' motions. Defendants filed replies in support of their respective motions to dismiss on January 4, 2021.

On December 8, 2020, Plaintiffs filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed responses in opposition to the motion to consolidate. On January 12, 2021, Plaintiffs filed their reply to Defendants' responses.

On July 20, 2021, the Court denied Defendants' motions to dismiss, as well as Plaintiffs' motion to consolidate. Defendants filed answers to Plaintiffs' Complaint on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, Plaintiffs filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. Plaintiffs filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 15, 2023, the Defendant dismissed its counterclaims against SNIC.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiffs and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiffs and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:23-CV-182, Eastern District of North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Academy Financial Assets, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, SNIC, and other entities are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements and breached the representations and warranties set forth in the loan agreement. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower removed this action to the Eastern District of North Carolina. On April 14, 2023, the Defendant Borrower moved to dismiss the complaint. On May 5, 2023, CBL filed its opposition to the Motion to Dismiss.

On June 14, 2023, the Court denied the Defendant Borrower's Motion to Dismiss. On June 28, 2023, the Defendant Borrower filed its answer and counterclaim. On July 19, 2023, CBL filed its answer to the counterclaim.

On June 17, 2024, the Federal Court entered orders staying four IALA federal matters, including this one, until the Court's resolution of the pending motion for summary judgment in the other consolidated federal IALA cases. The summary judgment decision will significantly impact the discovery and dispositive motions in the later filed IALA cases.

***Southland National Insurance Corporation v. Gilford Asset Management, LLC, Case No. 23 CVS 1321, Wake County, North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by SNIC and the Defendant Gilford Asset Management, LLC ("Defendant Borrower") on June 27, 2019. SNIC filed this action in its capacity as agent of the loan. BLIC and other entities are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements and breached the representations and warranties set forth in the loan agreement. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower moved to dismiss the complaint.

On January 31, 2024, the parties filed a joint motion to consolidate this matter with the 6 other IALA-enforcement lawsuits currently pending in Wake County Superior Court. That motion was granted on February 21, 2024.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases, including his one, with the 5 IALA actions.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Southland National Insurance Corporation v. Standard Financial Limited, Case No. 5:23-CV-183, Eastern District of North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Standard Financial Limited ("Defendant Borrower") on June 27, 2019. SNIC filed this action in its capacity as agent of the loans. CBL and other entities are lenders of the loans. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments

when required under the loan agreements and breached the representations and warranties set forth in the loan agreements. The Complaint seeks repayment of all amounts owed under the loans, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower removed this action to the Eastern District of North Carolina. On April 14, 2023, the Defendant Borrower moved to dismiss the complaint. On May 5, 2023, SNIC filed its opposition to the Motion to Dismiss.

On June 14, 2023, the Court denied the Defendant Borrower's Motion to Dismiss. On June 28, 2023, the Defendant Borrower filed its answer.

On June 17, 2024, the Federal Court entered orders staying four IALA federal matters, including this one, until the Court's resolution of the pending motion for summary judgment in the other consolidated federal IALA cases. The summary judgment decision will significantly impact the discovery and dispositive motions in the later filed IALA cases.

***Southland National Insurance Corporation, et al v. Lindberg, et al, Case No. 5:23-CV-340-D, Eastern District of North Carolina.***

This case was filed on June 23, 2023, by SNIC, BLIC, CBL, and the Special Deputy Receivers of SNIC, BLIC and CBL on behalf of both the policyholders and creditors of each of the insolvent companies. In this action, the plaintiffs brought claims of federal and state RICO violations, conspiracy, constructive fraud, breach of fiduciary duty, and unfair and deceptive trade practices seeking the repayment of more than \$1 billion of policyholder funds improperly taken by Lindberg, his associates, and affiliates while they were in control of the insurance companies. The defendants include Lindberg, Chris Herwig, Devin Solow, GGHI, and dozens of the affiliated entities.

The defendants which have been served sought an extension of time to respond to the Complaint to and including September 5, 2023.

On September 5, 2023, the Lindberg-related defendants filed a partial motion to dismiss seeking to dismiss Counts 1-5, 8, and 9 of the complaint.

On September 6, EMAM received an extension of time to respond to the complaint through October 5, 2023.

On September 12, 2023, the Insurance Companies and Devin Solow filed a joint motion for entry of judgment as to the claims against Mr. Solow. The Court entered the consent judgment on September 14, 2023.

On September 13, 2023, counsel for Defendant Herwig moved to withdraw from representation of Mr. Herwig. New counsel filed a notice of appearance on behalf of Mr. Herwig and sought a 30-day extension of time to respond to the Complaint. On September 14, 2023, the Court granted the motion to withdraw as counsel. The Court granted Mr. Herwig's motion for extension of time to respond to the complaint through October 15, 2023.

On September 25, 2023, the Insurance Companies filed an amended complaint against the same defendants.

On October 10, 2023, the Lindberg-defendants filed a Partial Motion to Dismiss. The Insurance Companies must respond by November 30, 2023.

Also on October 10, 2023, Herwig filed a motion to extend the time for him to respond to the Complaint. The Court granted that motion.

On November 7, 2023, EMAM received a second extension of time to respond to the Amended Complaint through December 6, 2023.

On November 14, 2023, the Insurance Companies and Chris Herwig filed a joint motion for entry of judgment as to the claims against Mr. Herwig. The Court entered the consent judgment on November 20, 2023.

On April 26, 2024, Plaintiffs filed a motion to extend the time to serve Defendant Standard Advisory Services Limited (“SASL”) through the SEC in the United States. Plaintiffs continue to try to serve SASL in its country of incorporation, Malta.

On May 1, 2024, the Court granted an order granting Plaintiffs’ motion to extend the time to serve SASL through the SEC for 60 days.

On June 3, 2024, Plaintiffs filed a Motion to Dismiss Defendant EMAM without prejudice. On June 6, 2024, the Court granted Plaintiffs’ motion and dismissed EMAM without prejudice.

On June 11, 2024, Defendant SASL filed a notice it joined in the other Lindberg-related Defendants’ motion to dismiss and a purported “Motion to Dismiss” for lack of personal jurisdiction and insufficient service of process.

On June 13, 2024, Defendant Standard Financial Limited (“SFL”) filed a notice it joined in the other Lindberg-related Defendants’ motion to dismiss and a purported “Motion to Dismiss” for lack of personal jurisdiction and insufficient service of process.

On July 1, 2024, the Court entered an order granting Plaintiffs’ motion to extend the time to respond to both SASL and SFL’s purported motions to dismiss to July 23.

On July 23, 2024, Plaintiffs filed their response in opposition to Defendants SASL and SFL’s motions to dismiss. The motions remain pending.

On August 13, 2024, the Court entered an order granting in part and denying in part the Lindberg-related Defendants’ motion to dismiss. Specifically, the court dismissed some of the Lindberg-company defendants from 5 counts. However, all counts will proceed as alleged against Lindberg, Herwig, and SASL. The court also denied SASL and SFL’s motions to dismiss based on lack of personal jurisdiction and service of process.

On August 22, 2024, the Defendants received an extension of time to respond to the Amended Complaint.

On September 20, 2024, Global Growth's new in-house counsel appeared on behalf of many of the entity defendants.

On September 20, 2024, Condon Tobin and Fox Rothschild moved to withdraw as counsel for many of the entity defendants, but remain as counsel for Lindberg, SASL, and others. That motion was granted on September 23, 2024.

On September 23, 2024, the Defendants were granted an additional extension of time to respond to the Amended Complaint through October 16, 2024.

### **CONTINUATION OF BUSINESS**

The Company ceased writing all new business as of the date of the Order. The Commissioner determined that the Company should be placed into liquidation. The Commissioner as Petitioner filed a Motion for Entry of Order of Liquidation with this Court as to SNIC on March 10, 2023. The Court entered the Liquidation Order on May 2, 2023, appointing the Commissioner as Receiver. See Liquidation Section on page 54 for additional information.

### **REINSURANCE**

North Carolina Mutual Life Insurance Company ("NC Mutual") as cedent, and SNIC as reinsurer, entered into a Reinsurance and Administration Agreement ("Agreement") on December 31, 2014. Credit for reinsurance ceded to SNIC is allowed pursuant to N.C. Gen. Stat. §58-7-21(b)(1).

Simultaneously with the execution and delivery of the Agreement, SNIC, NC Mutual and the Trustee entered into a Trust Agreement, pursuant to which the Trustee was to hold cash and/or investments of the type consistent with the requirements of the insurance laws of the State of North Carolina ("Eligible Assets") as security for the satisfaction of the obligations of SNIC.

Effective September 15, 2020, SNIC and NC Mutual amended the Agreement (the "Amendment"). Per the Amendment, the prior Trustee notified the Company and NC Mutual of its intent to resign as trustee. As such, SNIC and NC Mutual decided to voluntarily terminate the Trust Agreement and discharge the prior Trustee. SNIC and NC Mutual instructed the prior Trustee, immediately upon termination of the Trust Agreement, to (a) transfer all Eligible Assets in the Trust Account to NC Mutual; and (b) transfer all other assets held in the Trust Account (the "Ineligible Assets") to SNIC. NC Mutual is obligated to hold the Eligible Assets as a funds withheld liability and only use the Eligible Assets as set forth in the Agreement. SNIC is obligated to hold the Ineligible Assets as pledged or otherwise encumbered assets, to be used exclusively and only as set forth in the Agreement for the benefit of NC Mutual. On SNIC's application, Commissioner Causey approved SNIC's request to pledge, hypothecate or encumber the Ineligible Assets in favor of NC Mutual on December 21, 2020. These assets are identified on the Schedule of Lindberg Affiliated Investments as pledged to NC Mutual. The Ineligible Assets total \$81.7MM.



In November 2020, SNIC suspended payments to NC Mutual under the Agreement. On December 2, 2020, NC Mutual provided a notice of default to SNIC, and of intent to withdraw assets from the Funds Withheld Account to settle all related amounts due from SNIC.

### **FUNERAL AND CEMETERY SERVICES TRUSTS**

SNIC was a party to four funeral and cemetery services trust agreements: (1) the “*Southland National Insurance Alabama Preneed Funeral Trust*”; (2) the “*Southland National Insurance Alabama Cemetery Merchandise Trust*”; (3) the “*Preneed Funeral Merchandise and Services Master Trust*” (Mississippi); and (4) the “*Regions Bank Preneed Trust of the Amended and Restated Southland National Funeral Trust*” (Tennessee). These trusts have been resolved, and the following steps have been completed.

SNIC obtained Alabama Department of Insurance approval for a wholly-owned subsidiary of SNIC, SNIC Service Co., LLC (“SNIC Service Co.”), a North Carolina limited liability company, to replace Regions Bank as the trustee for the two Alabama trusts. The Alabama Department of Insurance also approved new trust agreements for both the Alabama funeral trust and cemetery trust. The trust assets consisting of SNIC insurance policies were transferred by Regions Bank to SNIC Service Co. to continue to be held in trust. The trust assets consisting of cash were returned to the funeral homes/cemeteries. SNIC’s unaffiliated third-party administrator, Southland Benefit Services, LLC (“SBS”), administers the insurance policies held in trust.

SNIC obtained Mississippi Secretary of State approval for a new trust agreement for the Mississippi trust, including designation of SNIC Service Co. to replace Regions Bank as trustee. The trust assets held by Regions Bank have been transferred to SNIC Service Co. SBS administers the SNIC policies held in trust.

SNIC obtained Tennessee Department of Insurance approval to terminate the Tennessee trust. That trust has been terminated. SBS administers the SNIC policies that are no longer held in trust.

### **REVIEW PANEL**

At a hearing on February 9, 2023, the Court disbanded the TRO Panel. Any future transactions will be heard by the Court. The Court entered an order reflecting the same on March 14, 2023.

### **THIRD PARTY ADMINISTRATOR**

On October 13, 2021, SNIC obtained the Court’s permission to transfer the servicing of a portion of its business to a new third-party administrator (“TPA”) at a reduced cost from the prior cost sharing agreement. United Fidelity Life Insurance Company (“UFLIC”) began servicing a portion of SNIC’s business on October 1, 2021. Policyholders and agents were notified in writing of the transition. Effective May 2, 2023, all TPA services have been terminated as a result of the liquidation.

Prior to rehabilitation, SNIC had entered into an agreement with Southland Business Solutions, LLC (“SBS”). SBS services a portion of SNIC’s business. Effective May 2, 2023, all TPA services have been terminated as a result of the liquidation.

## **DISBURSEMENTS**

During the period, the following expenses related to the rehabilitation and litigation to recover the affiliated investments were incurred and allocated in a manner consistent with prior accounting practices:

- \$5,092 to Consilio for legal support services
- \$14,517 to Gordian Group for investment advisory services
- \$91,914 to Noble Consulting Services, Inc. for rehabilitation services
- \$6,106 to Norton Rose Fullbright for legal services
- \$237 to Johnson & Lambert for tax services
- \$14,734 to J.S. Held, LLC (f/k/a Veris Consulting) for forensic accounting services
- \$6,375 to Squire Patton Boggs for legal services
- \$104,209 to Williams Mullen for legal services

## **COMMUNICATION WITH POLICYHOLDERS**

The Special Deputy Receivers (SDRs), now Special Deputy Liquidators as to SNIC, have focused on the importance of responsive communications to policyholder inquiries since the beginning of the rehabilitation. The SDRs set up a direct phone number and email account specifically for direct contact with policyholders and agents when the Court ordered the insurance companies into rehabilitation. The SDRs' receivership team monitors these phone and email contacts on a daily basis. The staff members of the receivership team, and the SDRs, have personally responded to over 5,500 inquiries by policyholders and agents, either in writing or by telephone. The insurance companies' third-party administrators (TPAs) also have dedicated customer service phone lines. The TPAs receive an average of 400 calls a day. Since October 1, 2021, the TPAs have received over 360,000 calls. In addition, the SDRs and receivership team respond in writing to every policyholder letter. In communicating with policyholders, the SDRs have worked to provide policyholders detailed information regarding not only about their policies, but also an explanation of how the receivership process works, including a description of the role that the moratorium plays in that process.

## **OTHER RECEIVERSHIP MATTERS**

### **Liquidity**

One of the goals of the rehabilitation was to increase liquidity. As of June 27, 2019, SNIC held \$11.5MM of private loans. The private loans have no readily available market. The Company was able to liquidate all the private loans. The Company realized losses of \$2.5MM.

## **LIQUIDATION PETITION**

On March 12, 2021, the Commissioner filed a petition in the Court seeking to place SNIC into liquidation ("Liquidation Petition"). After a thorough review, it was determined that liquidation would provide the best protection for the policyholders of SNIC. As of March 31, 2021, SNIC is statutorily insolvent by \$177MM after non-admitting affiliated investments as required by N.C. Gen. Stat. §58-19-10(b). Even if N.C. Gen. Stat. § 58-19-10(b) were not applied and the affiliated investments were valued at original book value, SNIC liabilities exceed its assets by more than \$25 million. On April 14, 2021, GBIG Holdings, LLC ("GBIG Holdings") filed an objection to

the Liquidation Petition. GBIG Holdings is the parent of SNIC and is owned ultimately by Greg Lindberg. After a hearing before the Court, the Petitioner and GBIG Holdings filed a Joint Motion to Stay the Proceedings, on June 8, 2021. The Court granted the Joint Motion to Stay on July 7, 2021. GBIG Holdings has been funding SNIC's negative cash flows on a monthly basis, beginning in May 2021. Petitioner reserves the right to ask the Court to move forward with the Liquidation Petition, in the event GBIG Holdings does not fund the negative cash flow in any given month. GBIG Holdings reimbursed SNIC for the negative cash flows for May and June, but has not reimbursed SNIC for July, August, September, October, November, and December. In January and February 2022, \$7,891,219.08 was withdrawn from the Escrow account in satisfaction of the unpaid invoices. GBIG Holdings replenished the Escrow account to the amount required.

GBIG Holdings subsequently failed to make the required monthly payments and failed to replenish the Escrow account. The Commissioner as Petitioner filed a Motion for Entry of Order of Liquidation as to SNIC on March 10, 2023. This Court ruled orally on April 20, 2023, that SNIC should be placed into liquidation. The Court entered the Liquidation Order on May 2, 2023. The Liquidation Order triggered obligations of state life and health insurance guaranty associations. On July 12, 2024, GBIG Holdings moved to withdraw its appeal of the SNIC Liquidation Order with the North Carolina Court of Appeals. That motion was granted on July 12, 2024.

Liquidation is a statutory process under state law designed to protect SNIC's policyholders in a number of critical ways. Liquidation of SNIC triggers coverage from state life and health insurance guaranty associations ("Guaranty Associations") subject to and in accordance with their enabling acts. See N.C. Gen. Stat. §§ 58-30-110(c) and 58-62-36(d). Guaranty Associations are created by state statutes in each state where SNIC was licensed and typically provide coverage for residents of their states, with the state of domicile (in this case North Carolina) providing coverage for residents of its state and residents from states where SNIC was not licensed. N.C. Gen. Stat. § 58-62-21(a). Many Guaranty Associations provide up to \$300,000 in protection for life insurance death benefits and \$100,000 for life insurance policy net cash values, though some Guaranty Associations are authorized to provide more. See N.C. Gen. Stat. § 58-62-21(d). Benefits paid by SNIC prior to its being placed in liquidation do not count against the Guaranty Association's statutory coverage limits but will be applied in determining the remaining benefits available under the policy.

SNIC is unusual in that only two SNIC policies, out of almost 84,000 policies, are known to exceed Guaranty Association coverage limits. Therefore, the overwhelming majority of SNIC policyholders will be fully covered by Guaranty Associations. The two policies known to be in excess of Guaranty Association coverage limits will be covered up to those limits. Those policyholders will have a pro-rata claim for the remaining policy obligations up to policy limits, against whatever assets SNIC can marshal in liquidation or recover through litigation and MOU implementation, after all expenses of administering the liquidation are paid. Liquidation guarantees that 100% of policy liabilities, and of certain other liabilities, must be paid before any general creditor claims can be paid. Liquidation also stays litigation against SNIC, which reduces costs. SNIC will still have the rights and powers in liquidation to seek recovery from persons and entities that owe SNIC money. Any such recoveries will increase potential payouts to the two policyholders with policies in excess of Guaranty Association coverage limits, will help pay back

Guaranty Associations for their expenditures on behalf of SNIC policyholders, and will save state taxpayer funds.<sup>1</sup>

When Guaranty Associations are triggered upon issuance of a final liquidation order and a finding of insolvency, they provide administration, continue coverage, pay claims, collect premiums, and are entitled to reinsurance, under certain circumstances and subject to their enabling acts. See N.C. Gen. Stat. §§ 58-62-36(d), 58-62-36(l), and 58-62-36(u). This will reduce SNIC's administrative expenses.

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<sup>1</sup> The financial burden of insurance company insolvencies falls ultimately on state general funds in most instances. To the extent the estate assets, deposits, subrogation and assignment rights, premiums and reinsurance are not sufficient to cover the shortfall, the Guaranty Associations assess solvent carriers that write the same lines of business as the insolvent company after being triggered. N.C. Gen. Stat. § 58-62-41. Those carriers receive state premium tax credits equal to the assessments over time in about 90% of states. The Receiver is seeking recoveries through litigation outlined elsewhere in this report and those efforts would continue during liquidation as part of the effort to defray this financial burden on Guaranty Associations, policyholders, and taxpayers.

**INTRODUCTION TO SOUTHLAND NATIONAL INSURANCE CORPORATION**  
**FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2024**

Introduction and Basis of Presentation: The Company is a North Carolina domiciled life, accident and health insurance company that was placed in rehabilitation on June 27, 2019 and in liquidation on May 2, 2023 by the Wake County Superior Court. The Company is under the control of the Commissioner of Insurance of the State of North Carolina, in his capacity as Court appointed Receiver. It is the Receiver's responsibility to take possession of the assets of the Company and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by the Receiver's staff as of September 30, 2024. The financial statements have been prepared in accordance with Statutory Accounting Principles promulgated by the National Association of Insurance Commissioners, except as noted in the following paragraph.

On July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat. §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent (10%) of the insurer's admitted assets or fifty percent (50%) of the insurer's policyholders' surplus, provided that after those investments, the insurer's policyholders' surplus will be reasonable in relation to the insurers' outstanding liabilities and adequate to its financial needs. The statutory limitation on affiliated investments was enacted after the companies were placed into rehabilitation. Quarterly reports prior to June 30, 2022 have shown the financial condition of SNIC based on the law as of the date of Rehabilitation and the current law regarding limitations on affiliated investments. The financial statements with the June 30, 2022 quarterly report and going forward are based solely on the current state of North Carolina law.

Beginning in May 2023, accrued interest on affiliated loans is not being recognized as income until the interest is received.

**Southland National Insurance Company**  
**Balance Sheet**  
**September 30, 2024**

**Assets**

	Current Statement Date	December 31 Prior Year
Cash and Cash Equivalents	\$ 16,170,980	13,690,035
Bonds	12,574,239	13,772,151
Common Stocks	271	271
Mortgage Loans	615,930	657,259
Investment Income Due and Accrued	113,724	105,035
Receivables For Securities	-	6,750
Other Assets	3,591	-
<b>Total Assets</b>	<b>\$ 29,478,734</b>	<b>28,231,501</b>

**Liabilities**

	Current Statement Date	December 31 Prior Year
Class 1 and 2 Liabilities		
Accounts Payable	\$ 207,314	121,250
Escheats Payable	187,128	204,054
Intercompany Payable	83,712	152,257
Investment Suspense	3,657,636	2,320,514
Claims Against the Estate-Policyholders	41,000	41,000
Claims Against the Estate-Guaranty Associations	119,363,363	119,363,363
Claims Against the Estate-NCM	49,331,149	49,331,149
<b>Total Liabilities</b>	<b>172,871,302</b>	<b>171,533,587</b>
<b>Excess of Liabilities over Assets</b>	<b>\$ (143,392,568)</b>	<b>(143,302,087)</b>

**Southland National Insurance Company**  
**Summary of Operations**  
**As of September 30, 2024**

	<b>Current Year to Date</b>	<b>Prior Year to Date</b>	<b>Prior Year Ended December 31</b>
<b>Income</b>			
Premium and Annuity Income	-	1,770,859	1,770,859
Net Investment Income	493,534	8,173,410	6,580,199
Amortization of IMR	-	545,577	545,577
Miscellaneous Income	-	2,859	9,609
<b>Total Income</b>	<b>493,534</b>	<b>10,492,704</b>	<b>8,906,243</b>
<b>Expense</b>			
Death Benefits	-	6,677,720	6,677,720
Matured Endowments	-	16,396	16,396
Annuity Benefits	-	34,177	34,177
Surrender Benefits and Withdraw	-	586,887	586,887
Increase in Reserves	-	(4,025,292)	(4,025,292)
Commissions - Assumed	-	1,167,976	1,167,976
General Insurance Expenses	-	1,746,948	2,090,194
Ins Taxes, Licenses & Fees	681,398	1,872,247	1,873,595
Increase in Loading	-	(15,600)	(15,600)
Agg Write-Ins For Deductions	6,061	1,150	1,150
<b>Total Expense</b>	<b>687,458</b>	<b>8,062,610</b>	<b>8,407,204</b>
<b>Net Ordinary Income</b>	<b>(193,924)</b>	<b>2,430,094</b>	<b>499,039</b>
<b>Other Income</b>			
Dividends to Policyholders	-	(21,976)	(21,976)
Net Realized Capital G/L	4,331	(20,456)	(26,326)
<b>Total Other Income</b>	<b>4,331</b>	<b>(42,431)</b>	<b>(48,302)</b>
<b>Net Other Income</b>	<b>4,331</b>	<b>(42,431)</b>	<b>(48,302)</b>
<b>Net Income</b>	<b>\$ (189,593)</b>	<b>\$ 2,387,663</b>	<b>\$ 450,737</b>

SOUTHLAND NATIONAL INSURANCE CORPORATION  
SCHEDULE OF AFFILIATED INVESTMENTS  
JUNE 30, 2024 AND SEPTEMBER 30, 2024 COMPARISON

Pledged	CUSIP Identification	Description	Actual Cost	Book/ Adjusted Carrying Value June 30, 2024	Book/ Adjusted Carrying Value September 30, 2024	Change
SNIC-NC MUT	9941328T5	ACADEMY FINANCIAL ASSETS, LLC	4,331,696	\$ 4,331,696	\$ 4,331,696	-
N/A	9941328T5	ACADEMY FINANCIAL ASSETS, LLC	1,787,880	1,787,880	1,787,880	-
N/A	9941327T4	AFA FKA AFI TERM	1,237,495	1,237,495	1,237,495	-
SNIC-NC MUT	9941329T6	AFA FKA GIC SR. NOTE	1,746,322	1,746,322	1,746,322	-
N/A	9941329T6	AFA FKA GIC SR. NOTE	4,074,751	4,074,751	4,074,751	-
SNIC-NC MUT	04686@AA9	AUGUSTA ASSET MANAGEMENT, LLC	5,271,410	5,271,410	5,271,410	-
N/A	05777@AA6	BALDWIN ASSET MANAGEMENT, LLC	8,825,889	8,825,889	8,825,889	-
N/A	06625@126	BANKERS LIFE INSURANCE COMPANY	8,310,000	1	1	-
N/A	13973@AA2	CAPITAL ASSETS FUND I LLC	6,898,873	6,898,873	6,898,873	-
SNIC-NC MUT	9941317T1	CAPITAL ASSETS FUND II, LLC	5,258,038	5,258,038	5,258,038	-
SNIC-NC MUT	9941317V6	CAPITAL ASSETS FUND IV, LLC	5,236,750	5,153,976	5,153,976	-
SNIC-NC MUT	9941317U8	CAPITAL ASSETS FUND V, LLC	5,995,234	5,729,258	5,729,258	-
SNIC-NC MUT	9941318T3	CAPITAL ASSETS MANAGEMENT II, LLC	1,775,937	1,775,937	1,775,937	-
N/A	9941318T3	CAPITAL ASSETS MANAGEMENT II, LLC	1,775,937	1,775,937	1,775,937	-
N/A	19633@129	COLORADO BANKERS LIFE INSURANCE COMPANY	24,000,000	1	1	-
SNIC-NC MUT	99467UAA5	CV INVESTMENTS	6,021,241	6,021,241	6,021,241	-
SNIC-NC MUT	9944639X1	CV INVESTMENTS, LLC	2,055,028	2,055,028	2,055,028	-
SNIC-NC MUT	23570*AA0	DAMASCUS ASSET MANAGEMENT, LLC	5,161,248	5,161,248	5,161,248	-
N/A	23570*AA0	DAMASCUS ASSET MANAGEMENT, LLC	1,935,468	1,935,468	1,935,468	-
SNIC-NC MUT	29412#AA5	EPHESUS ASSET MANAGEMENT, LLC	3,356,472	3,356,472	3,356,472	-
N/A	29412#AA5	EPHESUS ASSET MANAGEMENT, LLC	6,359,631	6,359,631	6,359,631	-
SNIC-NC MUT	34610#AA5	FOREST PARK ASSET MANAGEMENT, LLC	4,450,080	4,450,080	4,450,080	-
N/A	34610#AA5	FOREST PARK ASSET MANAGEMENT, LLC	3,708,400	3,708,400	3,708,400	-
SNIC-NC MUT	9942228W1	GILFORD ASSET MANAGEMENT, LLC	294,695	294,695	294,695	-
SNIC-NC MUT	40905#AA6	HAMPTON ASSET MANAGEMENT, LLC	3,730,966	3,730,966	3,730,966	-
N/A	40905#AA6	HAMPTON ASSET MANAGEMENT, LLC	3,581,728	3,581,728	3,581,728	-
N/A	9941556V4	HPCSP INVESTMENTS	1,135,418	1,135,418	1,135,418	-
SNIC-NC MUT	9941557U3	HPCSP INVESTMENTS, LLC	1,266,469	1,266,469	1,266,469	-
SNIC-NC MUT	46275@AA7	IRON CITY ASSET MANAGEMENT, LLC	3,072,502	3,072,502	3,072,502	-
SNIC-NC MUT	46563@AA8	ITECH FUNDING LLC	3,398,113	3,398,113	3,398,113	-
N/A	46563@AA8	ITECH FUNDING LLC	4,474,743	4,474,743	4,474,743	-
SNIC-NC MUT	46662#AA6	JACKSON ASSET MANAGEMENT, LLC	3,146,993	3,146,993	3,146,993	-
SNIC-NC MUT	9947669V1	NIH CAPITAL, LLC	1,005,250	1,005,250	1,005,250	-
N/A	9947669V1	NIH CAPITAL, LLC	1,005,250	1,005,250	1,005,250	-
N/A	G6846#AA2	PBX BERMUDA HOLDINGS, LTD.	212,978	213,140	213,140	-
SNIC-NC MUT	72083RAA7	PIERRE MENDES LLC	6,294,978	5,774,734	5,774,734	-
N/A	86576#AA7	SUMMERVILLE ASSET MANAGEMENT, LLC	7,773,313	7,228,453	7,228,453	-
Total			\$ 159,967,177	\$ 126,243,486	\$ 126,243,486	\$ -



**SOUTHLAND NATIONAL REINSURANCE CORPORATION**  
**NORTH CAROLINA COMMISSIONER OF INSURANCE AS REHABILITATOR**  
**AS OF SEPTEMBER 30, 2024,**  
**A BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2024,**  
**AND**  
**A SUMMARY OF OPERATIONS**  
**THROUGH SEPTEMBER 30, 2024**

**INTRODUCTION**

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**BACKGROUND**

Southland National Reinsurance Corporation (hereinafter, “Company” or collectively with other of the North Carolina insurance companies in receivership, the “Insurance Companies”) was created as a pure captive insurance company on December 3, 2014, in North Carolina under the Captive Insurance Act of 2013, as amended. On June 27, 2019, the Wake County Superior Court (hereinafter, the “Court”) issued an Order of Rehabilitation (hereinafter, “Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (hereinafter, the “Rehabilitator”). On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter “Moratorium”).

The Company is part of a group of insurance companies known as Global Bankers Insurance Group (hereinafter, “GBIG”). GBIG is part of a larger group of companies known as Global Growth (f/k/a Eli Global). Global Growth is owned by Greg Lindberg.

The Company has no active business and only reinsures business from other GBIG insurance companies.

**PURPOSE OF THIS REPORT**

The purpose of this report is to provide a quarterly update to the Court, as required by the Order, on the work that the Rehabilitator and his staff have carried out since the issuance of the Order, to set out the present situation of the Company, and to provide a balance sheet and a summary of operations through September 30, 2024.

**LIMITATIONS**

This report is based only on the knowledge that the Rehabilitator and his staff have gained from the work performed since the issuance of the Order. Facts may exist that the Rehabilitator is unaware of that may have a material effect on the information provided in this report. The Rehabilitator will update the information in future quarterly reports as additional facts are discovered.

**SUMMARY**

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**COMPANY PROPERTY**

- In accordance with the Order, the Rehabilitator has taken possession of all known assets and property of the Company.

**MEMORANDUM OF UNDERSTANDING AND INTERIM AMENDMENT TO LOAN AGREEMENTS**

On June 27, 2019, the Company entered into a Memorandum of Understanding (“MOU”) and Interim Amendment to Loan Agreements (“IALA”) with Greg E. Lindberg, Academy Association, Inc. and Edwards Mill Asset Management, LLC. The Parties executed this MOU to set forth their agreements, including but not limited to, (i) the immediate partial amendment of, among other things, the interest rate and repayment terms of various affiliated loans through the IALA; (ii) the

global restructuring of various affiliated companies through the formation of a new holding company; and (iii) the global restructuring and modifications of all affiliated loans, including assignment of the loans to such new holding company. The restructuring was to be completed by September 30, 2019. The restructuring was not completed by this date. The Company, along with the other insurance companies in rehabilitation, filed a Complaint against the other parties to the MOU on October 1, 2019. The Company has no affiliated loans and, therefore, the MOU and IALA have minimal impact on the Company. See the Litigation section for more information.

## **LITIGATION**

To the Rehabilitator's knowledge, the Company is a party to the following lawsuit:

### **Non-Affiliated**

The following litigation was initiated against the Company by non-Global Growth affiliated persons:

#### ***In re PB Life and Annuity Co. Ltd., No. 1:20-BK-12791, Bankruptcy Court for the Southern District of New York***

A Bermudan court appointed Joint Provisional Liquidators ("JPLs") to liquidate PB Life and Annuity Co. ("PBLA"), Northstar Financial Services (Bermuda) Ltd., Omnia Ltd. And PB Investment Holdings, Ltd (four Bermudan insurance and reinsurance companies previously affiliated with Greg Lindberg). This Chapter 15 proceeding, initiated on December 3, 2020, recognizes the companies Bermudan liquidation proceedings by the United States Bankruptcy Court. The Bankruptcy Court governs how the United States-based assets of the Bermudan entities will be liquidated.

None of the Insurance Companies are parties to this bankruptcy proceeding. However, the Insurance Companies have participated as an "interested party" in various filings and motions that impact the Insurance Companies, their assets, or their insolvency proceedings. Only items that significantly impact or relate to the Insurance Companies are included here. Other events have occurred in this proceeding that are not included in this summary.

On August 26, 2022, the JPLs filed a Motion to Enforce the Automatic Stay and Extend the Automatic Stay. In the motion, the JPLs seek to prevent the Insurance Companies and the Lindberg entities from enforcing the MOU Amended Judgment and Order or implementing the MOU. After disputes over discovery related to the motion, the Bankruptcy Court ordered that the JPLs withdraw their motion re-file by September 20, 2022. The JPLs refiled an Amended Motion to Enforce the Automatic Stay and Extend the Automatic Stay (the "Motion to Enforce").

On March 3, 2023, the Insurance Companies filed their objection to the Motion to Enforce. The JPLs filed their reply on March 17, 2023.

On March 23, 2023, the Bankruptcy Court heard argument on the Motion to Enforce. On April 10, 2023, the Bankruptcy Court entered an Order Denying the JPLs' Motion to Enforce Stay. The Bankruptcy Court also stayed the Insurance Companies' declaratory judgment action because most

of the issues in the declaratory judgment action were resolved by the Order denying the JPLs' Motion to Enforce.

On April 24, 2023, the JPLs noticed an appeal of the Order denying their Motion to Enforce. On May 8, 2023, the JPLs filed their designation of the record on appeal for the Motion to Enforce. On May 22, 2023, the Insurance Companies filed their counter-designations of the record on appeal. On July 5, 2023, the JPLs dismissed their appeal of the Order denying their Motion to Enforce.

***Johnston, et al. v. Lindberg, et al*, Case No. 1:23-AP-01000, Bankruptcy Court for the Southern District of New York**

This case was filed on January 4, 2023, by the JPLs. The lawsuit named the insurance companies, Greg Lindberg, and all Global Growth-affiliated entities as defendants.

The JPLs sued CBL, BLIC, SNIC, and SNRC for, among other things, fraud, fraudulent transfer, conversion, unjust enrichment, and breach of fiduciary duty under North Carolina and Bermuda law related to execution of the IALA and MOU and distribution of interest payments. The JPLs sought a declaratory judgment that the IALA and MOU are void and unenforceable, an accounting of loans where CBL and SNIC are the agents, monetary damages, and an injunction related to the insurance companies' distribution of interest payments.

The lawsuit was filed in violation of the injunctions prohibiting lawsuits against CBL, BLIC, SNIC, and SNRC issued by this Court in the Order of Rehabilitation, entered June 27, 2019. The JPLs did not receive this Court's permission to file this lawsuit against the insurance companies.

On January 18, 2023, CBL, BLIC, SNIC, and SNRC filed a motion to stay the claims as to CBL, BLIC, SNIC, and SNRC because the lawsuit was filed in violation of the anti-suit injunction issued by this Court. The motion asked the court to stay the lawsuit against CBL, BLIC, SNIC, and SNRC until the JPLs obtained permission from this Court permitting the claims to proceed. On January 31, 2023, the JPLs responded and opposed the Motion to Stay arguing that this Court's injunction did not apply to the lawsuit as filed. CBL, BLIC, SNIC, and SNRC filed a reply on February 8, 2023, explaining that the McCarran-Ferguson Act required the Bankruptcy Court to defer to this Court's injunction.

A hearing on the Motion to Stay was held on February 10, 2023. The Bankruptcy Court permitted the JPLs to file a sur-reply on the application of the McCarran-Ferguson Act on this matter, which was filed on February 21, 2023.

A second hearing on the Motion to Stay was held on February 27, 2023. During the hearing, the Bankruptcy Court granted the Motion to Stay, found that the McCarran-Ferguson Act applied and required the Bankruptcy Court to give this Court's injunction force and effect, and found that the JPLs' violated the injunction by filing this suit against CBL, BLIC, SNIC, and SNRC without this Court's prior permission and that such action was prohibited by the McCarran-Ferguson Act. The Bankruptcy Court stayed the claims against CBL, BLIC, SNIC, and SNRC until the JPLs obtained

permission to proceed from this Court. An order memorializing the same was entered on March 10, 2023.

On March 24, 2023, the JPLs noticed an appeal of the Order granting the Motion to Stay, in the District Court for the Southern District of New York. On April 14, 2023, the JPLs filed their designation of the record on appeal. On April 21, 2023, the Insurance Companies filed their counter-designations of the record on appeal.

On April 24, 2023, the Insurance Companies filed a letter requesting a hearing for permission to file a motion to dismiss the JPLs' appeal as interlocutory. The JPLs filed an opposition to the Insurance Companies' request for permission. On April 27, 2023, the JPLs prematurely filed their opening appellant brief. On May 5, 2023, the District Court stayed the substantive briefing and ordered the Insurance Companies to file a motion to dismiss by May 26, 2023. The Insurance Companies filed their motion to dismiss on May 26, 2023.

On May 22, 2023, the JPLs' filed a motion in the Rehabilitation Action seeking permission to pursue their adversary proceeding and counterclaims against the Insurance Companies. The Insurance Companies and Rehabilitator opposed the motion and filed a response on June 15, 2023. The Rehabilitation Court heard argument on June 19, 2023, and orally denied the JPLs' motion. A written order reflecting the same was entered on July 5, 2023.

On June 20, 2023, the JPLs filed their response in opposition to the Motion to Dismiss and argued that the appeal was not interlocutory. On June 27, 2023, the Insurance Companies requested to withdraw their Motion to Dismiss due to the Rehabilitation Court's denial of the JPLs' motion for permission to pursue their claims against the Insurance Companies. On June 28, 2023, the Court permitted the Insurance Companies to withdraw their Motion to Dismiss and set a briefing schedule for the substantive appeal.

On July 28, 2023, the Insurance Companies filed their appellee brief in the JPLs' appeal of Order granting the Motion to Stay. On August 11, 2023, the JPLs filed their reply in support of their appeal. The appeal remains pending.

On September 27, 2023, the JPLs filed an Amended Complaint against the Insurance Companies and hundreds of others restating their claims against the Insurance Companies and adding additional factual allegations, legal theories, and claims of recovery against the Insurance Companies.

On October 7, 2023, the JPLs wrote a letter to the Bankruptcy Court requesting that certain counts of the amended complaint be dismissed as to CBL.

On October 17, 2023, the Insurance Companies filed a motion for sanctions and contempt against the JPLs and their counsel for filing the Amended Complaint in violation of the Rehabilitation Order, the SNIC Liquidation Order, and the Bankruptcy Court's order staying the adversary proceedings as to the Insurance Companies.

On October 31, 2023, the JPLs filed their response in opposition to the motion for sanctions and contempt.

On November 6, 2023, the Insurance Companies filed their reply in support of the motion for sanctions and contempt.

On November 8, 2023, the Bankruptcy Court held an initial hearing on the motion for sanctions and contempt. The Bankruptcy Court requested additional briefing on jurisdictional and remedial issues related to the motion for sanctions and contempt and established a briefing schedule.

On November 14, 2023, the JPLs filed their sur-reply in opposition to the motion for sanctions and contempt. On November 21, 2023, the Insurance Companies filed their sur-sur-reply in support of the motion for sanctions and contempt.

On November 28, 2023, the Bankruptcy Court heard argument on the motion for sanctions and contempt. The Bankruptcy Court issued an oral ruling finding that the JPLs and their counsel were in contempt of the Bankruptcy Court's prior order and awarded the Insurance Companies their attorneys' fees associated with bringing the motion for contempt. This sanction is to be paid by the JPLs' counsel, Stevens & Lee.

On December 14, 2023, the Insurance Companies submitted their attorneys' fee request with documentation to the Bankruptcy Court. On December 27, 2023, the JPLs filed an objection to the attorneys' fee request.

On January 12, 2024, the Insurance Companies filed their reply in support of their attorneys' fee request. On January 19, 2024, the JPLs filed a sur-reply in opposition to the Insurance Companies' attorneys' fee request. On January 17, 2024, the Insurance Companies filed a reply to the sur-reply in support of their attorneys' fee request.

On February 1, 2024, the Bankruptcy Court entered an order holding the JPLs and their counsel in contempt of court for filing the Amended Complaint in violation of the bankruptcy court's order staying the adversary proceeding against the Insurance Companies. As a sanction, the Bankruptcy Court ordered the JPLs' counsel's firm, Stevens & Lee, to pay the Insurance Companies' attorneys' fees in the amount of \$670,292.04 (the "Sanction Order"). The JPLs were also required to file a restated amended complaint that removed all new allegations and causes of action against the insurance companies.

On February 13, 2024, the Bankruptcy Court held a case conference to discuss revisions to the restated amended complaint that the insurance companies and the JPLs could not agree on. Following the Bankruptcy Court's decision on the disputed allegations, the JPLs filed a restated amended complaint on February 14, 2024.

On February 14, 2024, the JPLs and their counsel at Stevens & Lee filed a notice of appeal of the Bankruptcy Court's Sanction Order. The appeal will be heard by Judge Ramos, the same district court judge that heard the JPLs' appeal of the Order Granting the Motion to Stay the adversary proceeding.

On February 22, 2024, the District Court hearing the JPLs' appeal of the Order Granting the Motion to Stay entered an opinion affirming the Bankruptcy Court's stay of the Adversary Proceeding against Respondents and held that the McCarran Ferguson Act reverse preempted the Bankruptcy Court's jurisdiction over the adversary proceeding against the insurance companies.

On February 28, 2024, the JPLs and Stevens & Lee filed their designated record and issues on appeal for their appeal of the Bankruptcy Court's Sanction Order. The District Court entered a scheduling order on March 15, 2024, governing the briefing schedule of the appeal.

On March 7, 2024, the Insurance Companies filed a Declaration to recover the court costs associated with the JPLs' unsuccessful appeal of the Bankruptcy Court's Order Granting the Motion to Stay.

On March 22, 2024, the JPLs appealed the District Court's order affirming the Bankruptcy Court's Order Granting the Motion to Stay the adversary proceeding. The appeal was made to the Second Circuit Court of Appeals.

On May 1, 2024, the JPLs dismissed with prejudice their appeal of the Order Granting the Motion to Stay in the Second Circuit. The Second Circuit entered an order withdrawing the appeal on May 7, 2024.

On May 1, 2024, the JPLs dismissed with prejudice the Insurance Companies from the adversary proceeding filed in the Bankruptcy Court for the Southern District of New York. The Bankruptcy Court entered an order dismissing the Insurance Companies from the adversary proceeding on May 2, 2024.

On May 3, 2024, Stevens & Lee moved to dismiss without prejudice its portion of the appeal of the Bankruptcy Court's Sanctions Order.

On May 6, 2024, Eric Robinson and Wade Koenecke, two of the Stevens & Lee attorneys the Bankruptcy Court found had violated her orders in the Sanctions Order, filed a letter with the District Court seeking a dismissal of their portion of the appeal without prejudice so that those attorneys could return to the bankruptcy court to seek relief or modification of the Sanctions Order.

On May 6, 2024, Nicholas Kajon and Constantine Pourakis, the other two Stevens & Lee attorneys the Bankruptcy Court found had violated her orders in the Sanctions Order, filed a letter with the District Court "joining" in Mr. Robinson's letter.

On May 6, 2024, the JPLs dismissed with prejudice their part of the appeal of the Sanctions Order. This dismissal did not dismiss with prejudice the Stevens & Lee's or the individual attorneys' portions of the appeal. On May 9, 2024, the district judge ordered the JPLs' portion of the Sanctions Order appeal dismissed with prejudice.

On May 7, 2024, the Insurance Companies filed a letter with Judge Ramos explaining why the companies opposed Stevens & Lee's and the individual attorneys' requests to dismiss the appeal *without prejudice*.

On May 14, 2024, Nicholas Kajon and Constatine Pourakis moved to dismiss *with prejudice* their portion of the appeal of the Sanctions Order.

***Colorado Bankers Life Insurance Company v. PB Life and Annuity Co., Ltd.*, Case No. 1:22-AP-001149, Bankruptcy Court for the Southern District of New York**

CBL, BLIC, SNIC, and SNRC filed a Declaratory Judgment Action on September 21, 2022, in the JPLs' bankruptcy proceedings asking the Bankruptcy Court to determine the scope of the automatic stay as it applies to enforcement of the Amended Judgment and Order entered in the MOU litigation. CBL, BLIC, SNIC, and SNRC asked the Bankruptcy Court to declare that the automatic stay does not prohibit the Lindberg-Defendants in the MOU Action from performing their obligations under the Amended Judgment and Order to contribute the SACs to NHC.

This declaratory judgment action was filed in response to the JPLs' Motion to Enforce whereby the JPLs asked the Bankruptcy Court to prohibit the Lindberg-Defendants in the MOU action from performing their obligations under the Amended Judgment and Order or MOU.

On January 9, 2023, the JPLs answered the Declaratory Judgment Action and filed counterclaims which incorporated by reference all of the allegations and claims against CBL, BLIC, SNIC, and SNRC set forth in their adversary proceeding, discussed above.

On January 30, 2023, CBL, BLIC, SNIC, and SNRC moved to strike the counterclaims as improperly filed. The JPLs responded to the motion to strike on February 8, 2023, and the insurance companies filed a reply on February 14, 2023. The Bankruptcy Court held a hearing on the Motion to Strike on February 15, 2023.

On March 10, 2023, the Bankruptcy Court entered an order staying the counterclaims against CBL, BLIC, SNIC, and SNRC.

On March 20, 2023, the Insurance Companies requested a conference with the Bankruptcy Court to discuss filing for summary judgment on the declaratory judgment claims. On April 7, 2023, the JPLs objected to the conference and sought to take discovery on the Insurance Companies declaratory judgment action and their alleged defenses.

On April 11, 2023, the Bankruptcy Court stayed the declaratory judgment action because a separate order issued in the Chapter 15 bankruptcy proceedings denying the Motion to Enforce and finding that the Amended Judgment and Order from the MOU action and implementation of the MOU itself did not violate the Bankruptcy Court's automatic stay. That order resolved most of the issues in the declaratory judgment action.

On May 22, 2023, the JPLs filed a motion in this Court seeking permission to pursue their counterclaims against the Insurance Companies. The Insurance Companies and Rehabilitator opposed the motion and filed a response on June 15, 2023. This Court heard argument on June 19, 2023, and orally denied the JPLs' motion. A written order reflecting the same was entered on July 5, 2023.



**Affiliated**

The following litigation was initiated by one or more of the North Carolina Insurance Companies in Rehabilitation against Global Growth affiliated entities:

*Southland National Insurance Corporation in Rehabilitation, Bankers Life Insurance Company in Rehabilitation, Colorado Bankers Life Insurance Company in Rehabilitation, and Southland National Reinsurance Corporation in Rehabilitation v. Greg Lindberg, Academy Association, Inc., Edwards Mill Asset Management, LLC, New England Capital, LLC, and Private Bankers Life and Annuity Co., Ltd., Case No. 19 CVS 013093, Wake County, North Carolina.*

This case was filed on October 1, 2019, alleging a breach of the contract entered into by the parties on June 27, 2019. An Amended Complaint was filed on October 28, 2019, and added claims for fraud and negligent misrepresentation arising from statements contained in the June 27, 2019 contract and the Defendants' conduct.

On October 1, 2019, the Wake County Superior Court entered a Temporary Restraining Order ("TRO"), which remains in place, as amended by the Court on April 1, 2020, and June 23, 2020. Essentially, the TRO prohibits the Defendants from taking any action that would negatively impact the value of Plaintiffs' investments into Defendants' companies.

The Defendants moved to dismiss the original Complaint and the Amended Complaint on various grounds. The Court denied those motions in an Order filed on January 21, 2020. Defendants filed an Answer to the Amended Complaint on February 20, 2020.

The Court entered a Case Management Order and set the matter for trial in February 2021. On July 8, 2020, Defendants filed a Motion to Modify the Case Management Order & For Continuance seeking to extend all discovery deadlines and the trial for 120 days. On August 5, 2020, the Court entered an order extending all discovery deadlines by 90 days with discovery to be completed by December 31, 2020 but kept the trial set for February 1, 2021.

The Court severed Defendant PB Life and Annuity Co. Ltd. f/k/a Private Bankers Life and Annuity Co., Ltd. ("PBLA") from this litigation after it filed Chapter 15 bankruptcy, *In re: PB Life and Annuity Co. Ltd.*, No. 1:20-BK-12791, pending in the United States Bankruptcy Court for the Southern District of New York. Plaintiffs' claims against PBLA are expected to be stayed during the pendency of its bankruptcy proceeding; however, Plaintiffs' claims against the other Defendants are unaffected.

On January 8, 2021, the Court entered a Second Case Management Order extending the discovery deadline to February 28, 2021 and setting the trial for April 15, 2021.

On March 19, 2021, the Court entered an order extending the time to take the depositions of Defendants Greg Lindberg, AAI, and NEC to May 14, 2021. The Court also ordered that all

dispositive motions be filed by June 2, 2021, responses filed by June 9, 2021, and hearing on said motions to occur the week of June 14, 2021.

On June 9, 2021, the Parties filed respective Motions for Summary Judgment and on June 14, 2021, the Parties filed their respective responses. The Court orally denied the Motions for Summary Judgment and trial commenced on June 21, 2021. Trial concluded on June 30, 2021. Post-trial briefing was filed on August 31, 2021. Defendants filed a Motion to Strike certain exhibits on September 3, 2021 and Objections to Relief Requested on October 1, 2021. The Court heard argument on the Motion to Strike and Objection on October 13, 2021.

On November 22, 2021, Defendants filed a motion to compel post-trial mediation. That motion was granted at the conclusion of a hearing on January 27, 2022. The mediation was conducted on March 9, 2022 and an impasse was declared by the mediator.

On March 11, 2022, Plaintiffs' Motion to Add Global Growth Holdings, Inc. as the successor defendant to Academy Association, Inc. was granted.

On May 18, 2022, the Court entered a Judgment and Order on the issues tried at the June 2021 trial. The Court found Defendants Lindberg, Global Growth, and NEC breached the MOU and ordered specific performance of Article II of the MOU on a 90-day timeline. The Court found Plaintiffs may be entitled to an undetermined amount of contractual damages for the value of any SACs not transferred to NHC. The Court also found that Defendants Lindberg, Global Growth, and NEC made fraudulent statements to induce Plaintiffs into entering into the Revolver and IALA and ordered \$467,622,097.48 in compensatory and punitive damages. The Court conditioned the award of those damages on the appellate court determining that specific performance is unavailable. The Court also ordered appointment of a special master to oversee implementation of the Order.

On May 23, 2022, Defendants filed a motion to stay the Order while on appeal.

On May 24, 2022, Plaintiffs filed a Motion to Amend the Judgment and Order to correct clerical errors in the Order.

On May 26, 2022, the Court held a hearing on Defendants' Motion to Stay and Plaintiffs' Motion to Amend the Judgment and Order. The Court denied Defendants' Motion to Stay to the extent it sought a discretionary stay and granted Plaintiffs' Motion to Amend. The Court also entered a scheduling order for post-trial motions. The Court entered written orders on the Defendants' Motion to Stay and Plaintiffs' Motion to Amend.

The Court also entered an Amended Judgment and Order on May 26, 2022 (the "Amended Judgment") correcting the clerical errors.

The Plaintiffs' filed a second Motion to Amend the Judgment and Order on June 6, 2022 asking the Court to immediately award compensatory and punitive damages for Defendants' fraud. That same day, Defendants' filed a Motion for New Trial seeking to disqualify Plaintiffs' counsel and to relieve all Defendants from liability of the Amended Judgment.

Defendants filed a Notice of Appeal of the Amended Judgment, among other pre-judgment orders on June 13, 2022.

On June 21, 2022, Plaintiffs filed a conditional Notice of Cross-Appeal of the Judgment and Order and Amended Judgment.

Plaintiffs filed a Motion for Show Cause Order on June 30, 2022 asking the Court to issue an order requiring Global Growth to show cause why it should not be held in contempt for failing to bind the D&O insurance as ordered in the Amended Judgment. Plaintiffs also asked the Court to appoint a third-party to bind the insurance at Global Growth's expense.

On July 1, 2022, the Court held a hearing on the pending post-trial motions. The Court denied Plaintiffs' second Motion to Amend and reserved ruling on Defendants' Motion for New Trial.

Defendants filed a Motion to Establish Security for a Stay Pending Appeal on July 7, 2022.

Pursuant to Court order, the Defendants served a response opposing Plaintiffs' Motion for Show Cause on July 22, 2022.

On August 4, 2022, the Court denied Defendants' Motion for New Trial and held that Defendants' counsel's motion to disqualify Plaintiffs' counsel was made without basis in law or fact. The Court also denied Plaintiffs' second motion to amend the Judgment and Order.

On August 12, 2022, the Court held a hearing on the outstanding motions. The Court found it did not have jurisdiction to hear Plaintiffs' Motion for Show Cause because of the pending appeal. The Court found that if Defendants deposited certain documents with the Clerk of Court that execution of the Amended Judgment would be stayed.

On August 18, 2022, Plaintiffs filed a Motion for Expedited Injunctive Relief at the Court of Appeals seeking an order compelling Global Growth to bind and fund the D&O policy. The Court of Appeals ordered Defendants to respond by August 22, 2022.

On August 22, 2022, Defendants filed a response in opposition to the Motion for Expedited Injunctive Relief.

On August 24, 2022, the Court of Appeals denied Plaintiffs' Motion for Expedited Injunctive Relief.

On September 20, 2022, Plaintiffs filed a Motion to Expedite the Appeal, which was opposed by the Defendants.

On October 5, 2022, the Court of Appeals entered an order denying Plaintiffs' Motion to Expedite the Appeal without explanation.

On October 31, 2022, Plaintiffs filed a Motion for Sanctions related to Defendants' motion to disqualify Plaintiffs' counsel, which was improperly styled as a Motion for New Trial.

On November 18, 2022, Plaintiffs filed Motion for Order Show Cause asking the Court to require Defendants Lindberg and GGHI show why they should not be held in contempt for violating the TRO. On December 21, 2022, the Court entered an Order of Show Cause on Plaintiffs' motion. That same day, Defendants moved to continue the hearing on the Order to Show Cause and sought discovery. On December 28, 2022, the Court entered an Amended Order to Show Cause and that same day Defendants filed a Motion to Dismiss the Order and Amended Order to Show Cause. On December 29, 2022, Plaintiffs filed a Motion for Sanctions related to Defendants' Motion to Dismiss. On December 30, 2022, the Court denied Defendants' Motion to Continue. On January 5, 2023, Plaintiffs moved to withdraw their Motion for Order to Show Cause and refile the motion following additional analysis of Defendants' financial transactions. That motion was granted the same day.

On January 25, 2023, Plaintiffs filed an exception to the TRO Review Panel's recommended use of proceeds from the sale of the Clanwilliam Group. On February 7, 2023, non-party Universal Life Insurance Company ("ULICO") and Defendant Lindberg filed separate responses in support of the TRO Review Panel's recommended use of proceeds. That same day, the Joint Provisional Liquidators of PBLA and related Bermudan insurance companies filed an objection to the TRO Review Panel's recommended use of proceeds. On February 9, 2023, the Court held a hearing on the Clanwilliam Group sale objections. In a ruling announced on the record, the Court approved the sale of the Clanwilliam Group and the use of proceeds under certain conditions to be memorialized by a written order. At the same hearing, the Court announced it would disband the TRO Review Panel and future transactions would be heard by the Court. An order reflecting the approved uses of proceeds was entered on March 14, 2023.

On January 19, 2023, Plaintiffs filed their opening brief for their cross-appeal of the Amended Judgment and Order and Request for Judicial Notice. That same day, Defendants filed their opening brief of their appeal of the Amended Judgment and Order. On February 21, 2023, Plaintiffs filed their response brief to Defendants' appeal of the Amended Judgment and order and second Request for Judicial Notice. That same day, Defendants filed their response to Plaintiffs' cross-appeal of the Amended Judgment and Order and response to Plaintiffs' Request for judicial notice. Also on February 21, 2023, non-party ULICO filed a motion for leave to file amicus brief and proposed amicus brief. On March 7, 2023, the Court of Appeals deferred ruling on Plaintiffs' first Request for Judicial Notice until the appeal is heard. That same day, the Court of Appeals denied ULICO's Motion for Leave to file amicus brief.

On February 21, 2023, Plaintiffs filed their response brief to Defendants' appeal of the Amended Judgment and order and second Request for Judicial Notice. That same day, Defendants filed their response to Plaintiffs' cross-appeal of the Amended Judgment and Order and response to Plaintiffs' Request for judicial notice. Also on February 21, 2023, non-party ULICO filed a motion for leave to file amicus brief and proposed amicus brief. On March 7, 2023, the Court of Appeals deferred ruling on Plaintiffs' first Request for Judicial Notice until the appeal is heard. That same day, the Court of Appeals denied ULICO's Motion for Leave to file amicus brief.

On March 24, 2023, the Plaintiffs and Defendants filed their reply briefs. The North Carolina Court of Appeals calendared oral argument on this appeal for April 26, 2023. The North Carolina

Court of Appeals entered its decision on June 20, 2023, affirming the MOU Judgment and Order's holdings that the MOU is a valid and enforceable agreement after severing Article III and that the Defendants are liable for fraud and remanded to allow damages for Defendants' fraud.

On March 30, 2023, the JPLs and ULICO filed an Emergency Request for Hearing on the Clanwilliam Sale Order. On April 14, 2023, the Defendants filed a response to the Emergency Request. On April 18, 2023, Plaintiffs filed their response to the Emergency Request. On April 19, 2023, the JPLs filed a Supplemental Statement in Support of their Emergency Request.

The Court held a hearing on the JPLs' and ULICO's Emergency Request on April 20, 2023. The Court determined that the JPLs and ULICO had not asked for any specific relief in the Emergency Request that the Court could grant.

On July 11, 2023, the Defendants filed a Petition for Writ of Supersedeas and Motion for Temporary Stay seeking to stay the Court of Appeals' unanimous decision while Defendants seek the NC Supreme Court's discretionary review. On July 13, 2023, the NC Supreme Court granted the Motion for Temporary Stay until it can consider the Petition for Writ of Supersedeas. On July 24, 2023, Plaintiffs filed their opposition to the Petition for Supersedeas. The Petition for Writ of Supersedeas remains pending.

Defendants filed a Petition for Discretionary Review on July 25, 2023. Plaintiffs filed their response in opposition to the Petition for Discretionary Review on August 7, 2023. The Petition for Discretionary Review remains pending.

On July 25, 2023, non-party ULICO filed a Motion for Leave to File Amicus Curiae Brief. ULICO filed and served on its amicus brief the same day.

On August 7, 2023, Plaintiffs filed a Motion to Expedite the NC Supreme Court's consideration of the Petition for Writ of Supersedeas and Petition for Discretionary Review. That motion remains pending.

On August 15, 2023, Plaintiffs filed a consent motion for 30-day extension of time to reply to ULICO's amicus brief. On August 17, 2023, the NC Supreme Court granted the motion for extension to reply to ULICO's amicus brief to September 27, 2023.

On September 25, 2023, Plaintiffs filed a second motion for extension of time to reply to ULICO's amicus brief until 30 days after the NC Supreme Court resolves the pending Petition for Discretionary Review or ULICO's motion for leave to file its amicus brief. The NC Supreme Court granted Plaintiffs' motion.

On November 30, 2023, ULICO filed a motion to withdraw its amicus brief. The NC Supreme Court granted that motion on December 13, 2023.

On December 13, 2023, the NC Supreme Court allowed in part Defendants' PDR to resolve the issue of reasonable reliance related to Plaintiffs' fraud claim. The NC Supreme Court denied the PDR on all other issues. The NC Supreme Court also granted the Defendants' Petition for Writ of Supersedeas.

On December 21, 2023, Plaintiffs filed a Motion for Clarification asking the NC Supreme Court to clarify its order on the Petition for Writ of Supersedeas to allow the specific performance of the MOU to proceed while the appeal on the fraud issue continues.

On January 4, 2023, Defendants responded in opposition to Plaintiffs' Motion for Clarification in the NC Supreme Court.

On January 8, 2024, Plaintiffs filed a reply in support of their Motion for Clarification in the NC Supreme Court.

On January 22, 2024, Plaintiffs filed a supplement in support of their Motion for Clarification in the NC Supreme Court.

On January 24, 2024, Defendants filed a motion to strike Plaintiffs' reply and supplement to their Motion for Clarification in the NC Supreme Court.

On January 25, 2024, Plaintiffs responded in opposition to the Motion to Strike. The Motion for Clarification remains pending.

On February 15, 2024, Defendants filed their opening brief in the NC Supreme Court appeal on the fraud issue.

On March 19, 2024, Plaintiffs filed their appellee brief in the NC Supreme Court on the appeal of the fraud issue.

On March 25, 2024, the NC Supreme Court dismissed the Plaintiffs' Motion for Clarification without providing any reasoning or written opinion. The NC Supreme Court also dismissed as moot the Defendants' motion to strike.

On March 26, 2024, the Commissioner of Insurance filed a motion for leave to file an amicus brief in support of Plaintiffs' position in the appeal and to clarify the Administrative Supervisor's role in approving certain transactions. The motion for leave was allowed on March 28, 2024.

On April 5, 2024, the Defendants sought and were permitted an extension of time to file their reply brief in the NC Supreme Court.

On April 15, 2024, Plaintiffs filed three motions to be heard by the trial court: (1) Motion to Modify TRO and Appoint Receiver over Defendant GGHI, seeking to impose additional restrictions on the Defendants to prevent dissipation of assets until the MOU is performed and to appoint a receiver over Defendant GGHI to ensure compliance with the modified TRO; (2) Renewed Motion for Order to Show Cause seeking an order requiring the defendants to show cause why they should not be held in contempt for violating the TRO by improperly transferring tens of millions of dollars; and (3) Motion to Add Global Growth Holdings, LLC as a defendant where Defendant Global Growth Holdings, Inc. converted to an LLC.

On April 16, 2024 Defendants filed a motion to continue the hearing on the Motion to Modify TRO/Appoint Receiver and Motion for Order to Show Cause. Defendants argued they needed

time for discovery on the contents of the forensic accountant's affidavit supporting the Motion for Order to Show Cause.

On April 18, 2024, Plaintiffs responded in opposition to Defendants' Motion to Continue.

On April 22, 2024, the Court heard argument on the Motion to Add GGHL as defendant, Motion to Modify TRO/Appoint Receiver, and Motion for Order to Show Cause. Orally on the record, the Court granted Plaintiffs' Motion to Add GGHL as a defendant and Motion to Modify TRO/Appoint Receiver. The Court denied Defendant's motion to continue as it related to the Motion to Modify the TRO/Appoint Receiver and heard the motion that day. The Court granted Defendants' motion to continue as it related to the Motion for Order to Show cause and agreed to give Defendants approximately 90 days of discovery on the forensic accountants' affidavit supporting the Motion for Order to Show Cause. Written orders to follow.

On April 22, 2024, the Court entered an interim order appointing Bill Janvier as limited Receiver over GGHL to monitor compliance with the TRO. On April 25, 2024, Defendants filed a motion to modify the TRO to permit certain modifications to trust agreements and approve certain transactions.

On April 29, 2024, the Defendants filed their reply to the appeal and response to the Commissioner of Insurance's amicus brief.

On May 3, 2024, the Court entered an order adding GGHL as a defendant to the matter.

On May 10, 2024, the Court entered the substantive order imposing a limited receiver over Defendant GGHL to monitor compliance with the TRO.

On May 13, 2024, Defendants served their brief in support of maintaining the forensic accountant's affidavit under seal.

On May 13, 2024, the Defendants filed a Notice of Limited Waiver to Allow Implementation of NHC stating that the Defendants were waiving their objection to the stay of execution and enforcement of the amended judgment and order to permit NHC to be created, the SACs to be contributed to NHC, and for the NHC Board to assume its role.

On May 14, 2024, Nicholas Kajon and Constantine Pourakis moved to withdraw as counsel representing PBLA in the matter.

On May 15, 2024, the Defendants filed a Notice of Limited Waiver with the NC Supreme Court indicating they waived the stay of execution and enforcement of certain provisions of the Amended Judgment and Order related to specific performance. Also on May 15, 2024, Defendants filed a notice that they had complied with certain provisions of the Modified TRO requiring them to provide notice of the Modified TRO to certain managers and employees and sought financial statements from the SACs.

On May 15, 2024, the Receiver filed its first monthly report and notice of retention of M3 Advisory Partners to provide financial support services.

On May 15, 2024, the Court entered its written order on Defendants' Motion to Continue the Hearing on the motion to modify the TRO and appoint the receiver and renewed motion to show cause. The Court found probable cause that the Defendants violated the TRO, set the show cause hearing for August 1, 2024, and established a limited discovery schedule related to that hearing.

On May 16, 2024, Plaintiffs filed a motion requesting a status conference related to the Defendants' Notice of Limited Waiver. The Court held the status conference on May 23, 2024.

On May 23, 2024, the Court entered an order unsealing the affidavit of Carey Miller, the forensic accountant, filed in support of Plaintiffs' renewed motion for order to show cause. Plaintiffs filed the affidavit with only minimal redactions on May 30, 2024.

On June 12, 2024, the Plaintiffs and Defendants filed a Joint Motion for Limited Remand asking the NC Supreme Court to return jurisdiction of the matter to the trial court for the limited purpose of implementing the specific performance portion of the Amended Judgment and Order.

On June 18, 2024, the Receiver filed his Second Monthly Report and Request for Approval of Expenses. In the report, the Receiver identified potential violations of the TRO.

On June 24, 2024, the Receiver filed a supplement to his Second Monthly Report providing additional explanation of the TRO violations and the Defendants' explanations for the same.

On June 25, 2024, the Court held a hearing on the Defendants' Motion for Approval of Resolutions and Consents. The Court continued the hearing to June 10, 2024 to permit the Insurance Companies an opportunity to deal directly with the lenders who allegedly threatened to foreclose on the Beckett loans. The Court also heard from the Receiver related to the potential TRO violations. The Court ruled that the TRO would be modified to prevent Defendants Lindberg and/or GGHL from transferring/disposing of more than \$5,000 without the Receiver's prior approval. Written order confirming the same entered on July 12, 2024.

On June 28, 2024, the NC Supreme Court granted the Parties' Joint Motion for Limited Remand and remanded the matter to the trial court for the limited purpose of implementing the specific performance of the MOU.

On July 3, 2024, Plaintiffs filed a motion in limine to exclude Defendants' purported expert witness at the upcoming August 1, 2024 show cause hearing. The Court heard that motion on July 10, 2024.

On July 8, 2024, the Receiver filed a Notice of Request for Status Conference to discuss the Defendants' recent financial transactions that implicate the modified TRO. The Court heard this update on July 10, 2024.

On July 9, 2024, the Court entered an order approving the Receiver's second month of expenses.



On July 10, 2024, the Court heard the status update from the Receiver on the Defendants' financial transactions and the forbearance agreements related to the Beckett lenders. The Court also heard Plaintiffs' Motion to Exclude Defendants' expert testimony at the upcoming Show Cause Hearing.

On July 12, 2024, Defendants filed a Motion to Allow the Receiver to Approve Transfers from SACs to pay GGHL's and Lindberg's expenses, including the fees owed to the Receiver.

On July 12, 2024, the Court entered an order modifying the TRO's restrictions to prevent GGHL and Lindberg from transferring more than \$5,000 without the Receiver's approval.

On July 15, 2024, Emilio Mendoza on behalf of GGHL and Greg Lindberg, individually, filed affidavits attesting that Lindberg and GGHL did not have funds available, or access to funds, to pay the D&O insurance premium needed for the NHC D&O policy.

On July 15, 2024, the Receiver filed his third monthly report and request for fees. In his report, the Receiver detailed Defendants' violations of the TRO, including transacting over \$5,000 after the Receiver denied permission for the transactions.

On July 17, 2024, Defendants filed a motion to permit two witnesses to testify remotely at the upcoming Show Cause Hearing.

On July 18, 2024, the Receiver filed a request for a status conference related to the recent TRO violations identified in this third monthly report and responded in opposition to Defendants' motion to permit transfers from SACs to pay GGHL and Lindberg's expenses.

On July 18, 2024, the Court heard the Receiver's status update on the TRO violations. The Court also heard Defendants' motion to allow SAC transfers and Defendants' motion to permit remote testimony. The Court orally ruled that the SAC transfers would not be permitted. The Court also announced that one of Defendants' witnesses who lives in India could testify remotely at the Show Cause Hearing but the other witness who was only on vacation would be required to testify in person, if called.

On July 18, 2024, the Court entered written orders denying Defendants' motion to approve certain corporate resolutions related to the Beckett loans and approving the Receiver's third month of expenses.

On July 18, 2024, the Court entered a written order appointing Bill Janvier as Special Master to oversee MOU implementation.

On July 22, 2024, the Receiver filed a motion requesting permission to file certain exhibits under seal. This motion was granted on July 29, 2024.

On July 23, 2024, Defendants filed a Notice of Appeal of the orders entered on July 12, 2024 modifying the TRO and Receiver's powers to prohibit Defendants' transactions above \$5,000

without the Receiver's permission and oral order denying Defendants' motion to permit SAC transfers to pay GGHL and Lindberg's expenses.

On July 29, 2024, the Court entered a written order denying Defendants' motion to permit SAC transfers to pay GGHL and Lindberg's expenses. The Court also entered a written order granting in part and denying in part Defendants' motion to permit remote testimony at the Show Cause Hearing.

On July 30, 2024, Plaintiffs filed a motion to extend the remaining NHC implementation deadlines for 30 days to permit the prospective NHC Board members' counsel to finalize the D&O policy and to allow the NHC Board members to hire counsel to review the SAC contribution documents after the Board is seated.

On July 31, 2024, the Receiver filed a supplement to his third monthly report providing additional information on Defendants' TRO violations.

On August 1, 2024, The Court heard Plaintiffs' renewed Show Cause motion. At the hearing, the Court indicated the prior probable cause finding shifted the burden to Defendants to show cause why they should not be held in contempt for violating the TRO's restrictions. The Court heard all evidence and scheduled closing arguments for August 8, 2024.

On August 1, 2024, the Court also heard argument on Plaintiffs' motion to extend the NHC deadlines by 30 days. The Special Master supported the extension. The Defendants did not object to the extension. The Court orally granted the motion. Written order expected to follow.

On August 7, 2024, the Receiver filed a Notice of Unpaid Receiver and Professional Fees notifying the Court that Defendants have not paid any of the Receiver's fees as approved by the Court since the appointment in April 2024.

On August 8, 2024, the Court heard closing arguments from the August 1, 2024 contempt hearing.

On August 15, 2024, the Receiver filed his fourth monthly report on the Defendants' violations of the TRO and request for fees. The Court entered a written order requiring Defendants to pay the Receiver's requested fees on August 25, 2024.

On August 27, 2024, Defendants filed a Motion to Clarify TRO asking to restrict the TRO's scope to the SACs' assets and exclude Lindberg's non-SAC assets from the TRO restrictions.

On August 30, 2024, the Court entered a written order finding Defendants GGHL and Lindberg violated the TRO through various financial transactions between the SACs, GGHL, and Lindberg's personal vehicle entities from October 2019 to early 2022. The Court ordered GGHL to return \$56 million to certain FinCo companies and ordered Lindberg to return over \$52 million to GGHL and over \$13 million to various SACs. Lindberg and a representative of GGHL are ordered to be held in jail until the funds are repaid and the contempt is purged.

On September 11, 2024, the Special Master filed a Motion to Extend the NHC implementation deadlines to permit additional time for the SAC contribution documents to be finalized.

On September 13, 2024, Defendants filed a Motion to Clarify and/or For Relief from the May 26, 2022 Amended Judgment and Order. In the Motion, Defendants sought to clarify or remove the requirement that the Defendants deliver SAC contribution documents that satisfy the NHC Board where the Defendants' transferred dozens of SACs into trusts, thereby removing the Defendants' ability to contribute those SACs to NHC.

On September 13, 2024, Defendants filed an opposition to the Special Master's motion to extend the NHC implementation deadlines arguing the extension was not necessary where Defendants can contribute all SACs not held in trust.

On September 17, 2024, the Receiver filed his Fifth Monthly Report and request for fees detailing the Defendants' continued noncompliance with the TRO and requesting approval of the fees associated with his work.

On September 18, 2024, Defendants filed a Notice of Appeal of the Order holding Lindberg and GGHI in contempt of court for violations of the TRO.

On September 25, 2024, Defendants filed their brief in opposition to the Special Master's motion to continue NHC implementation deadlines and brief in support of Defendants' Motion for Clarification of Amended Judgment and Order.

On September 27, 2024, Plaintiffs filed their response in opposition to Defendants' Motion to Clarify/Relief from Amended Judgment and Order opposing the Defendants' requested relief.

On September 30, 2024, the Court heard argument on the Special Master's motion to continue NHC implementation deadlines, the Defendants' Motion to Clarify the TRO, and the Defendants' Motion to Clarify/Relief from Amended Judgment and Order. The Court orally granted the Special Master's motion and denied the Defendants' motions. Written orders to follow.

***Colorado Bankers Life Insurance Company and Southland National Reinsurance Corporation v. GBIG Holdings, LLC, Case No. 5:22-CV-212-D, Eastern District of North Carolina.***

This case was filed on May 26, 2022, alleging breach of the Tax Sharing Agreement, conversion, embezzlement, and unfair and deceptive trade practices. The lawsuit seeks the repayment of over \$5 million owed to Plaintiffs stemming from a 2019 consolidated federal tax return filed by GBIG Holdings, LLC.

On July 21, 2022, GBIG Holdings, LLC filed a partial motion to dismiss the conversion, embezzlement, and unfair and deceptive trade practices claims.

On September 13, 2022, Plaintiffs responded in opposition to the partial motion to dismiss. On September 27, 2022, GBIG Holdings, LLC filed its reply.

On January 23, 2023, the Court granted in part GBIG Holdings, LLC's Motion to Dismiss and dismissed Plaintiffs' claims for conversion, embezzlement, and unfair and deceptive trade practices. Plaintiffs' claim for breach of the Tax Sharing Agreement will proceed.

On July 18, 2024, Plaintiffs filed a consent motion to extend the discovery deadlines through February 2025.

July 19, 2024, the Court granted Plaintiffs' consent motion to extend the discovery deadlines.

The matter is in the discovery process.

#### **OTHER MATTERS**

- Pursuant to the Moratorium Order, the Rehabilitator has imposed a moratorium on cash surrenders, annuitizations, and policy loans against the Company's policies until such time as the Court approves lifting of the moratorium.
- Since all reinsurance agreements were recaptured as of July 1, 2019, the Company no longer has any business on its books. Remaining assets and liabilities are in the process of being liquidated.

#### **REVIEW PANEL**

On April 2, 2020, the Court amended the TRO to establish a 5-person review panel to advise the Court on proposed transactions that could implicate the TRO. Both the Plaintiffs and Defendants appointed one representative each. Each representative appointed an independent member. The two independent members appointed a third independent member. After reviewing proposed transactions, the panel makes recommendations to the Court to either approve or deny the proposed transactions. At a hearing on February 9, 2023, the Court disbanded the TRO Panel. Any future transactions will be heard by the Court. The Court entered an order reflecting the same on March 14, 2023.

#### **CONTINUATION OF BUSINESS**

All business for the Company has been recaptured and the Company no longer has any operations and will be dissolved at a future date.

**INTRODUCTION TO SOUTHLAND NATIONAL REINSURANCE CORPORATION  
FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2024**

Introduction and Basis of Presentation: The Company is a North Carolina domiciled pure captive insurance company that was placed in rehabilitation by the Wake County Superior Court on June 27, 2019. The Company is under the control of the Commissioner of Insurance of the State of North Carolina in his capacity as Court appointed Rehabilitator. It is the Rehabilitator's responsibility to take possession of the assets of the Company and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by the Rehabilitator's staff as of September 30, 2024. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles.

Southland National Reinsurance Corporation  
Balance Sheet  
30-Sep-24

	<u>Sep-24</u>	<u>Dec-23</u>
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
Fifth Third Bank - 5666	219,631	219,168
Total Checking/Savings	<u>219,631</u>	<u>219,168</u>
Total Current Assets	<u>219,631</u>	<u>219,168</u>
<b>TOTAL ASSETS</b>	<u><u>219,631</u></u>	<u><u>219,168</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Accounts Payable	2,500	1,400
Total Other Current Liabilities	<u>2,500</u>	<u>1,400</u>
Total Current Liabilities	<u>2,500</u>	<u>1,400</u>
Total Liabilities	2,500	1,400
Equity		
Capital Stock	100	100
Additional Paid in Capital	18,851,565	18,851,565
Retained Earnings	(18,633,897)	(18,631,177)
Net Income	<u>(637)</u>	<u>(2,720)</u>
Total Equity	<u>217,131</u>	<u>217,768</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>219,631</u></u>	<u><u>219,168</u></u>

Southland National Reinsurance Corporation

Income Statement

Nine months ending 09.30.2024

	<u>Jan - Sep 24</u>	<u>Dec 23</u>
Ordinary Income/Expense		
Income	3,662	1,330
Total Income	<u>3,662</u>	<u>1,330</u>
Expense		
Professional Fees		
Consulting	3,900	4,050
Total Professional Fees	<u>3,900</u>	<u>4,050</u>
Miscellaneous Expense	399	-
Total Expense	<u>4,299</u>	<u>4,050</u>
Net Ordinary Income	<u>(637)</u>	<u>(2,720)</u>
Net Income	<u>(637)</u>	<u>(2,720)</u>

**BANKERS LIFE INSURANCE COMPANY**

**NORTH CAROLINA COMMISSIONER OF INSURANCE AS REHABILITATOR**

**AS OF SEPTEMBER 30, 2024,**

**A BALANCE SHEET**

**AS OF SEPTEMBER 30, 2024**

**A SUMMARY OF OPERATIONS**

**THROUGH SEPTEMBER 30, 2024**

**AND**

**A SCHEDULE OF LINDBERG AFFILIATED INVESTMENTS**

**AS OF SEPTEMBER 30, 2024**



## INTRODUCTION

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### BACKGROUND

Bankers Life Insurance Company (hereinafter, “BLIC” or “Company” or collectively with other of the North Carolina insurance companies in receivership, the “Insurance Companies”) was originally incorporated under the laws of the State of Florida as a stock life insurance company on May 9, 1973. On December 15, 2016, the Company redomesticated to North Carolina. On June 27, 2019, the Wake County Superior Court (hereinafter, the “Court”) issued an Order of Rehabilitation (hereinafter, “Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (hereinafter, the “Rehabilitator” or “Receiver”). On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter “Moratorium”).

The Company is part of a group of insurance companies known as Global Bankers Insurance Group (hereinafter, “GBIG”). GBIG is part of a larger group of companies known as Global Growth (f/k/a Eli Global). Global Growth is owned by Greg Lindberg (hereinafter, “Lindberg”).

### PURPOSE OF THIS REPORT

The purpose of this report is to provide a quarterly update to the Court, as required by the Order, on the work that the Receiver and his staff have carried out since the issuance of the Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of Lindberg affiliated investments as of September 30, 2024, and a summary of operations through September 30, 2024. On December 30, 2022, this Court entered an Order of Liquidation to place the Company into liquidation upon the effective date of the Order of Liquidation. Greg Lindberg’s company, GBIG Holdings, LLC, filed a Notice of Appeal of the Order of Liquidation on January 27, 2023. The North Carolina Court of Appeals dismissed the appeal on August 23, 2024. November 30, 2024, is the effective date of the Order of Liquidation.

### LIMITATIONS

This report is based only on the knowledge that the Commissioner as Receiver and his staff have gained from the work performed since the issuance of the Order. Facts may exist that the Receiver is unaware of that may have a material effect on the information provided in this report. The Receiver will update the information in future quarterly reports as additional facts are discovered.

## SUMMARY

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### COMPANY PROPERTY

- In accordance with the Order, the Rehabilitator took possession of all known assets and property of the Company.

## **MEMORANDUM OF UNDERSTANDING AND INTERIM AMENDMENT TO LOAN AGREEMENTS**

On June 27, 2019, the Company entered into a Memorandum of Understanding (“MOU”) and Interim Amendment to Loan Agreements (“IALA”) with Greg E. Lindberg, Academy Association, Inc. and Edwards Mill Asset Management, LLC. The Parties executed this MOU to set forth their agreements, including but not limited to, (i) the immediate partial amendment of, among other things, the interest rate and repayment terms of various affiliated loans through the IALA; (ii) the global restructuring of various affiliated companies through the formation of a new holding company; and (iii) the global restructuring and modifications of all affiliated loans, including assignment of the loans to such new holding company. The restructuring was to be completed by September 30, 2019. The restructuring was not completed by this date. The Company, along with the other insurance companies in rehabilitation, filed a Complaint against the other parties to the MOU on October 1, 2019. This Court issued a Judgment and Order in the MOU litigation on May 18, 2022. Defendants filed a notice of appeal. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the MOU Judgment and Order and allowing damages for Defendants’ fraud. See the Investment Portfolio and Litigation sections for more information.

## **INVESTMENT PORTFOLIO**

The goal of the Receiver is to reduce the amount of affiliated investments and to increase long-term liquidity. The non-affiliated investments are invested primarily in publicly traded securities. The Receiver is working on a plan for the Global Growth non-insurance operating companies to repay the affiliated investments.

- The Company has approximately \$48.1MM of affiliated investments as of September 30, 2024.
- During the quarter, the Company received some interest payments on the affiliated investments. The amount received was not in accordance with the IALA. See the Litigation section for more information.

As set out in the notes to the financial statements, on July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent (10%) of the insurer’s admitted assets or fifty percent (50%) of the insurer’s policyholders’ surplus, provided that after those investments, the insurer’s policyholders’ surplus will be reasonable in relation to the insurers’ outstanding liabilities and adequate to its financial needs. The excess amount of affiliated investments should be non-admitted for purposes of statutory accounting. The statutory limitation on affiliated investments was enacted after the companies were placed into rehabilitation. As of September 30, 2024, the Company has non-admitted \$48.1 million of affiliated investments and \$14.6 million of affiliated interest due and accrued.

## **EXPENSE REDUCTIONS**

The Receiver is evaluating the Company’s contracts to identify those that are essential for liquidation.

## LITIGATION

To the Receiver's knowledge, the Company is a party to or has a financial interest in the following lawsuits:

### Non-Affiliated

The following litigation was initiated against the Company by non-Global Growth affiliated persons and/or entities:

#### ***In re PB Life and Annuity Co. Ltd., No. 1:20-BK-12791, Bankruptcy Court for the Southern District of New York***

A Bermudan court appointed Joint Provisional Liquidators ("JPLs") to liquidate PB Life and Annuity Co. ("PBLA"), Northstar Financial Services (Bermuda) Ltd., Omnia Ltd. And PB Investment Holdings, Ltd (four Bermudan insurance and reinsurance companies previously affiliated with Greg Lindberg). This Chapter 15 proceeding, initiated on December 3, 2020, recognizes the companies Bermudan liquidation proceedings by the United States Bankruptcy Court. The Bankruptcy Court governs how the United States-based assets of the Bermudan entities will be liquidated.

None of the Insurance Companies are parties to this bankruptcy proceeding. However, the Insurance Companies have participated as an "interested party" in various filings and motions that impact the Insurance Companies, their assets, or their insolvency proceedings. Only items that significantly impact or relate to the Insurance Companies are included here. Other events have occurred in this proceeding that are not included in this summary.

On August 26, 2022, the JPLs filed a Motion to Enforce the Automatic Stay and Extend the Automatic Stay. In the motion, the JPLs seek to prevent the Insurance Companies and the Lindberg entities from enforcing the MOU Amended Judgment and Order or implementing the MOU. After disputes over discovery related to the motion, the Bankruptcy Court ordered that the JPLs withdraw their motion re-file by September 20, 2022. The JPLs refiled an Amended Motion to Enforce the Automatic Stay and Extend the Automatic Stay (the "Motion to Enforce").

On March 3, 2023, the Insurance Companies filed their objection to the Motion to Enforce. The JPLs filed their reply on March 17, 2023.

On March 23, 2023, the Bankruptcy Court heard argument on the Motion to Enforce. On April 10, 2023, the Bankruptcy Court entered an Order Denying the JPLs' Motion to Enforce Stay. The Bankruptcy Court also stayed the Insurance Companies' declaratory judgment action because most of the issues in the declaratory judgment action were resolved by the Order denying the JPLs' Motion to Enforce.

On April 24, 2023, the JPLs noticed an appeal of the Order denying their Motion to Enforce. On May 8, 2023, the JPLs filed their designation of the record on appeal for the Motion to Enforce. On May 22, 2023, the Insurance Companies filed their counter-designations of the record on appeal. On July 5, 2023, the JPLs dismissed their appeal of the Order denying their Motion to Enforce.

***Johnston, et al. v. Lindberg, et al*, Case No. 1:23-AP-01000, Bankruptcy Court for the Southern District of New York**

This case was filed on January 4, 2023 by the JPLs. The lawsuit named the insurance companies, Greg Lindberg, and all Global Growth-affiliated entities as defendants.

The JPLs sued CBL, BLIC, SNIC, and SNRC for, among other things, fraud, fraudulent transfer, conversion, unjust enrichment, and breach of fiduciary duty under North Carolina and Bermuda law related to execution of the IALA and MOU and distribution of interest payments. The JPLs sought a declaratory judgment that the IALA and MOU are void and unenforceable, an accounting of loans where CBL and SNIC are the agents, monetary damages, and an injunction related to the insurance companies' distribution of interest payments.

The lawsuit was filed in violation of the injunctions prohibiting lawsuits against CBL, BLIC, SNIC, and SNRC issued by this Court in the Order of Rehabilitation, entered June 27, 2019. The JPLs did not receive this Court's permission to file this lawsuit against the insurance companies.

On January 18, 2023, CBL, BLIC, SNIC, and SNRC filed a motion to stay the claims as to CBL, BLIC, SNIC, and SNRC because the lawsuit was filed in violation of the anti-suit injunction issued by this Court. The motion asked the court to stay the lawsuit against CBL, BLIC, SNIC, and SNRC until the JPLs obtained permission from this Court permitting the claims to proceed. On January 31, 2023, the JPLs responded and opposed the Motion to Stay arguing that this Court's injunction did not apply to the lawsuit as filed. CBL, BLIC, SNIC, and SNRC filed a reply on February 8, 2023 explaining that the McCarran-Ferguson Act required the Bankruptcy Court to defer to this Court's injunction.

A hearing on the Motion to Stay was held on February 10, 2023. The Bankruptcy Court permitted the JPLs to file a sur-reply on the application of the McCarran-Ferguson Act on this matter, which was filed on February 21, 2023.

A second hearing on the Motion to Stay was held on February 27, 2023. During the hearing, the Bankruptcy Court granted the Motion to Stay, found that the McCarran-Ferguson Act applied and required the Bankruptcy Court to give this Court's injunction force and effect, and found that the JPLs' violated the injunction by filing this suit against CBL, BLIC, SNIC, and SNRC without this Court's prior permission and that such action was prohibited by the McCarran-Ferguson Act. The Bankruptcy Court stayed the claims against CBL, BLIC, SNIC, and SNRC until the JPLs obtained permission to proceed from this Court. An order memorializing the same was entered on March 10, 2023.

On March 24, 2023, the JPLs noticed an appeal of the Order granting the Motion to Stay, in the District Court for the Southern District of New York. On April 14, 2023, the JPLs filed their designation of the record on appeal. On April 21, 2023, the Insurance Companies filed their counter-designations of the record on appeal.

On April 24, 2023, the Insurance Companies filed a letter requesting a hearing for permission to file a motion to dismiss the JPLs' appeal as interlocutory. The JPLs filed an opposition to the

Insurance Companies' request for permission. On April 27, 2023, the JPLs prematurely filed their opening appellant brief. On May 5, 2023, the District Court stayed the substantive briefing and ordered the Insurance Companies to file a motion to dismiss by May 26, 2023. The Insurance Companies filed their motion to dismiss on May 26, 2023.

On May 22, 2023, the JPLs' filed a motion in the Rehabilitation Action seeking permission to pursue their adversary proceeding and counterclaims against the Insurance Companies. The Insurance Companies and Rehabilitator opposed the motion and filed a response on June 15, 2023. The Rehabilitation Court heard argument on June 19, 2023 and orally denied the JPLs' motion. A written order reflecting the same was entered on July 5, 2023.

On June 20, 2023, the JPLs filed their response in opposition to the Motion to Dismiss and argued that the appeal was not interlocutory. On June 27, 2023, the Insurance Companies requested to withdraw their Motion to Dismiss due to the Rehabilitation Court's denial of the JPLs' motion for permission to pursue their claims against the Insurance Companies. On June 28, 2023, the Court permitted the Insurance Companies to withdraw their Motion to Dismiss and set a briefing schedule for the substantive appeal.

On July 28, 2023, the Insurance Companies filed their appellee brief in the JPLs' appeal of Order granting the Motion to Stay. On August 11, 2023, the JPLs filed their reply in support of their appeal. The appeal remains pending.

On September 27, 2023, the JPLs filed an Amended Complaint against the Insurance Companies and hundreds of others restating their claims against the Insurance Companies and adding additional factual allegations, legal theories, and claims of recovery against the Insurance Companies.

On October 7, 2023, the JPLs wrote a letter to the Bankruptcy Court requesting that certain counts of the amended complaint be dismissed as to CBL.

On October 17, 2023, the Insurance Companies filed a motion for sanctions and contempt against the JPLs and their counsel for filing the Amended Complaint in violation of the Rehabilitation Order, the SNIC Liquidation Order, and the Bankruptcy Court's order staying the adversary proceedings as to the Insurance Companies.

On October 31, 2023, the JPLs filed their response in opposition to the motion for sanctions and contempt.

On November 6, 2023, the Insurance Companies filed their reply in support of the motion for sanctions and contempt.

On November 8, 2023, the Bankruptcy Court held an initial hearing on the motion for sanctions and contempt. The Bankruptcy Court requested additional briefing on jurisdictional and remedial issues related to the motion for sanctions and contempt and established a briefing schedule.

On November 14, 2023, the JPLs filed their sur-reply in opposition to the motion for sanctions and contempt. On November 21, 2023, the Insurance Companies filed their sur-sur-reply in support of the motion for sanctions and contempt.

On November 28, 2023, the Bankruptcy Court heard argument on the motion for sanctions and contempt. The Bankruptcy Court issued an oral ruling finding that the JPLs and their counsel were in contempt of the Bankruptcy Court's prior order and awarded the Insurance Companies their attorneys' fees associated with bringing the motion for contempt. This sanction is to be paid by the JPLs' counsel, Stevens & Lee.

On December 14, 2023, the Insurance Companies submitted their attorneys' fee request with documentation to the Bankruptcy Court. On December 27, 2023, the JPLs filed an objection to the attorneys' fee request.

On January 12, 2024, the Insurance Companies filed their reply in support of their attorneys' fee request. On January 19, 2024, the JPLs filed a sur-reply in opposition to the Insurance Companies' attorneys' fee request. On January 17, 2024, the Insurance Companies filed a reply to the sur-reply in support of their attorneys' fee request.

On February 1, 2024, the Bankruptcy Court entered an order holding the JPLs and their counsel in contempt of court for filing the Amended Complaint in violation of the bankruptcy court's order staying the adversary proceeding against the Insurance Companies. As a sanction, the Bankruptcy Court ordered the JPLs' counsel's firm, Stevens & Lee, to pay the Insurance Companies' attorneys' fees in the amount of \$670,292.04 (the "Sanction Order"). The JPLs were also required to file a restated amended complaint that removed all new allegations and causes of action against the insurance companies.

On February 13, 2024, the Bankruptcy Court held a case conference to discuss revisions to the restated amended complaint that the insurance companies and the JPLs could not agree on. Following the Bankruptcy Court's decision on the disputed allegations, the JPLs filed a restated amended complaint on February 14, 2024.

On February 14, 2024, the JPLs and their counsel at Stevens & Lee filed a notice of appeal of the Bankruptcy Court's Sanction Order. The appeal will be heard by Judge Ramos, the same district court judge that heard the JPLs' appeal of the Order Granting the Motion to Stay the adversary proceeding.

On February 22, 2024, the District Court hearing the JPLs' appeal of the Order Granting the Motion to Stay entered an opinion affirming the Bankruptcy Court's stay of the Adversary Proceeding against Respondents and held that the McCarran Ferguson Act reverse preempted the Bankruptcy Court's jurisdiction over the adversary proceeding against the insurance companies.

On February 28, 2024, the JPLs and Stevens & Lee filed their designated record and issues on appeal for their appeal of the Bankruptcy Court's Sanction Order. The District Court entered a scheduling order on March 15, 2024 governing the briefing schedule of the appeal.

On March 7, 2024, the Insurance Companies filed a Declaration to recover the court costs associated with the JPLs' unsuccessful appeal of the Bankruptcy Court's Order Granting the Motion to Stay.

On March 22, 2024, the JPLs appealed the District Court's order affirming the Bankruptcy Court's Order Granting the Motion to Stay the adversary proceeding. The appeal was made to the Second Circuit Court of Appeals.

On May 1, 2024, the JPLs dismissed with prejudice their appeal of the Order Granting the Motion to Stay in the Second Circuit. The Second Circuit entered an order withdrawing the appeal on May 7, 2024.

On May 1, 2024, the JPLs dismissed with prejudice the Insurance Companies from the adversary proceeding filed in the Bankruptcy Court for the Southern District of New York. The Bankruptcy Court entered an order dismissing the Insurance Companies from the adversary proceeding on May 2, 2024.

On May 3, 2024, Stevens & Lee, the law firm representing the JPLs, moved to dismiss without prejudice its portion of the appeal of the Bankruptcy Court's Sanctions Order.

On May 6, 2024, Eric Robinson and Wade Koenecke, two of the Stevens & Lee attorneys the Bankruptcy Court found had violated her orders in the Sanctions Order, filed a letter with the District Court seeking a dismissal of the appeal without prejudice so that those attorneys could return to the Bankruptcy Court to seek relief or modification of the Sanctions Order.

On May 6, 2024, Nicholas Kajon and Constantine Pourakis, the other two Stevens & Lee attorneys the Bankruptcy Court found had violated her orders in the Sanctions Order, filed a letter with the District Court "joining" in Mr. Robinson's letter.

On May 6, 2024, the JPLs dismissed with prejudice their part of the appeal of the Sanctions Order. This dismissal did not dismiss with prejudice the Stevens & Lee's or the attorneys' portions of the appeal. On May 9, 2024, the district judge ordered the JPLs' portion of the Sanctions Order appeal dismissed with prejudice.

On May 7, 2024, the Insurance Companies filed a letter with Judge Ramos explaining why the companies opposed Stevens & Lee's and the individual attorneys' requests to dismiss the appeal *without prejudice*.

On May 14, 2024, Nicholas Kajon and Constatine Pourakis moved to dismiss *with prejudice* their portion of the appeal of the Sanctions Order.

***Colorado Bankers Life Insurance Company v. PB Life and Annuity Co., Ltd., Case No. 1:22-AP-001149, Bankruptcy Court for the Southern District of New York***

CBL, BLIC, SNIC, and SNRC filed a Declaratory Judgment Action on September 21, 2022 in the JPLs' bankruptcy proceedings asking the Bankruptcy Court to determine the scope of the automatic stay as it applies to enforcement of the Amended Judgment and Order entered in the MOU litigation. CBL, BLIC, SNIC, and SNRC asked the Bankruptcy Court to declare that the

automatic stay does not prohibit the Lindberg-Defendants in the MOU Action from performing their obligations under the Amended Judgment and Order to contribute the SACs to NHC.

This declaratory judgment action was filed in response to the JPLs' Motion to Enforce whereby the JPLs asked the Bankruptcy Court to prohibit the Lindberg-Defendants in the MOU action from performing their obligations under the Amended Judgment and Order or MOU.

On January 9, 2023, the JPLs answered the Declaratory Judgment Action and filed counterclaims which incorporated by reference all of the allegations and claims against CBL, BLIC, SNIC, and SNRC set forth in their adversary proceeding, discussed above.

On January 30, 2023, CBL, BLIC, SNIC, and SNRC moved to strike the counterclaims as improperly filed. The JPLs responded to the motion to strike on February 8, 2023 and the insurance companies filed a reply on February 14, 2023. The Bankruptcy Court held a hearing on the Motion to Strike on February 15, 2023.

On March 10, 2023, the Bankruptcy Court entered an order staying the counterclaims against CBL, BLIC, SNIC, and SNRC.

On March 20, 2023, the Insurance Companies requested a conference with the Bankruptcy Court to discuss filing for summary judgment on the declaratory judgment claims. On April 7, 2023, the JPLs objected to the conference and sought to take discovery on the Insurance Companies declaratory judgment action and their alleged defenses.

On April 11, 2023, the Bankruptcy Court stayed the declaratory judgment action because a separate order issued in the Chapter 15 bankruptcy proceedings denying the Motion to Enforce and finding that the Amended Judgment and Order from the MOU action and implementation of the MOU itself did not violate the Bankruptcy Court's automatic stay. That order resolved most of the issues in the declaratory judgment action.

On May 22, 2023, the JPLs filed a motion in this Court seeking permission to pursue their counterclaims against the Insurance Companies. The Insurance Companies and Rehabilitator opposed the motion and filed a response on June 15, 2023. This Court heard argument on June 19, 2023 and orally denied the JPLs' motion. A written order reflecting the same was entered on July 5, 2023.

***Universal Life Insurance Company and TMI Trust Company v. Academy Financial Assets, LLC, et al., Case No. 22 CVS 7920, Wake County, North Carolina.***

On June 27, 2022, ULICO and TMI filed a complaint in Wake County, North Carolina seeking an order declaring the Interim Amendment to Loan Agreement ("IALA") invalid and awarding monetary damages against CBL and SNIC as agents on certain loan agreements. BLIC was also named as a defendant because the suit seeks to invalidate the IALA, a contract to which it is a party, but does not seek damages against BLIC. That same day, ULICO and TMI filed a Motion for Permission to File Action in CBL, SNIC, and BLIC's rehabilitation proceeding. The Motion



sought the Court's leave to file their lawsuit against the NC Insurance Companies that otherwise violated the Court's injunction prohibiting lawsuits against the NC Insurance Companies.

On July 26, 2022, ULICO and TMI filed an Amended Complaint seeking the same relief. ULICO and TMI also agreed to extend the time to file an answer after the Court ruled on ULICO and TMI's pending motion for permission to file.

On August 12, 2022, the Court heard argument on ULICO and TMI's motion for permission to file. The Court found that the lawsuit violated the injunction but permitted the portion of the Amended Complaint seeking a declaratory judgment invalidating the IALA to proceed. The remainder of the action was stayed. On September 2, 2022, the Court entered a written order of his ruling from the hearing. CBL, SNIC, and BLIC moved to dismiss the Amended Complaint on October 3, 2022.

### **Affiliated**

The following litigation was initiated by one or more of the North Carolina Insurance Companies in Rehabilitation against Global Growth affiliated entities:

***Southland National Insurance Corporation in Rehabilitation, Bankers Life Insurance Company in Rehabilitation, Colorado Bankers Life Insurance Company in Rehabilitation, and Southland National Reinsurance Corporation in Rehabilitation v. Greg Lindberg, Academy Association, Inc., Edwards Mill Asset Management, LLC, New England Capital, LLC, and Private Bankers Life and Annuity Co., Ltd., Case No. 19 CVS 013093, Wake County, North Carolina.***

This case was filed on October 1, 2019, alleging a breach of the contract entered into by the parties on June 27, 2019. An Amended Complaint was filed on October 28, 2019 and added claims for fraud and negligent misrepresentation arising from statements contained in the June 27, 2019 contract and the Defendants' conduct.

On October 1, 2019, the Wake County Superior Court entered a Temporary Restraining Order ("TRO"), which remains in place, as amended by the Court on April 1, 2020 and June 23, 2020. Essentially, the TRO prohibits the Defendants from taking any action that would negatively impact the value of Plaintiffs' investments into Defendants' companies.

The Defendants moved to dismiss the original Complaint and the Amended Complaint on various grounds. The Court denied those motions in an Order filed on January 21, 2020. Defendants filed an Answer to the Amended Complaint on February 20, 2020.

The Court entered a Case Management Order and set the matter for trial in February 2021. On July 8, 2020, Defendants filed a Motion to Modify the Case Management Order & For Continuance seeking to extend all discovery deadlines and the trial for 120 days. On August 5, 2020, the Court entered an order extending all discovery deadlines by 90 days with discovery to be completed by December 31, 2020 but kept the trial set for February 1, 2021.

The Court severed Defendant PB Life and Annuity Co. Ltd. f/k/a Private Bankers Life and Annuity Co., Ltd. (“PBLA”) from this litigation after it filed Chapter 15 bankruptcy, *In re: PB Life and Annuity Co. Ltd.*, No. 1:20-BK-12791, pending in the United States Bankruptcy Court for the Southern District of New York. Plaintiffs’ claims against PBLA are expected to be stayed during the pendency of its bankruptcy proceeding; however, Plaintiffs’ claims against the other defendants are unaffected.

On January 8, 2021, the Court entered a Second Case Management Order extending the discovery deadline to February 28, 2021 and setting the trial for April 15, 2021.

On March 19, 2021, the Court entered an order extending the time to take the depositions of Defendants Greg Lindberg, AAI, and NEC to May 14, 2021. The Court also ordered that all dispositive motions be filed by June 2, 2021, responses filed by June 9, 2021, and hearing on said motions to occur the week of June 14, 2021.

On June 9, 2021, the Parties filed respective Motions for Summary Judgment and on June 14, 2021, the Parties filed their respective responses. The Court orally denied the Motions for Summary Judgment and trial commenced on June 21, 2021. Trial concluded on June 30, 2021. Post-trial briefing was filed on August 31, 2021. Defendants filed a Motion to Strike certain exhibits on September 3, 2021 and Objections to Relief Requested on October 1, 2021. The Court heard argument on the Motion to Strike and Objection on October 13, 2021.

On November 22, 2021, Defendants filed a motion to compel post-trial mediation. That motion was granted at the conclusion of a hearing on January 27, 2022. The mediation was conducted on March 9, 2022, and an impasse was declared by the mediator.

On March 11, 2022, Plaintiffs’ Motion to Add Global Growth Holdings, Inc. as the successor defendant to Academy Association, Inc. was granted.

On May 18, 2022, the Court entered a Judgment and Order on the issues tried at the June 2021 trial. The Court found Defendants Lindberg, Global Growth, and NEC breached the MOU and ordered specific performance of Article II of the MOU on a 90-day timeline. The Court found Plaintiffs may be entitled to an undetermined amount of contractual damages for the value of any SACs not transferred to NHC. The Court also found that Defendants Lindberg, Global Growth, and NEC made fraudulent statements to induce Plaintiffs into entering into the Revolver and IALA and ordered \$467,622,097.48 in compensatory and punitive damages. The Court conditioned the award of those damages on the appellate court determining that specific performance is unavailable. The Court also ordered appointment of a special master to oversee implementation of the Order.

On May 23, 2022, Defendants filed a motion to stay the Order while on appeal.

On May 24, 2022, Plaintiffs filed a Motion to Amend the Judgment and Order to correct clerical errors in the Order.

On May 26, 2022, the Court held a hearing on Defendants' Motion to Stay and Plaintiffs' Motion to Amend the Judgment and Order. The Court denied Defendants' Motion to Stay to the extent it sought a discretionary stay and granted Plaintiffs' Motion to Amend. The Court also entered a scheduling order for post-trial motions. The Court entered written orders on the Defendants' Motion to Stay and Plaintiffs' Motion to Amend.

The Court also entered an Amended Judgment and Order on May 26, 2022 (the "Amended Judgment") correcting the clerical errors.

The Plaintiffs' filed a second Motion to Amend the Judgment and Order on June 6, 2022 asking the Court to immediately award compensatory and punitive damages for Defendants' fraud. That same day, Defendants' filed a Motion for New Trial seeking to disqualify Plaintiffs' counsel and to relieve all Defendants from liability of the Amended Judgment.

Defendants filed a Notice of Appeal of the Amended Judgment, among other pre-judgment orders on June 13, 2022.

On June 21, 2022, Plaintiffs filed a conditional Notice of Cross-Appeal of the Judgment and Order and Amended Judgment.

Plaintiffs filed a Motion for Show Cause Order on June 30, 2022 asking the Court to issue an order requiring Global Growth to show cause why it should not be held in contempt for failing to bind the D&O insurance as ordered in the Amended Judgment. Plaintiffs also asked the Court to appoint a third-party to bind the insurance at Global Growth's expense.

On July 1, 2022, the Court held a hearing on the pending post-trial motions. The Court denied Plaintiffs' second Motion to Amend and reserved ruling on Defendants' Motion for New Trial.

Defendants filed a Motion to Establish Security for a Stay Pending Appeal on July 7, 2022.

Pursuant to Court order, the Defendants served a response opposing Plaintiffs' Motion for Show Cause on July 22, 2022.

On August 4, 2022, the Court denied Defendants' Motion for New Trial and held that Defendants' counsel's motion to disqualify Plaintiffs' counsel was made without basis in law or fact. The Court also denied Plaintiffs' second motion to amend the Judgment and Order.

On August 12, 2022, the Court held a hearing on the outstanding motions. The Court found it did not have jurisdiction to hear Plaintiffs' Motion for Show Cause because of the pending appeal. The Court found that if Defendants deposited certain documents with the Clerk of Court that execution of the Amended Judgment would be stayed.

On August 18, 2022, Plaintiffs filed a Motion for Expedited Injunctive Relief at the Court of Appeals seeking an order compelling Global Growth to bind and fund the D&O policy. The Court of Appeals ordered Defendants to respond by August 22, 2022.

On August 22, 2022, Defendants filed a response in opposition to the Motion for Expedited Injunctive Relief.

On August 24, 2022, the Court of Appeals denied Plaintiffs' Motion for Expedited Injunctive Relief.

On September 20, 2022, Plaintiffs filed a Motion to Expedite the Appeal, which was opposed by the Defendants.

On October 5, 2022, the Court of Appeals entered an order denying Plaintiffs' Motion to Expedite the Appeal without explanation.

On October 31, 2022, Plaintiffs filed a Motion for Sanctions related to Defendants' motion to disqualify Plaintiffs' counsel, which was improperly styled as a Motion for New Trial.

On November 18, 2022, Plaintiffs filed Motion for Order Show Cause asking the Court to require Defendants Lindberg and GGHI show why they should not be held in contempt for violating the TRO. On December 21, 2022, the Court entered an Order of Show Cause on Plaintiffs' motion. That same day, Defendants moved to continue the hearing on the Order to Show Cause and sought discovery. On December 28, 2022, the Court entered an Amended Order to Show Cause and that same day Defendants filed a Motion to Dismiss the Order and Amended Order to Show Cause. On December 29, 2022, Plaintiffs filed a Motion for Sanctions related to Defendants' Motion to Dismiss. On December 30, 2022, the Court denied Defendants' Motion to Continue. On January 5, 2023, Plaintiffs moved to withdraw their Motion for Order to Show Cause and refile the motion following additional analysis of Defendants' financial transactions. That motion was granted the same day.

On January 25, 2023, Plaintiffs filed an exception to the TRO Review Panel's recommended use of proceeds from the sale of the Clanwilliam Group. On February 7, 2023, non-party Universal Life Insurance Company ("ULICO") and Defendant Lindberg filed separate responses in support of the TRO Review Panel's recommended use of proceeds. That same day, the Joint Provisional Liquidators of PBLA and related Bermudan insurance companies filed an objection to the TRO Review Panel's recommended use of proceeds. On February 9, 2023, the Court held a hearing on the Clanwilliam Group sale objections. In a ruling announced on the record, the Court approved the sale of the Clanwilliam Group and the use of proceeds under certain conditions to be memorialized by a written order. At the same hearing, the Court announced it would disband the TRO Review Panel and future transactions would be heard by the Court. An order reflecting the approved uses of proceeds was entered on March 14, 2023.

On January 19, 2023, Plaintiffs filed their opening brief for their cross-appeal of the Amended Judgment and Order and Request for Judicial Notice. That same day, Defendants filed their opening brief of their appeal of the Amended Judgment and Order.

On February 21, 2023, Plaintiffs filed their response brief to Defendants' appeal of the Amended Judgement and order and second Request for Judicial Notice. That same day, Defendants filed their response to Plaintiffs' cross-appeal of the Amended Judgment and Order and response to Plaintiffs' Request for judicial notice. Also on February 21, 2023, non-party ULICO filed a motion

for leave to file amicus brief and proposed amicus brief. On March 7, 2023, the Court of Appeals deferred ruling on Plaintiffs' first Request for Judicial Notice until the appeal is heard. That same day, the Court of Appeals denied ULICO's Motion for Leave to file amicus brief.

On March 24, 2023, the Plaintiffs and Defendants filed their reply briefs. The North Carolina Court of Appeals heard oral argument on this appeal on April 26, 2023. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the MOU Judgment and Order's holdings that the MOU is a valid and enforceable agreement after severing Article III and that the Defendants are liable for fraud and remanded to allow damages for Defendants' fraud.

On March 30, 2023, the JPLs and ULICO filed an Emergency Request for Hearing on the Clanwilliam Sale Order. On April 14, 2023, the Defendants filed a response to the Emergency Request. On April 18, 2023, Plaintiffs filed their response to the Emergency Request. On April 19, 2023, the JPLs filed a Supplemental Statement in Support of their Emergency Request.

The Court held a hearing on the JPLs' and ULICO's Emergency Request on April 20, 2023. The Court determined that the JPLs and ULICO had not asked for any specific relief in the Emergency Request that the Court could grant.

On July 11, 2023, the Defendants filed a Petition for Writ of Supersedeas and Motion for Temporary Stay seeking to stay the Court of Appeals' unanimous decision while Defendants seek the NC Supreme Court's discretionary review. On July 13, 2023, the NC Supreme Court granted the Motion for Temporary Stay until it can consider the Petition for Writ of Supersedeas. On July 24, 2023, Plaintiffs filed their opposition to the Petition for Supersedeas. The Petition for Writ of Supersedeas remains pending.

Defendants filed a Petition for Discretionary Review on July 25, 2023. Plaintiffs filed their response in opposition to the Petition for Discretionary Review on August 7, 2023. The Petition for Discretionary Review remains pending.

On July 25, 2023, non-party ULICO filed a Motion for Leave to File Amicus Curiae Brief. ULICO filed and served on its amicus brief the same day.

On August 7, 2023, Plaintiffs filed a Motion to Expedite the NC Supreme Court's consideration of the Petition for Writ of Supersedeas and Petition for Discretionary Review. That motion remains pending.

On August 15, 2023, Plaintiffs filed a consent motion for 30-day extension of time to reply to ULICO's amicus brief. On August 17, 2023, the NC Supreme Court granted the motion for extension to reply to ULICO's amicus brief to September 27, 2023.

On September 25, 2023, Plaintiffs filed a second motion for extension of time to reply to ULICO's amicus brief until 30 days after the NC Supreme Court resolves the pending Petition for Discretionary Review or ULICO's motion for leave to file its amicus brief. The NC Supreme Court granted Plaintiffs' motion.

On November 30, 2023, ULICO filed a motion to withdraw its amicus brief. The NC Supreme Court granted that motion on December 13, 2023.

On December 13, 2023, the NC Supreme Court allowed in part Defendants' PDR to resolve the issue of reasonable reliance related to Plaintiffs' fraud claim. The NC Supreme Court denied the PDR on all other issues. The NC Supreme Court also granted the Defendants' Petition for Writ of Supersedeas.

On December 21, 2023, Plaintiffs filed a Motion for Clarification asking the NC Supreme Court to clarify its order on the Petition for Writ of Supersedeas to allow the specific performance of the MOU to proceed while the appeal on the fraud issue continues.

On January 4, 2023, Defendants responded in opposition to Plaintiffs' Motion for Clarification in the NC Supreme Court.

On January 8, 2024, Plaintiffs filed a reply in support of their Motion for Clarification in the NC Supreme Court.

On January 22, 2024, Plaintiffs filed a supplement in support of their Motion for Clarification in the NC Supreme Court.

On January 24, 2024, Defendants filed a motion to strike Plaintiffs' reply and supplement to their Motion for Clarification in the NC Supreme Court.

On January 25, 2024, Plaintiffs responded in opposition to the Motion to Strike. The Motion for Clarification remains pending.

On February 15, 2024, Defendants filed their opening brief in the NC Supreme Court appeal on the fraud issue.

On March 19, 2024, Plaintiffs filed their appellee brief in the NC Supreme Court on the appeal of the fraud issue.

On March 25, 2024, the NC Supreme Court dismissed the Plaintiffs' Motion for Clarification without providing any reasoning or written opinion. The NC Supreme Court also dismissed as moot the Defendants' motion to strike.

On March 26, 2024, the Commissioner of Insurance filed a motion for leave to file an amicus brief in support of Plaintiffs' position in the appeal and to clarify the Administrative Supervisor's role in approving certain transactions. The motion for leave was allowed on March 28, 2024.

On April 5, 2024, the Defendants sought and were permitted an extension of time to file their reply brief in the NC Supreme Court.

On April 15, 2024, Plaintiffs filed three motions to be heard by the trial court: (1) Motion to Modify TRO and Appoint Receiver over Defendant GGHI, seeking to impose additional restrictions on the Defendants to prevent dissipation of assets until the MOU is performed and to appoint a receiver over Defendant GGHI to ensure compliance with the modified TRO; (2)

Renewed Motion for Order to Show Cause seeking an order requiring the defendants to show cause why they should not be held in contempt for violating the TRO by improperly transferring tens of millions of dollars; and (3) Motion to Add Global Growth Holdings, LLC as a defendant where Defendant Global Growth Holdings, Inc. converted to an LLC.

On April 16, 2024, Defendants filed a motion to continue the hearing on the Motion to Modify TRO/Appoint Receiver and Motion for Order to Show Cause. Defendants argued they needed time for discovery on the contents of the forensic accountant's affidavit supporting the Motion for Order to Show Cause.

On April 18, 2024, Plaintiffs responded in opposition to Defendants' Motion to Continue.

On April 22, 2024, the Court heard argument on the Motion to Add GGHL as defendant, Motion to Modify TRO/Appoint Receiver, and Motion for Order to Show Cause. Orally on the record, the Court granted Plaintiffs' Motion to Add GGHL as a defendant and Motion to Modify TRO/Appoint Receiver. The Court denied Defendant's motion to continue as it related to the Motion to Modify the TRO/Appoint Receiver and heard the motion that day. The Court granted Defendants' motion to continue as it related to the Motion for Order to Show cause and agreed to give Defendants approximately 90 days of discovery on the forensic accountants' affidavit supporting the Motion for Order to Show Cause. Written orders to follow.

On April 22, 2024, the Court entered an interim order appointing Bill Janvier as limited Receiver over GGHL to monitor compliance with the TRO. On April 25, 2024, Defendants filed a motion to modify the TRO to permit certain modifications to trust agreements and approve certain transactions.

On April 29, 2024, the Defendants filed their reply to the appeal and response to the Commissioner of Insurance's amicus brief.

On May 3, 2024, the Court entered an order adding GGHL as a defendant to the matter.

On May 10, 2024, the Court entered the substantive order imposing a limited receiver over Defendant GGHL to monitor compliance with the TRO.

On May 13, 2024, Defendants served their brief in support of maintaining the forensic accountant's affidavit under seal.

On May 13, 2024, the Defendants filed a Notice of Limited Waiver to Allow Implementation of NHC stating that Defendants were waiving their objection to the stay of execution and enforcement of the amended judgment and order to permit NHC to be created, the SACs to be contributed to NHC, and for the NHC Board to assume its role.

On May 14, 2024, Nicholas Kajon and Constantine Pourakis moved to withdraw as counsel representing PBLA in the matter.

On May 15, 2024, the Defendants filed a Notice of Limited Waiver with the NC Supreme Court indicating they waived the stay of execution and enforcement of certain provisions of the Amended Judgment and Order related to specific performance. Also on May 15, 2024, Defendants filed a

notice that they had complied with certain provisions of the Modified TRO requiring them to provide notice of the Modified TRO to certain managers and employees and sought financial statements from the SACs.

On May 15, 2024, the Receiver filed its first monthly report and notice of retention of M3 Advisory Partners to provide financial support services.

On May 15, 2024, the Court entered its written order on Defendants' Motion to Continue the Hearing on the motion to modify the TRO and appoint the receiver and renewed motion to show cause. The Court found probable cause that the Defendants violated the TRO, set the show cause hearing for August 1, 2024, and established a limited discovery schedule related to that hearing.

On May 16, 2024, Plaintiffs filed a motion requesting a status conference related to the Defendants' Notice of Limited Waiver. The Court held the status conference on May 23, 2024.

On May 23, 2024, the Court entered an order unsealing the affidavit of Carey Miller, the forensic accountant, filed in support of Plaintiffs' renewed motion for order to show cause. Plaintiffs filed the affidavit with only minimal redactions on May 30, 2024.

On June 12, 2024, the Plaintiffs and Defendants filed a Joint Motion for Limited Remand asking the NC Supreme Court to return jurisdiction of the matter to the trial court for the limited purpose of implementing the specific performance portion of the Amended Judgment and Order.

On June 18, 2024, the Receiver filed his Second Monthly Report and Request for Approval of Expenses. In the report, the Receiver identified potential violations of the TRO.

On June 24, 2024, the Receiver filed a supplement to his Second Monthly Report providing additional explanation of the TRO violations and the Defendants' explanations for the same.

On June 25, 2024, the Court held a hearing on the Defendants' Motion for Approval of Resolutions and Consents. The Court continued the hearing to June 10, 2024 to permit the Insurance Companies an opportunity to deal directly with the lenders who allegedly threatened to foreclose on the Beckett loans. The Court also heard from the Receiver related to the potential TRO violations. The Court ruled that the TRO would be modified to prevent Defendants Lindberg and/or GGHL from transferring/disposing of more than \$5,000 without the Receiver's prior approval. Written order confirming the same entered on July 12, 2024.

On June 28, 2024, the NC Supreme Court granted the Parties' Joint Motion for Limited Remand and remanded the matter to the trial court for the limited purpose of implementing the specific performance of the MOU.

On July 3, 2024, Plaintiffs filed a motion in limine to exclude Defendants' purported expert witness at the upcoming August 1, 2024 show cause hearing. The Court heard that motion on July 10, 2024.

On July 8, 2024, the Receiver filed a Notice of Request for Status Conference to discuss the Defendants' recent financial transactions that implicate the modified TRO. The Court heard this update on July 10, 2024.



On July 9, 2024, the Court entered an order approving the Receiver's second month of expenses.

On July 10, 2024, the Court heard the status update from the Receiver on the Defendants' financial transactions and the forbearance agreements related to the Beckett lenders. The Court also heard Plaintiffs' Motion to Exclude Defendants' expert testimony at the upcoming Show Cause Hearing.

On July 12, 2024, Defendants filed a Motion to Allow the Receiver to Approve Transfers from SACs to pay GGHL's and Lindberg's expenses, including the fees owed to the Receiver.

On July 12, 2024, the Court entered an order modifying the TRO's restrictions to prevent GGHL and Lindberg from transferring more than \$5,000 without the Receiver's approval.

On July 15, 2024, Emilio Mendoza on behalf of GGHL and Greg Lindberg, individually, filed affidavits attesting that Lindberg and GGHL did not have funds available, or access to funds, to pay the D&O insurance premium needed for the NHC D&O policy.

On July 15, 2024, the Receiver filed his third monthly report and request for fees. In his report, the Receiver detailed Defendants' violations of the TRO, including transacting over \$5,000 after the Receiver denied permission for the transactions.

On July 17, 2024, Defendants filed a motion to permit two witnesses to testify remotely at the upcoming Show Cause Hearing.

On July 18, 2024, the Receiver filed a request for a status conference related to the recent TRO violations identified in this third monthly report and responded in opposition to Defendants' motion to permit transfers from SACs to pay GGHL and Lindberg's expenses.

On July 18, 2024, the Court heard the Receiver's status update on the TRO violations. The Court also heard Defendants' motion to allow SAC transfers and Defendants' motion to permit remote testimony. The Court orally ruled that the SAC transfers would not be permitted. The Court also announced that one of Defendants' witnesses who lives in India could testify remotely at the Show Cause Hearing but the other witness who was only on vacation would be required to testify in person, if called.

On July 18, 2024, the Court entered written orders denying Defendants' motion to approve certain corporate resolutions related to the Beckett loans and approving the Receiver's third month of expenses.

On July 18, 2024, the Court entered a written order appointing Bill Janvier as Special Master to oversee MOU implementation.

On July 22, 2024, the Receiver filed a motion requesting permission to file certain exhibits under seal. This motion was granted on July 29, 2024.

On July 23, 2024, Defendants filed a Notice of Appeal of the orders entered on July 12, 2024 modifying the TRO and Receiver's powers to prohibit Defendants' transactions above \$5,000 without the Receiver's permission and oral order denying Defendants' motion to permit SAC transfers to pay GGHL and Lindberg's expenses.

On July 29, 2024, the Court entered a written order denying Defendants' motion to permit SAC transfers to pay GGHL and Lindberg's expenses. The Court also entered a written order granting in part and denying in part Defendants' motion to permit remote testimony at the Show Cause Hearing.

On July 30, 2024, Plaintiffs filed a motion to extend the remaining NHC implementation deadlines for 30 days to permit the prospective NHC Board members' counsel to finalize the D&O policy and to allow the NHC Board members to hire counsel to review the SAC contribution documents after the Board is seated.

On July 31, 2024, the Receiver filed a supplement to his third monthly report providing additional information on Defendants' TRO violations.

On August 1, 2024, The Court heard Plaintiffs' renewed Show Cause motion. At the hearing, the Court indicated the prior probable cause finding shifted the burden to Defendants to show cause why they should not be held in contempt for violating the TRO's restrictions. The Court heard all evidence and scheduled closing arguments for August 8, 2024.

On August 1, 2024, the Court also heard argument on Plaintiffs' motion to extend the NHC deadlines by 30 days. The Special Master supported the extension. The Defendants did not object to the extension. The Court orally granted the motion. Written order expected to follow.

On August 7, 2024, the Receiver filed a Notice of Unpaid Receiver and Professional Fees notifying the Court that Defendants have not paid any of the Receiver's fees as approved by the Court since the appointment in April 2024.

On August 8, 2024, the Court heard closing arguments from the August 1, 2024 contempt hearing.

On August 15, 2024, the Receiver filed his fourth monthly report on the Defendants' violations of the TRO and request for fees. The Court entered a written order requiring Defendants to pay the Receiver's requested fees on August 25, 2024.

On August 27, 2024, Defendants filed a Motion to Clarify TRO asking to restrict the TRO's scope to the SACs' assets and exclude Lindberg's non-SAC assets from the TRO restrictions.

On August 30, 2024, the Court entered a written order finding Defendants GGHL and Lindberg violated the TRO through various financial transactions between the SACs, GGHL, and Lindberg's personal vehicle entities from October 2019 to early 2022. The Court ordered GGHL to return \$56 million to certain FinCo companies and ordered Lindberg to return over \$52 million to GGHL and over \$13 million to various SACs. Lindberg and a representative of GGHL are ordered to be held in jail until the funds are repaid and the contempt is purged.

On September 11, 2024, the Special Master filed a Motion to Extend the NHC implementation deadlines to permit additional time for the SAC contribution documents to be finalized.

On September 13, 2024, Defendants filed a Motion to Clarify and/or For Relief from the May 26, 2022 Amended Judgment and Order. In the Motion, Defendants sought to clarify or remove the requirement that the Defendants deliver SAC contribution documents that satisfy the NHC Board

where the Defendants' transferred dozens of SACs into trusts, thereby removing the Defendants' ability to contribute those SACs to NHC.

On September 13, 2024, Defendants filed an opposition to the Special Master's motion to extend the NHC implementation deadlines arguing the extension was not necessary where Defendants can contribute all SACs not held in trust.

On September 17, 2024, the Receiver filed his Fifth Monthly Report and request for fees detailing the Defendants' continued noncompliance with the TRO and requesting approval of the fees associated with his work.

On September 18, 2024, Defendants filed a Notice of Appeal of the Order holding Lindberg and GGHI in contempt of court for violations of the TRO.

On September 25, 2024, Defendants filed their brief in opposition to the Special Master's motion to continue NHC implementation deadlines and brief in support of Defendants' Motion for Clarification of Amended Judgment and Order.

On September 27, 2024, Plaintiffs filed their response in opposition to Defendants' Motion to Clarify/Relief from Amended Judgment and Order opposing the Defendants' requested relief.

On September 30, 2024, the Court heard argument on the Special Master's motion to continue NHC implementation deadlines, the Defendants' Motion to Clarify the TRO, and the Defendants' Motion to Clarify/Relief from Amended Judgment and Order. The Court orally granted the Special Master's motion and denied the Defendants' motions. Written orders to follow.

***Colorado Bankers Life Insurance Company v. Hampton Asset Management, LLC, Case No. 5:20-CV-369-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. Colorado Bankers Life Insurance Company ("CBL") filed this action in its capacity as agent of the loan. CBL and BLIC are lenders on this loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Iron City Asset Management, LLC, iTech Funding, LLC, ICAM Holdings, I, LLC, Case No. 5:20-CV-375-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant Iron City Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and Southland National Insurance Corporation ("SNIC") are lenders on the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant Borrower removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On August 7, 2020, an Amended Complaint was filed to add causes of action against iTech Funding, LLC and ICAM Holdings I, LLC seeking an order allowing foreclosure of the pledged property.

The Defendants answered the Amended Complaint on August 21, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Jackson Asset Management, LLC, Case No. 5:20-CV-370-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and BLIC are lenders on this loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to

Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Baldwin Asset Management, LLC, iTech Funding, LLC, and EAM Holdings, LLC, Case No. 5:20-CV-398-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant Baldwin Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders on the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and BAM Holdings, LLC. On July 23, 2020, the Defendants removed the action to the Eastern District of North Carolina.



On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on August 20, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. iTech Funding, LLC, Case No. 5:20-CV-402-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 23, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 20, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by

May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Capital Assets Fund IV, LLC, Case No. 20 CVS 6474, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant later that day. Also, on July 16, 2020 and after CBL's entry of default was entered, Defendant filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant filed a Motion to Set Aside the Entry of Default. On August 17, 2020, Plaintiffs filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant's Motion to Set Aside the Entry of Default and denied as moot Plaintiffs' Motion for Default Judgment.

The Defendant answered the Complaint on December 14, 2020 and filed counterclaims against Plaintiffs for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 13, 2021, Plaintiffs replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant's motion to dismiss the Complaint and Plaintiffs' partial motion to dismiss Defendant's Counterclaims remain pending.

On February 10, 2023, Plaintiffs moved for summary judgment in their favor. On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiffs' motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Capital Assets Fund V, LLC, Case No. 20 CVS 6475, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant later that day. Also, on July 16, 2020, but before CBL's entry of default was entered, Defendant filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant filed a Motion to Set Aside the Entry of Default. On August 17, 2020, Plaintiffs filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant's Motion to Set Aside the Entry of Default and denied as moot Plaintiffs' Motion for Default Judgment.

The Defendant answered the Complaint on December 14, 2020 and filed counterclaims against Plaintiffs for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 13, 2021, Plaintiffs replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant's motion to dismiss the Complaint and Plaintiffs' partial motion to dismiss Defendant's Counterclaims remain pending.

On February 10, 2023, Plaintiffs moved for summary judgment in their favor. On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiff's motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company v. Capital Assets Fund I, LLC, Case No. 5:20-CV-450-D, Eastern District of North Carolina.***

This case was filed on July 17, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On August 20, 2020, the Defendant removed the action to the Eastern District of North Carolina. On August 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 27, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on September 17, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. TAC Investments, LLC, Case No. 5:20-CV-453-D, Eastern District of North Carolina.***

This case was filed on July 17, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make

interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On August 20, 2020, the Defendant removed the action to the Eastern District of North Carolina. On August 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 27, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on September 17, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims.

Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.



On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Summerville Asset Management, LLC, iTech Funding, LLC, and SAM Holdings, LLC, Case No. 5:20-CV-432-D, Eastern District of North Carolina.***

This case was filed on August 10, 2020, alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Summerville Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and SAM Holdings, LLC.

On August 10, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 11, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on September 9, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:20-CV-474-D, Eastern District of North Carolina.***

This case was filed on September 3, 2020, alleging a breach of promissory notes, as modified by the IALA, entered into on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the promissory notes. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the promissory notes, as modified. The Complaint seeks repayment of all amounts owed to Plaintiffs under the notes, default interest, and attorneys' fees.

On September 3, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On September 4, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On September 30, 2020, the Defendant answered the Complaint and filed a counterclaim against Plaintiffs seeking reformation of the IALA. On October 22, 2020, Plaintiffs were granted an extension of time through November 20, 2020 to respond to Defendant's counterclaim. On November 20, 2020, Plaintiffs moved to dismiss the counterclaim. On December 11, 2020, Defendant filed its response in opposition to Plaintiffs' motion to dismiss. On December 23, 2020, Plaintiffs filed their reply in support of their motion to dismiss.

On December 8, 2020, Plaintiffs filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, Plaintiffs filed their reply to Defendant's response.

On July 20, 2021, the Court denied Plaintiffs' motion to dismiss Defendant's second and third counterclaims, as well as Plaintiffs' motion to consolidate. Plaintiffs filed their answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order

setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, Plaintiffs filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. Plaintiffs filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 15, 2023, the Defendant dismissed its counterclaims against SNIC.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiffs and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiffs and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company and Bankers Life Insurance Company v. Academy Financial Assets, LLC and New England Capital, LLC, Case No. 5:20-CV-517-D, Eastern District of North Carolina.***

This case was filed on October 2, 2020, alleging a breach of a loan agreement, as modified by the IALA entered into by Defendant Academy Financial Assets, LLC (“Defendant Borrower”) on June 27, 2019. CBL and BLIC filed this action in their capacities as lenders of the loans. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements, as modified. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys’ fees. The Complaint also alleges that Defendant New England Capital, LLC, the agent of the loan, breached the loan agreements by failing to enforce the loan agreements following Defendant Borrower’s breach.

On October 10, 2020, Plaintiffs filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On October 5, 2020, this action was assigned to be heard before the Honorable James C. Dever III. On November 30, 2020, Defendants filed their respective motions to dismiss for failure to state a claim. On December 21, 2020, Plaintiffs filed a response in opposition to Defendants’ motions. Defendants filed replies in support of their respective motions to dismiss on January 4, 2021.

On December 8, 2020, Plaintiffs filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed responses in opposition to the motion to consolidate. On January 12, 2021, Plaintiffs filed their reply to Defendants’ responses.

On July 20, 2021, the Court denied Defendants’ motions to dismiss, as well as Plaintiffs’ motion to consolidate. Defendants filed answers to Plaintiffs’ Complaint on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties’ agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg’s deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, Plaintiffs filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg’s deposition.

The Defendant responded and opposed the amendment on February 15, 2023. Plaintiffs filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiffs and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiffs and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Augusta Asset Management, LLC, New England Capital, LLC, AAM Holdings I, LLC, and iTech Funding, LLC, Case No. 5:20-CV-518-D, Eastern District of North Carolina.***

This case was filed on October 2, 2020, alleging a breach of a loan agreement, as modified by the IALA entered into by Defendant Augusta Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loans. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements, as modified. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and AAM Holdings, LLC. Finally, the Complaint alleges that Defendant New England Capital, LLC, the agent of the loan, breached the loan agreements by failing to enforce the loan agreements following Defendant Borrower's breach.

On October 10, 2020, Plaintiffs filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On October 2, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On November 30, 2020, Defendants filed their respective motions to dismiss for failure to state a claim. On December 21, 2020, Plaintiffs filed a response in opposition to Defendants' motions. Defendants filed replies in support of their respective motions to dismiss on January 4, 2021.

On December 8, 2020, Plaintiffs filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed responses in opposition to the motion to consolidate. On January 12, 2021, Plaintiffs filed their reply to Defendants' responses.

On July 20, 2021, the Court denied Defendants' motions to dismiss, as well as Plaintiffs' motion to consolidate. Defendants filed answers to Plaintiffs' Complaint on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, Plaintiffs filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. Plaintiffs filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 15, 2023, the Defendant dismissed its counterclaims against SNIC.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiffs and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiffs and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:23-CV-182, Eastern District of North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Academy Financial Assets, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, SNIC, and other entities are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements and breached the representations and warranties set forth in the loan agreement. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower removed this action to the Eastern District of North Carolina. On April 14, 2023, the Defendant Borrower moved to dismiss the complaint. On May 5, 2023, CBL filed its opposition to the Motion to Dismiss.

On June 14, 2023, the Court denied the Defendant Borrower's Motion to Dismiss. On June 28, 2023, the Defendant Borrower filed its answer and counterclaims. On July 19, 2023, CBL filed its answer to the counterclaim.

On June 17, 2024, the Federal Court entered orders staying four IALA federal matters, including this one, until the Court's resolution of the pending motion for summary judgment in the other consolidated federal IALA cases. The summary judgment decision will significantly impact the discovery and dispositive motions in the later filed IALA cases.

***Southland National Insurance Corporation v. Gilford Asset Management, LLC, Case No. 23 CVS 1321, Wake County, North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Gilford Asset Management, LLC ("Defendant Borrower") on June 27, 2019. SNIC filed this action in its capacity as agent of the loan. BLIC and other entities are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements and breached the representations and warranties set forth



in the loan agreement. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower moved to dismiss the complaint.

On January 31, 2024, the parties filed a joint motion to consolidate this matter with the 6 other IALA-enforcement lawsuits currently pending in Wake County Superior Court. That motion was granted on February 21, 2024.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases, including his one, with the 5 IALA actions.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Southland National Insurance Corporation, et al v. Lindberg, et al, Case No. 5:23-CV-340-D, Eastern District of North Carolina.***

This case was filed on June 23, 2023 by SNIC, BLIC, CBL, the Special Deputy Liquidators of SNIC, and the Special Deputy Rehabilitators of BLIC and CBL on behalf of both the policyholders and creditors of each of the insolvent companies. In this action, the plaintiffs brought claims of federal and state RICO violations, conspiracy, constructive fraud, breach of fiduciary duty, and unfair and deceptive trade practices seeking the repayment of more than \$1 billion of policyholder funds improperly taken by Lindberg, his associates, and affiliates while they were in control of the insurance companies. The defendants include Lindberg, Chris Herwig, Devin Solow, GGHI, and dozens of the affiliated entities.

The defendants which have been served sought an extension of time to respond to the Complaint to and including September 5, 2023.

On September 5, 2023, the Lindberg-related defendants filed a partial motion to dismiss seeking to dismiss Counts 1-5, 8, and 9 of the complaint.

On September 6, EMAM received an extension of time to respond to the complaint through October 5, 2023.

On September 12, 2023, the Insurance Companies and Devin Solow filed a joint motion for entry of judgment as to the claims against Mr. Solow. The Court entered the consent judgment on September 14, 2023.

On September 13, 2023, counsel for Defendant Herwig moved to withdraw from representation of Mr. Herwig. New counsel filed a notice of appearance on behalf of Mr. Herwig and sought a 30-day extension of time to respond to the Complaint. On September 14, 2023, the Court granted the motion to withdraw as counsel. The Court granted Mr. Herwig's motion for extension of time to respond to the complaint through October 15, 2023.

On September 25, 2023, the Insurance Companies filed an amended complaint against the same defendants.

On October 10, 2023, the Lindberg-defendants filed a Partial Motion to Dismiss. The Insurance Companies must respond by November 30, 2023.

Also on October 10, 2023, Herwig filed a motion to extend the time for him to respond to the Complaint. The Court granted that motion.

On November 7, 2023, EMAM received a second extension of time to respond to the Amended Complaint through December 6, 2023.

On November 14, 2023, the Insurance Companies and Chris Herwig filed a joint motion for entry of judgment as to the claims against Mr. Herwig. The Court entered the consent judgment on November 20, 2023.

On April 26, 2024, Plaintiffs filed a motion to extend the time to serve Defendant Standard Advisory Services Limited ("SASL") through the SEC in the United States. Plaintiffs continue to try to serve SASL in its country of incorporation, Malta.

On May 1, 2024, the Court granted an order granting Plaintiffs' motion to extend the time to serve SASL through the SEC for 60 days.

On June 3, 2024, Plaintiffs filed a Motion to Dismiss Defendant EMAM without prejudice. On June 6, 2024, the Court granted Plaintiffs' motion and dismissed EMAM without prejudice.

On June 11, 2024, Defendant SASL filed a notice it joined in the other Lindberg-related Defendants' motion to dismiss and a purported "Motion to Dismiss" for lack of personal jurisdiction and insufficient service of process.

On June 13, 2024, Defendant Standard Financial Limited ("SFL") filed a notice it joined in the other Lindberg-related Defendants' motion to dismiss and a purported "Motion to Dismiss" for lack of personal jurisdiction and insufficient service of process.

On July 1, 2024, the Court entered an order granting Plaintiffs' motion to extend the time to respond to both SASL and SFL's purported motions to dismiss to July 23.

On July 23, 2024, Plaintiffs filed their response in opposition to Defendants SASL and SFL's motions to dismiss. The motions remain pending.

On August 13, 2024, the Court entered an order granting in part and denying in part the Lindberg-related Defendants' motion to dismiss. Specifically, the court dismissed some of the Lindberg-company defendants from 5 counts. However, all counts will proceed as alleged against Lindberg, Herwig, and SASL. The court also denied SASL and SFL's motions to dismiss based on lack of personal jurisdiction and service of process.

On August 22, 2024, the Defendants received an extension of time to respond to the Amended Complaint.

On September 20, 2024, Global Growth's new in-house counsel appeared on behalf of many of the entity defendants.

On September 20, 2024, Condon Tobin and Fox Rothschild moved to withdraw as counsel for many of the entity defendants, but remain as counsel for Lindberg, SASL, and others. That motion was granted on September 23, 2024.

On September 23, 2024, the Defendants were granted an additional extension of time to respond to the Amended Complaint through October 16, 2024.

#### **OTHER MATTERS**

- Pursuant to the Moratorium Order, the Rehabilitator imposed a moratorium on cash surrenders, annuitizations, and policy loans against the Company's policies..
- In accordance with the Moratorium Order, the Rehabilitator adopted and implemented a policy to provide substitute benefits in lieu of the contractual obligations of the Company for annuity benefits and cash withdrawals for policyholders who petition for payment under claims of legitimate hardship. As of September 30, 2024, 548 hardship cases have been received. 338 were approved, 107 were denied due to insufficient information, 93 were denied due to not meeting the hardship qualifications and 10 are in process.

#### **CONTINUATION OF BUSINESS**

The Company reduced writing the majority of new business in October 2018 and ceased all new business as of the date of the Order.

#### **POLICYHOLDER DISTRIBUTION PROGRAMS**

##### First Partial Withdrawal Program

On September 9, 2020, the Court modified the Moratorium to allow a partial withdrawal program that allowed annuity contract owners to withdraw 10% of the account value up to a maximum of \$15,000 per contract owner. In addition, annuity owners with an account value of less than \$1,000 were approved to receive the account value unless the contract owner opted out and elected to retain their annuity with the Company. Annuity contract owners received a letter explaining that they were eligible for a one-time option for a limited withdrawal of funds.

That program ended on April 30, 2021. During this program BLIC issued 1,597 checks totaling \$11.98MM.

### Interest-Only Program

The Rehabilitator of BLIC petitioned the Rehabilitation Court for approval to pay contractual interest-only payments on annuities as of November 1, 2022, and going forward, as an exception to the moratorium until the Order of Liquidation becomes effective. The Court granted the petition on February 6, 2023. Policyholders had the option to activate interest-only payments if allowed under their contracts. There were no payments of retroactive interest accumulated prior to November 1, 2022.

### 2023 Partial Withdrawal Program

The Rehabilitator filed on July 6, 2023, a motion in the Rehabilitation Court to modify the Court-ordered Moratorium to allow the Rehabilitator to make a one-time partial distribution in the amount of 25%, less any applicable tax withholding, fees and surrender charges, to annuity holders of BLIC. The Court entered an order approving this on August 4, 2023. All letters to policyholders about the program were mailed. The opportunity for policyholders to make elections for this program ended on June 30, 2024. The program has concluded.

### Small Annuity Cash Out Program

The Rehabilitator filed on May 3, 2023, a motion in the Rehabilitation Court to modify the Court-ordered Moratorium to allow the Rehabilitator to cash out certain BLIC small annuities, at a value of \$1,334.00 and under that amount. The Court entered an order approving this on July 18, 2023. All eligible distributions related to the small annuity cash outs were processed.

### **REVIEW PANEL**

At a hearing on February 9, 2023, the Court disbanded the TRO Panel. Any future transactions will be heard by the Court. The Court entered an order reflecting the same on March 14, 2023.

### **THIRD PARTY ADMINISTRATOR**

On June 30, 2021, BLIC obtained the Court's permission to transfer the servicing of its business to a new third-party administrator ("TPA") at a reduced cost from the prior cost sharing agreement. Actuarial Management Resources ("AMR") began servicing BLIC's business on October 1, 2021. Policyholders and agents were notified in writing of the transition. During the quarter, BLIC paid AMR \$112,988 for these services.

### **DISBURSEMENTS**

During the period, the following expenses related to the rehabilitation and litigation to recover the affiliated investments were incurred and allocated in a manner consistent with prior accounting practices:

- \$440 to Consilio for legal support services
- \$4,839 to Gordian Group for investment advisory services

- \$4,988 to Kroll Restructuring Administration for policyholder services
- \$30,638 to Noble Consulting Services, Inc. for rehabilitation services
- \$2,035 to Norton Rose Fullbright for legal services
- \$79 to Johnson & Lambert for tax services
- \$4,911 to J.S. Held, LLC (f/k/a Veris Consulting) for forensic accounting services
- \$2,125 to Squire Patton Boggs for legal services
- \$34,736 to Williams Mullen for legal services

### **COMMUNICATION WITH POLICYHOLDERS**

The Special Deputy Receivers (SDRs) have focused on the importance of responsive communications to policyholder inquiries since the beginning of the rehabilitation. The SDRs set up a direct phone number and email account specifically for direct contact with policyholders and agents, when the Court ordered the insurance companies into rehabilitation. The SDRs' receivership team monitors these phone and email contacts on a daily basis. The staff members of the receivership team, and the SDRs, have personally responded to over 5,500 inquiries by policyholders and agents, either in writing or by telephone. The insurance companies' third party administrators (TPAs) also have dedicated customer service phone lines. The TPAs receive an average of 400 calls a day. Since October 1, 2021, the TPAs have received over 360,000 calls. In addition, the SDRs and receivership team respond in writing to every policyholder letter. In communicating with policyholders, the SDRs have worked to provide policyholders detailed information regarding not only about their policies, but also an explanation of how the receivership process works, including a description of the role that the moratorium plays in that process.

### **OTHER RECEIVERSHIP MATTERS**

#### **Liquidity**

One of the goals of the rehabilitation is to increase liquidity. As of June 27, 2019, BLIC held \$87MM of private loans. The private loans have no readily available market. The Company was able to liquidate \$60MM of the private loans. The Company realized losses of \$29.7MM.

### **LIQUIDATION PETITION AND ORDER**

On November 1, 2022, the Commissioner as Rehabilitator filed a petition seeking to have the Court place BLIC into liquidation ("Liquidation Petition"). On November 15, 2022, GBIG Holdings, LLC ("GBIG Holdings") filed an objection to the Liquidation Petition and moved to continue the hearing to allow time for discovery related to BLIC's insolvency. On November 16, 2022, the Rehabilitator and BLIC jointly opposed GBIG Holdings' objection and motion to continue the hearing on the basis that GBIG Holding lacked standing to object to the Liquidation Petition and was not entitled to discovery. The Court held an evidentiary hearing on November 21, 2022 to determine if BLIC is insolvent. The Court permitted GBIG Holdings, LLC to intervene for the purpose of informing the Court and presenting evidence and argument at the hearing.

On December 30, 2022, the Court entered an order holding that GBIG Holdings lacked standing to object to the Liquidation Petition and was not entitled to discovery. Also on December 30, 2022, the Court entered an Order of Liquidation as to BLIC. GBIG Holdings filed a Notice of Appeal of the Order of Liquidation on January 27, 2023.

On March 5, 2024, the North Carolina Court of Appeals issued a unanimous opinion affirming the Liquidation Order's findings of insolvency and ordering BLIC and CBL into liquidation. The North Carolina Court of Appeals also held that GBIG Holdings did not have standing to object the Liquidation Petition and held that the Court should not have permitted GBIG Holdings to intervene in the proceeding.

On April 9, 2024, GBIG Holdings filed a Petition for Discretionary Review to the North Carolina Supreme Court. CBL, BLIC, and the Commissioner of Insurance responded in opposition to that petition on April 22, 2024 and filed a Motion to Expedite the Supreme Court's consideration of the petition. On July 11, 2024, GBIG Holdings moved to withdraw its Petition for Discretionary Review of the BLIC/CBL Liquidation Order with the North Carolina Supreme Court. The NC Supreme Court granted the motion to withdraw the Petition for Discretionary Review on August 23, 2024. The Liquidation Order's effective date is as of November 30, 2024.

Liquidation is a statutory process under state law designed to protect BLIC policyholders in a number of critical ways. Liquidation of BLIC triggers coverage from state life and health insurance guaranty associations ("Guaranty Associations") subject to and in accordance with their enabling acts. See N.C. Gen. Stat. § 58-30-110(c) and § 58-62-36(d). Guaranty Associations are created by state statutes in each state where BLIC was licensed and typically provide coverage for residents of their states, with the state of domicile (in this case North Carolina) providing coverage for residents of its state and residents from states where BLIC was not licensed. N.C. Gen. Stat. § 58-62-21(a). Many Guaranty Associations provide up to \$300,000 in protection for life insurance death benefits and \$100,000 for life insurance policy net cash values, though some Guaranty Associations are authorized to provide more. See N.C. Gen. Stat. § 58-62-21(d). Benefits paid by BLIC prior to its being placed in liquidation do not count against the Guaranty Association's statutory coverage limits but will be applied in determining the remaining benefits available under the policy.

Policies in excess of Guaranty Association coverage limits will be covered up to those limits. Those policyholders who are owed obligations in excess of Guaranty Association coverage limits will have a pro-rata claim for the remaining policy obligations up to policy limits, against whatever assets BLIC can marshal in liquidation or recover through litigation and MOU implementation, after all expenses of administering the liquidation are paid. Liquidation guarantees that 100% of policy liabilities, and of certain other liabilities, must be paid before any general creditor claims can be paid. Liquidation also stays litigation against BLIC, which reduces costs. BLIC will still have the rights and powers in liquidation to seek recovery from persons and entities that owe BLIC money. Any such recoveries will increase potential payouts to the policyholders with policies in excess of Guaranty Association coverage limits, will help pay back Guaranty Associations for their expenditures on behalf of BLIC policyholders, and will save state taxpayer funds.<sup>1</sup>

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<sup>1</sup> The financial burden of insurance company insolvencies falls ultimately on state general funds in most instances. To the extent the estate assets, deposits, subrogation and assignment rights, premiums and reinsurance are not sufficient to cover the shortfall, the Guaranty Associations assess solvent carriers that write the same lines of business as the insolvent company after being triggered. N.C. Gen. Stat. § 58-62-41. Those carriers receive state premium tax credits equal to the assessments over time in about 90% of states. The Rehabilitator is seeking recoveries through litigation outlined elsewhere in this report and those efforts would continue during liquidation as part of the effort to defray this financial burden on Guaranty Associations, policyholders, and taxpayers.

When Guaranty Associations are triggered upon issuance of a final liquidation order and a finding of insolvency, they provide administration, continue coverage, pay claims, collect premiums, and are entitled to reinsurance, under certain circumstances and subject to their enabling acts. See N.C. Gen. Stat. §§ 58-62-36(d), 58-62-36(l), and 58-62-36(u). This will reduce BLIC's administrative expenses.

The current court-ordered moratorium prohibiting BLIC from paying surrenders and loans would not apply to the Guaranty Associations. The Guaranty Associations have not notified the Receiver that they would seek to impose such a moratorium under their enabling act. See N.C. Gen. Stat. § 58-62-36(n).

**INTRODUCTION TO BANKERS LIFE INSURANCE COMPANY**  
**FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2024**

Introduction and Basis of Presentation: The Company is a North Carolina domiciled life, accident and health insurance company that was placed in rehabilitation by the Wake County Superior Court on June 27, 2019. The Company is under the control of the Commissioner of Insurance of the State of North Carolina, in his capacity as Court appointed Rehabilitator. It is the Rehabilitator's responsibility to take possession of the assets of the Company and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by the Rehabilitator's staff as of September 30, 2024. The financial statements have been prepared in accordance with Statutory Accounting Principles promulgated by the National Association of Insurance Commissioners.

On July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent (10%) of the insurer's admitted assets or fifty percent (50%) of the insurer's policyholders' surplus, provided that after those investments, the insurer's policyholders' surplus will be reasonable in relation to the insurers' outstanding liabilities and adequate to its financial needs. The statutory limitation on affiliated investments was enacted after the companies were placed into rehabilitation. Quarterly reports prior to June 30, 2022 have shown the financial condition of BLIC based on the law as of the date of Rehabilitation and the current law regarding limitations on affiliated investments. The financial statements with the June 30, 2022 quarterly report and going forward are based solely on the current state of North Carolina law.

In accordance with Statement on Statutory Accounting Principles No. 26R, the Company is taking an other-than-temporary impairment ("OTTI") on the securities that it is unable to hold to maturity. The Company recorded no OTTI during this quarter.

Beginning in May 2023, accrued interest on affiliated loans is not being recognized as income until the interest is received.



## ASSETS

	Current Statement Date			
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1 Bonds (Schedule D)	183,900,372	63,545,285	120,355,087	136,452,943
2 Stocks (Schedule D):				
2.1 Preferred stocks	5,243,409	5,243,409		
2.2 Common stocks	1,446,824	1,169,924	276,900	168,000
3 Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4 Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)				
4.2 Properties held for the production of income (less \$0 encumbrances)				
4.3 Properties held for sale (less \$0 encumbrances)				
5 Cash, cash equivalents, and short-term investments	125,002,958		125,002,958	178,660,845
6 Contract loans (including \$0 premium notes)				
7 Derivatives (Schedule DB)				
8 Other invested assets (Schedule BA)				
9 Receivables for securities	1,004,244		1,004,244	3,179
10 Securities lending reinvested collateral assets (Schedule DL)				
11 Aggregate write-ins for invested assets	3,239,683		3,239,683	
12 Subtotals, cash and invested assets (Lines 1 to 11)	319,837,490	69,958,618	249,878,872	315,284,966
13 Title plants less \$0 charged off (for Title insurers only)				
14 Investment income due and accrued	17,752,846	16,548,767	1,204,078	1,692,241
15 Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)				
16 Reinsurance:				
16.1 Amounts recoverable from reinsurers	650,155		650,155	763,363
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17 Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	15,273,004	15,273,004		
19 Guaranty funds receivable or on deposit				
20 Electronic data processing equipment and software				
21 Furniture and equipment, including health care delivery assets (\$0)				
22 Net adjustment in assets and liabilities due to foreign exchange rates				
23 Receivables from parent, subsidiaries and affiliates	1,197		1,197	2,250
24 Health care (\$0) and other amounts receivable				
25 Aggregate write-ins for other than invested assets	141,834,451	9,905,153	131,929,298	131,929,298
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	495,349,142	111,685,542	383,663,600	449,672,119
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28 Total (Lines 26 and 27)	495,349,142	111,685,542	383,663,600	449,672,119
<b>DETAILS OF WRITE-INS</b>				
1101 Sightview, LLC	3,239,683		3,239,683	
1102				
1103				
1198 Summary of remaining write-ins for Line 11 from overflow page				
1199 Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	3,239,683		3,239,683	
2501 Prepaid Expenses	3,637	3,637		
2502 Negative IMR	9,901,515	9,901,515		
2503 Rec from CBL for Aff Inv Coll	131,929,298		131,929,298	131,929,298
2598 Summary of remaining write-ins for Line 25 from overflow page				
2599 Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	141,834,451	9,905,153	131,929,298	131,929,298

## LIABILITIES, SURPLUS, AND OTHER FUNDS

		1	2
		Current Statement Date	December 31 Prior Year
1	Aggregate reserve for life contracts (Exhibit 5, Line 9999999) included in Line 6.3 (including \$0 Modco reserve)	482,579,667	563,914,055
2	Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$0 Modco reserve)		
3	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$0 Modco reserve)	1,601,206	2,251,267
4	Contract Claims:		
4.1	Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cpls. 9, 10 and 11)	5,492,208	5,034,040
4.2	Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cpls. 9, 10 and 11)		
5	Policyholders' dividends/refunds to members and coupons due and unpaid (Exhibit 4, Line 10)		
6	Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year-estimated amounts:		
6.1	Policyholders' dividends and refunds to members apportioned for payment (including \$0 Modco)		
6.2	Policyholders' dividends and refunds to members not yet apportioned (including \$0 Modco)		
6.3	Coupons and similar benefits (including \$0 Modco)		
7	Amount provisionally held for deferred dividend policies not included in Line 6		
8	Premiums and annuity considerations for life and accident and health contracts received in advance including accident and health premium (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)		
9	Contract liabilities not included elsewhere:		
9.1	Surrender values on canceled contracts		
9.2	Provision for experience rating refunds, including the liability of accident and health experience rating refunds of which is for medical loss ratio rebate per the Public Health Service Act		
9.3	Other amounts payable on reinsurance including \$..... assumed and \$..... ceded	387,853	293,324
9.4	Interest maintenance reserve (IMR, Line 6)		
10	Commissions to agents due or accrued-life and annuity contracts, accident and health and deposit-type contract funds		
11	Commissions and expense allowances payable on reinsurance assumed		
12	General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	40,392	49,220
13	Transfers to Separate Accounts due or accrued (net) (including accrued expense allowances recognized in reserves net of reinsured allowances)		
14	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6)		
15.1	Current federal and foreign income taxes including realized capital gains (losses)	358,887	358,887
15.2	Net deferred tax liability		
16	Unearned investment income		
17	Amounts withheld or retained by reporting entity as agent or trustee	(1,800,282)	(41,260)
18	Amounts held for agents' account, including agents' credit balances		
19	Remittances and items not allocated		
20	Net adjustment in assets and liabilities due to foreign exchange rates		
21	Liability for benefits for employees and agents if not included above		
22	Borrowed money and interest thereon		
23	Dividends to stockholders declared and unpaid		
24	Miscellaneous liabilities:		
24.01	Asset valuation reserve (AVR, Line 16, Col. 7)	9,438,194	7,307,708
24.02	Reinsurance in unauthorized and certified (\$0) companies		
24.03	Funds held under reinsurance treaties with unauthorized and certified (\$0) reinsurers		
24.04	Payable to parent, subsidiaries and affiliates	28,155	64,657
24.05	Drafts outstanding		
24.06	Liability for amounts held under uninsured plans		
24.07	Funds held under coinsurance		
24.08	Derivatives		
24.09	Payable for securities	(5,763)	173
24.10	Payable for securities lending		
24.11	Capital notes \$0 and interest thereon \$0		
25	Aggregate write-ins for liabilities	767,258	964,694
26	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	498,887,774	580,196,764
27	From Separate Accounts statement		
28	Total liabilities (Lines 26 and 27)	498,887,774	580,196,764
29	Common capital stock	2,176,504	2,176,504
30	Preferred capital stock	823,496	823,496
31	Aggregate write-ins for other than special surplus funds		
32	Surplus notes	3,000,000	3,000,000
33	Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	41,623,795	41,623,795
34	Aggregate write-ins for special surplus funds		
35	Unassigned funds (surplus)	(162,847,969)	(178,148,440)
36	Less treasury stock, at cost:		
36.1	0 Shares common (value included in Line 29 \$0)		
36.2	0 Shares preferred (value included in Line 30 \$0)		
37	Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$0 in Separate Accounts statement)	(118,224,174)	(133,524,645)
38	Totals of Lines 29, 30 and 37 (Page 4, Line 55)	(115,224,174)	(130,524,645)
39	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	383,663,600	449,672,119
<b>DETAILS OF WRITE-INS</b>			
2501	Unclaimed Property		
2502	Unearned Investment Income - Policy Loan		
2503	Stale Dated Checks	321,451	476,888
2504	Premium Suspense		9,793
2505	Claim Suspense	445,806	478,012
2506	GBIG Intercompany Suspense		
2598	Summary of remaining write-ins for Line 25 from overflow page		
2599	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	767,258	964,694
3101	Prior Period Adjustment - Investment Income		
3102	Surplus Notes		
3103			
3198	Summary of remaining write-ins for Line 25 from overflow page		
3199	Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401			
3402			
3403			
3498	Summary of remaining write-ins for Line 25 from overflow page		
3499	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		

## SUMMARY OF OPERATIONS

		1	2	3
		Current Year to Date	Prior Year to Date	Prior Year Ended December 31
1	Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	(18)	(90)	84
2	Considerations for supplementary contracts with life contingencies		17,600	17,600
3	Net investment income (Exhibit of Net Investment Income, Line 17)	12,518,081	11,937,739	16,858,103
4	Amortization of Interest Maintenance Reserve (IMR, Line 5)	(957,695)	(2,057,113)	(5,892,283)
5	Separate Accounts net gain from operations excluding unrealized gains or losses			
6	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	34,435	37,375	49,345
7	Reserve adjustments on reinsurance ceded			
8	Miscellaneous Income:			
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
	8.2 Charges and fees for deposit-type contracts			
	8.3 Aggregate write-ins for miscellaneous income	25	1,694	13,825
9	Totals (Lines 1 to 8.3)	11,594,828	9,937,205	11,046,675
10	Death benefits	17,431,852	14,158,810	19,678,640
11	Matured endowments (excluding guaranteed annual pure endowments)			
12	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	621,144	822,485	1,004,219
13	Disability benefits and benefits under accident and health contracts			
14	Coupons, guaranteed annual pure endowments and similar benefits			
15	Surrender benefits and withdrawals for life contracts	58,176,176	44,921,438	123,126,530
16	Group conversions			
17	Interest and adjustments on contract or deposit-type contract funds	(623,715)	(204,289)	(394,611)
18	Payments on supplementary contracts with life contingencies	188,600	161,591	208,675
19	Increase in aggregate reserves for life and accident and health contracts	(81,334,388)	107,596,866	(120,964,999)
20	Totals (Lines 10 to 19)	(5,540,332)	167,456,900	22,658,454
21	Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)			
22	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)			
23	General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Columns 1, 2, 3, 4 and 6)	777,259	976,736	1,314,474
24	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5)	91,695	123	1,074
25	Increase in loading on deferred and uncollected premiums			
26	Net transfers to or (from) Separate Accounts net of reinsurance			
27	Aggregate write-ins for deductions	5,707	1,880	2,436
28	Totals (Lines 20 to 27)	(4,665,671)	168,435,639	23,976,439
29	Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	16,260,499	(158,498,433)	(12,929,764)
30	Dividends to policyholders and refunds to members			
31	Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	16,260,499	(158,498,433)	(12,929,764)
32	Federal and foreign income taxes incurred (excluding tax on capital gains)			
33	Net gain from operations after dividends to policyholders, refunds to members and federal income tax and before realized capital gains or (losses) (Line 31 minus Line 32)	16,260,499	(158,498,433)	(12,929,764)
34	Net realized capital gains or (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of (excluding taxes transferred to the IMR)	391,994	(5,370)	5,925
35	Net income (Line 33 plus Line 34)	16,652,493	(158,503,803)	(12,923,840)
<b>CAPITAL AND SURPLUS ACCOUNT</b>				
36	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	(130,524,645)	0	(107,536,716)
37	Net income (Line 35)	16,652,493	(158,503,803)	(12,923,840)
38	Change in net unrealized capital gains or (losses) less capital gains tax	2,572,704	(2,383,886)	3,533,253
39	Change in net unrealized foreign exchange capital gain (loss)	1,028,761	(182,422)	671,401
40	Change in net deferred income tax			
41	Change in nonadmitted assets	(2,823,000)	(5,601,104)	(7,066,671)
42	Change in liability for reinsurance in unauthorized and certified companies			
43	Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)			
44	Change in asset valuation reserve	(2,130,486)	(1,767,448)	(7,202,071)
45	Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)			
46	Surplus (contributed to) withdrawn from Separate Accounts during period			
47	Other changes in surplus in Separate Accounts statement			
48	Change in surplus notes			
49	Cumulative effect of changes in accounting principles			
50	Capital changes:			
	50.1 Paid in			
	50.2 Transferred from surplus (Stock Dividend)			
	50.3 Transferred to surplus			
51	Surplus adjustment:			
	51.1 Paid in			
	51.2 Transferred to capital (Stock Dividend)			
	51.3 Transferred from capital			
	51.4 Change in surplus as a result of reinsurance			
52	Dividends to stockholders			
53	Aggregate write-ins for gains and losses in surplus			
54	Net change in capital and surplus for the year (Lines 37 through 53)	15,300,471	(168,438,663)	(22,987,928)
55	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	(115,224,174)	(168,438,663)	(130,524,645)
<b>DETAILS OF WRITE-INS</b>				
08.301	Administrative and Service Fee Income			
08.302	Other Income	25	1,694	13,825
08.303				
08.398	Summary of remaining write-ins for Line 8.3 from overflow page			
08.399	Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	25	1,694	13,825
2701	Miscellaneous Expenses			
2702	Fines & Penalties	5,707	1,880	2,436
2703				
2798	Summary of remaining write-ins for Line 27 from overflow page			
2799	Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	5,707	1,880	2,436
5301	Prior Period Adjustment - Investment Income			
5302				
5303				
5398	Summary of remaining write-ins for Line 53 from overflow page			
5399	Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)			

**BANKERS LIFE INSURANCE COMPANY**  
**SCHEDULE OF AFFILIATED INVESTMENTS**  
**JUNE 30, 2024 AND SEPTEMBER 30, 2024 COMPARISON**

CUSIP Identification	Description	Actual Cost	Book/ Adjusted Carrying Value June 30, 2024	Book/ Adjusted Carrying Value September 30, 2024	Change
37940*AA3	ACADEMY FINANCIAL ASSETS, LLC	\$ 3,296,783	\$ 3,296,783	\$ 3,296,783	\$ -
9941328T5	ACADEMY FINANCIAL ASSETS, LLC	3,058,698	3,058,698	3,058,698	-
9941327T4	AFA FKA AFI TERM	618,664	618,664	618,664	-
9941329T6	AFA FKA GIC SR. NOTE	2,330,956	2,330,956	2,330,956	-
04686@AA9	AUGUSTA ASSET MANAGEMENT, LLC	4,392,842	4,392,842	4,392,842	-
05777@AA6	BALDWIN ASSET MANAGEMENT, LLC	1,083,727	1,083,727	1,083,727	-
13973@AA2	CAPITAL ASSETS FUND I LLC	3,449,436	3,449,436	3,449,436	-
9941317T1	CAPITAL ASSETS FUND II, LLC	2,627,968	2,627,968	2,627,968	-
9941317V6	CAPITAL ASSETS FUND IV, LLC	3,491,012	3,432,192	3,432,192	-
9941317U8	CAPITAL ASSETS FUND V, LLC	3,996,776	3,812,485	3,812,485	-
9941318T3	CAPITAL ASSETS MANAGEMENT II, LLC	1,365,633	1,365,633	1,365,633	-
99467UAA5	CV INVESTMENTS	3,010,621	3,010,621	3,010,621	-
9944639X1	CV INVESTMENTS, LLC	1,102,461	1,102,461	1,102,461	-
37562#AA6	GILFORD ASSET MANAGEMENT, LLC	4,662,737	4,662,737	4,662,737	-
9942228W1	GILFORD ASSET MANAGEMENT, LLC	147,347	147,347	147,347	-
40905#AA6	HAMPTON ASSET MANAGEMENT, LLC	895,432	895,432	895,432	-
9941557U3	HPCSP INVESTMENTS, LLC	633,234	633,234	633,234	-
46275@AA7	IRON CITY ASSET MANAGEMENT, LLC	768,088	768,088	768,088	-
46563@AA8	ITECH FUNDING LLC	1,076,630	1,076,630	1,076,630	-
46662#AA6	JACKSON ASSET MANAGEMENT, LLC	786,748	786,748	786,748	-
9947669V1	NIH CAPITAL, LLC	804,200	804,200	804,200	-
72083RAA7	PIERRE MENDES LLC	4,196,652	3,818,364	3,818,364	-
86576#AA7	SUMMERVILLE ASSET MANAGEMENT, LLC	1,061,006	983,897	983,897	-
Total		\$ 48,857,652	\$ 48,159,143	\$ 48,159,143	\$ -

**COLORADO BANKERS LIFE INSURANCE COMPANY**  
**NORTH CAROLINA COMMISSIONER OF INSURANCE AS REHABILITATOR**  
**AS OF SEPTEMBER 30, 2024,**  
**A BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2024**  
**A SUMMARY OF OPERATIONS**  
**THROUGH SEPTEMBER 30, 2024**  
**AND**  
**A SCHEDULE OF LINDBERG AFFILIATED INVESTMENTS**  
**AS OF SEPTEMBER 30, 2024**

**INTRODUCTION**

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**BACKGROUND**

Colorado Bankers Life Insurance Company (hereinafter, “CBL” or “Company” or collectively with other of the North Carolina insurance companies in receivership, the “Insurance Companies”) was originally incorporated under the laws of the State of Colorado as a stock life insurance company on May 28, 1974. On December 14, 2015, the Company redomesticated to North Carolina. On June 27, 2019, the Wake County Superior Court (hereinafter, the “Court”) issued an Order of Rehabilitation (hereinafter, “Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (hereinafter, the “Rehabilitator” or “Receiver”). On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter “Moratorium”).

The Company is part of a group of insurance companies known as Global Bankers Insurance Group (hereinafter, “GBIG”). GBIG is part of a larger group of companies known as Global Growth (f/k/a Eli Global). Global Growth is owned by Greg Lindberg (hereinafter, “Lindberg”).

**PURPOSE OF THIS REPORT**

The purpose of this report is to provide a quarterly update to the Court, as required by the Order, on the work that the Receiver and his staff have carried out since the issuance of the Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of Lindberg affiliated investments as of September 30, 2024, and a summary of operations through September 30, 2024. On December 30, 2022, this Court entered an Order of Liquidation to place the Company into liquidation upon the effective date of the Order of Liquidation. Greg Lindberg’s company, GBIG Holdings, LLC, filed a Notice of Appeal of the Order of Liquidation on January 27, 2023. The North Carolina Court of Appeals dismissed the appeal on August 23, 2024. November 30, 2024, is the effective date of the Order of Liquidation.

**LIMITATIONS**

This report is based only on the knowledge that the Commissioner as Receiver and his staff have gained from the work performed since the issuance of the Order. Facts may exist that the Receiver is unaware of that may have a material effect on the information provided in this report. The Receiver will update the information in future quarterly reports as additional facts are discovered.

**SUMMARY**

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**COMPANY PROPERTY**

- In accordance with the Order, the Rehabilitator took possession of all known assets and property of the Company.

**MEMORANDUM OF UNDERSTANDING AND INTERIM AMENDMENT TO LOAN AGREEMENTS**

On June 27, 2019, the Company entered into a Memorandum of Understanding (“MOU”) and Interim Amendment to Loan Agreements (“IALA”) with Greg E. Lindberg, Academy Association, Inc. and Edwards Mill Asset Management, LLC. The Parties executed this MOU to set forth their agreements, including but not limited to, (i) the immediate partial amendment of, among other things, the interest rate and repayment terms of various affiliated loans through the IALA; (ii) the global restructuring of various affiliated companies through the formation of a new holding company; and (iii) the global restructuring and modifications of all affiliated loans, including assignment of the loans to such new holding company. The restructuring was to be completed by September 30, 2019. The restructuring was not completed by this date. The Company, along with the other insurance companies in rehabilitation, filed a Complaint against the other parties to the MOU on October 1, 2019. This Court issued a Judgment and Order in the MOU litigation on May 18, 2022. Defendants filed a notice of appeal. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the MOU Judgment and Order and allowing damages for Defendants’ fraud. See the Investment Portfolio and Litigation sections for more information.

**INVESTMENT PORTFOLIO**

The goal of the Receiver is to reduce the amount of affiliated investments and to increase long-term liquidity. The non-affiliated investments are invested primarily in publicly traded securities. The Receiver is working on a plan for the Global Growth non-insurance operating companies to repay the affiliated investments.

- The Company has approximately \$892MM of affiliated investments as of September 30, 2024.
- In June 2019, the Company extended a \$40MM line of credit (“LOC”) to Academy Financial Assets, LLC, an affiliate, for liquidity purposes. As of September 30, 2024, \$39.75MM had been advanced and \$.155MM of unpaid interest was allocated to the principal (capitalization of interest), which totals \$39.9MM. The LOC requires monthly interest payments and matured on June 27, 2020. The principal payment was not received on the LOC and, therefore, it is in default. Monthly interest at the non-default rate is being received. This LOC has been reclassified from affiliated investments to an affiliated receivable. See the Litigation section for more information.
- During the quarter, the Company received some interest payments on the affiliated investments. The amount received was not in accordance with the IALA. See the Litigation section for more information.

As set out in the notes to the financial statements, on July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent (10%) of the insurer’s admitted assets or fifty percent (50%) of the insurer’s policyholders’ surplus, provided that after those investments, the insurer’s policyholders’ surplus will be reasonable in relation to the insurers’ outstanding liabilities and adequate to its financial needs. The excess amount of affiliated investments should be non-admitted for purposes of statutory accounting. The statutory limitation on affiliated investments was enacted after the companies were placed into

rehabilitation. As of September 30, 2024, the Company has non-admitted \$892 million of affiliated investments and \$264.4 million of affiliated interest due and accrued.

### **REINSURANCE**

The Company entered into a reinsurance agreement with Nederlandsche Algemeene Maatschappij Van Levensverzekering Conservatrix N.V. (“Conservatrix”). The agreement was originally effective June 30, 2017 and provided for CBL to reinsure Conservatrix on an aggregate excess of loss basis with treaty. The Rehabilitator disavowed the reinsurance agreement on December 22, 2019. See the Litigation section for additional information.

### **EXPENSE REDUCTIONS**

The Receiver is evaluating the Company’s contracts to identify those that are essential for liquidation.

### **LITIGATION**

To the Receiver’s knowledge, the Company is a party to or has a financial interest in the following lawsuits:

#### **Non-Affiliated**

The following litigation was initiated against the Company by non-Global Growth affiliated persons and/or entities:

#### ***In re PB Life and Annuity Co. Ltd., No. 1:20-BK-12791, Bankruptcy Court for the Southern District of New York***

A Bermudan court appointed Joint Provisional Liquidators (“JPLs”) to liquidate PB Life and Annuity Co. (“PBLA”), Northstar Financial Services (Bermuda) Ltd., Omnia Ltd. And PB Investment Holdings, Ltd (four Bermudan insurance and reinsurance companies previously affiliated with Greg Lindberg). This Chapter 15 proceeding, initiated on December 3, 2020, recognizes the companies Bermudan liquidation proceedings by the United States Bankruptcy Court. The Bankruptcy Court governs how the United States-based assets of the Bermudan entities will be liquidated.

None of the Insurance Companies are parties to this bankruptcy proceeding. However, the Insurance Companies have participated as an “interested party” in various filings and motions that impact the Insurance Companies, their assets, or their insolvency proceedings. Only items that significantly impact or relate to the Insurance Companies are included here. Other events have occurred in this proceeding that are not included in this summary.

On August 26, 2022, the JPLs filed a Motion to Enforce the Automatic Stay and Extend the Automatic Stay. In the motion, the JPLs seek to prevent the Insurance Companies and the Lindberg entities from enforcing the MOU Amended Judgment and Order or implementing the MOU. After disputes over discovery related to the motion, the Bankruptcy Court ordered that the JPLs withdraw their motion re-file by September 20, 2022. The JPLs refiled an Amended Motion to Enforce the Automatic Stay and Extend the Automatic Stay (the “Motion to Enforce”).



On March 3, 2023, the Insurance Companies filed their objection to the Motion to Enforce. The JPLs filed their reply on March 17, 2023.

On March 23, 2023, the Bankruptcy Court heard argument on the Motion to Enforce. On April 10, 2023, the Bankruptcy Court entered an Order Denying the JPLs' Motion to Enforce Stay. The Bankruptcy Court also stayed the Insurance Companies' declaratory judgment action because most of the issues in the declaratory judgment action were resolved by the Order denying the JPLs' Motion to Enforce.

On April 24, 2023, the JPLs noticed an appeal of the Order denying their Motion to Enforce. On May 8, 2023, the JPLs filed their designation of the record on appeal for the Motion to Enforce. On May 22, 2023, the Insurance Companies filed their counter-designations of the record on appeal. On July 5, 2023, the JPLs dismissed their appeal of the Order denying their Motion to Enforce.

***Johnston, et al. v. Lindberg, et al*, Case No. 1:23-AP-01000, Bankruptcy Court for the Southern District of New York**

This case was filed on January 4, 2023 by the JPLs. The lawsuit named the insurance companies, Greg Lindberg, and all Global Growth-affiliated entities as defendants.

The JPLs sued CBL, BLIC, SNIC, and SNRC for, among other things, fraud, fraudulent transfer, conversion, unjust enrichment, and breach of fiduciary duty under North Carolina and Bermuda law related to execution of the IALA and MOU and distribution of interest payments. The JPLs sought a declaratory judgment that the IALA and MOU are void and unenforceable, an accounting of loans where CBL and SNIC are the agents, monetary damages, and an injunction related to the insurance companies' distribution of interest payments.

The lawsuit was filed in violation of the injunctions prohibiting lawsuits against CBL, BLIC, SNIC, and SNRC issued by this Court in the Order of Rehabilitation, entered June 27, 2019. The JPLs did not receive this Court's permission to file this lawsuit against the insurance companies.

On January 18, 2023, CBL, BLIC, SNIC, and SNRC filed a motion to stay the claims as to CBL, BLIC, SNIC, and SNRC because the lawsuit was filed in violation of the anti-suit injunction issued by this Court. The motion asked the court to stay the lawsuit against CBL, BLIC, SNIC, and SNRC until the JPLs obtained permission from this Court permitting the claims to proceed. On January 31, 2023, the JPLs responded and opposed the Motion to Stay arguing that this Court's injunction did not apply to the lawsuit as filed. CBL, BLIC, SNIC, and SNRC filed a reply on February 8, 2023 explaining that the McCarran-Ferguson Act required the Bankruptcy Court to defer to this Court's injunction.

A hearing on the Motion to Stay was held on February 10, 2023. The Bankruptcy Court permitted the JPLs to file a sur-reply on the application of the McCarran-Ferguson Act on this matter, which was filed on February 21, 2023.

A second hearing on the Motion to Stay was held on February 27, 2023. During the hearing, the Bankruptcy Court granted the Motion to Stay, found that the McCarran-Ferguson Act applied and

required the Bankruptcy Court to give this Court's injunction force and effect, and found that the JPLs' violated the injunction by filing this suit against CBL, BLIC, SNIC, and SNRC without this Court's prior permission and that such action was prohibited by the McCarran-Ferguson Act. The Bankruptcy Court stayed the claims against CBL, BLIC, SNIC, and SNRC until the JPLs obtained permission to proceed from this Court. An order memorializing the same was entered on March 10, 2023.

On March 24, 2023, the JPLs noticed an appeal of the Order granting the Motion to Stay, in the District Court for the Southern District of New York. On April 14, 2023, the JPLs filed their designation of the record on appeal. On April 21, 2023, the Insurance Companies filed their counter-designations of the record on appeal.

On April 24, 2023, the Insurance Companies filed a letter requesting a hearing for permission to file a motion to dismiss the JPLs' appeal as interlocutory. The JPLs filed an opposition to the Insurance Companies' request for permission. On April 27, 2023, the JPLs prematurely filed their opening appellant brief. On May 5, 2023, the District Court stayed the substantive briefing and ordered the Insurance Companies to file a motion to dismiss by May 26, 2023. The Insurance Companies filed their motion to dismiss on May 26, 2023.

On May 22, 2023, the JPLs filed a motion in the Rehabilitation Action seeking permission to pursue their adversary proceeding and counterclaims against the Insurance Companies. The Insurance Companies and Rehabilitator opposed the motion and filed a response on June 15, 2023. The Rehabilitation Court heard argument on June 19, 2023 and orally denied the JPLs' motion. A written order reflecting the same was entered on July 5, 2023.

On June 20, 2023, the JPLs filed their response in opposition to the Motion to Dismiss and argued that the appeal was not interlocutory. On June 27, 2023, the Insurance Companies requested to withdraw their Motion to Dismiss due to the Rehabilitation Court's denial of the JPLs' motion for permission to pursue their claims against the Insurance Companies. On June 28, 2023, the Court permitted the Insurance Companies to withdraw their Motion to Dismiss and set a briefing schedule for the substantive appeal.

On July 28, 2023, the Insurance Companies filed their appellee brief in the JPLs' appeal of Order granting the Motion to Stay. On August 11, 2023, the JPLs filed their reply in support of their appeal. The appeal remains pending.

On September 27, 2023, the JPLs filed an Amended Complaint against the Insurance Companies and hundreds of others restating their claims against the Insurance Companies and adding additional factual allegations, legal theories, and claims of recovery against the Insurance Companies.

On October 7, 2023, the JPLs wrote a letter to the Bankruptcy Court requesting that certain counts of the amended complaint be dismissed as to CBL.

On October 17, 2023, the Insurance Companies filed a motion for sanctions and contempt against the JPLs and their counsel for filing the Amended Complaint in violation of the Rehabilitation

Order, the SNIC Liquidation Order, and the Bankruptcy Court's order staying the adversary proceedings as to the Insurance Companies.

On October 31, 2023, the JPLs filed their response in opposition to the motion for sanctions and contempt.

On November 6, 2023, the Insurance Companies filed their reply in support of the motion for sanctions and contempt.

On November 8, 2023, the Bankruptcy Court held an initial hearing on the motion for sanctions and contempt. The Bankruptcy Court requested additional briefing on jurisdictional and remedial issues related to the motion for sanctions and contempt and established a briefing schedule.

On November 14, 2023, the JPLs filed their sur-reply in opposition to the motion for sanctions and contempt. On November 21, 2023, the Insurance Companies filed their sur-sur-reply in support of the motion for sanctions and contempt.

On November 28, 2023, the Bankruptcy Court heard argument on the motion for sanctions and contempt. The Bankruptcy Court issued an oral ruling finding that the JPLs and their counsel were in contempt of the Bankruptcy Court's prior order and awarded the Insurance Companies their attorneys' fees associated with bringing the motion for contempt. This sanction is to be paid by the JPLs' counsel, Stevens & Lee.

On December 14, 2023, the Insurance Companies submitted their attorneys' fee request with documentation to the Bankruptcy Court. On December 27, 2023, the JPLs filed an objection to the attorneys' fee request.

On January 12, 2024, the Insurance Companies filed their reply in support of their attorneys' fee request. On January 19, 2024, the JPLs filed a sur-reply in opposition to the Insurance Companies' attorneys' fee request. On January 17, 2024, the Insurance Companies filed a reply to the sur-reply in support of their attorneys' fee request.

On February 1, 2024, the Bankruptcy Court entered an order holding the JPLs and their counsel in contempt of court for filing the Amended Complaint in violation of the bankruptcy court's order staying the adversary proceeding against the Insurance Companies. As a sanction, the Bankruptcy Court ordered the JPLs' counsel's firm, Stevens & Lee, to pay the Insurance Companies' attorneys' fees in the amount of \$670,292.04 (the "Sanction Order"). The JPLs were also required to file a restated amended complaint that removed all new allegations and causes of action against the insurance companies.

On February 13, 2024, the Bankruptcy Court held a case conference to discuss revisions to the restated amended complaint that the insurance companies and the JPLs could not agree on. Following the Bankruptcy Court's decision on the disputed allegations, the JPLs filed a restated amended complaint on February 14, 2024.

On February 14, 2024, the JPLs and their counsel at Stevens & Lee filed a notice of appeal of the Bankruptcy Court's Sanction Order. The appeal will be heard by Judge Ramos, the same district

court judge that heard the JPLs' appeal of the Order Granting the Motion to Stay the adversary proceeding.

On February 22, 2024, the District Court hearing the JPLs' appeal of the Order Granting the Motion to Stay entered an opinion affirming the Bankruptcy Court's stay of the Adversary Proceeding against Respondents and held that the McCarran Ferguson Act reverse preempted the Bankruptcy Court's jurisdiction over the adversary proceeding against the insurance companies.

On February 28, 2024, the JPLs and Stevens & Lee filed their designated record and issues on appeal for their appeal of the Bankruptcy Court's Sanction Order. The District Court entered a scheduling order on March 15, 2024 governing the briefing schedule of the appeal.

On March 7, 2024, the Insurance Companies filed a Declaration to recover the court costs associated with the JPLs' unsuccessful appeal of the Bankruptcy Court's Order Granting the Motion to Stay.

On March 22, 2024, the JPLs appealed the District Court's order affirming the Bankruptcy Court's Order Granting the Motion to Stay the adversary proceeding. The appeal was made to the Second Circuit Court of Appeals.

On May 1, 2024, the JPLs dismissed with prejudice their appeal of the Order Granting the Motion to Stay in the Second Circuit. The Second Circuit entered an order withdrawing the appeal on May 7, 2024.

On May 1, 2024, the JPLs dismissed with prejudice the Insurance Companies from the adversary proceeding filed in the Bankruptcy Court for the Southern District of New York. The Bankruptcy Court entered an order dismissing with prejudice the Insurance Companies from the adversary proceeding on May 2, 2024.

On May 3, 2024, Stevens & Lee, counsel to the JPLs, moved to dismiss without prejudice its portion of the appeal of the Bankruptcy Court's Sanctions Order.

On May 6, 2024, Eric Robinson and Wade Koenecke, two of the Stevens & Lee attorneys the Bankruptcy Court found had violated her orders in the Sanctions Order, filed a letter with the District Court seeking a dismissal of the appeal without prejudice so that those attorneys could return to the Bankruptcy Court to seek relief or modification of the Sanctions Order.

On May 6, 2024, Nicholas Kajon and Constantine Pourakis, the other two Stevens & Lee attorneys the Bankruptcy Court found had violated her orders in the Sanctions Order, filed a letter with the District Court "joining" in Mr. Robinson's letter.

On May 6, 2024, the JPLs dismissed with prejudice their part of the appeal of the Sanctions Order. This dismissal did not dismiss with prejudice the Stevens & Lee and the individual attorneys' portions of the appeal. On May 9, 2024, the district judge ordered the JPLs' portion of the Sanctions Order appeal dismissed with prejudice.

On May 7, 2024, the Insurance Companies filed a letter with Judge Ramos explaining why the companies opposed Stevens & Lee's and the individual attorneys' requests to dismiss the appeal *without prejudice*.

On May 14, 2024, Nicholas Kajon and Constatine Pourakis moved to dismiss *with prejudice* their portion of the appeal of the Sanctions Order.

***Colorado Bankers Life Insurance Company v. PB Life and Annuity Co., Ltd., Case No. 1:22-AP-001149, Bankruptcy Court for the Southern District of New York***

CBL, BLIC, SNIC, and SNRC filed a Declaratory Judgment Action on September 21, 2022 in the JPLs' bankruptcy proceedings asking the Bankruptcy Court to determine the scope of the automatic stay as it applies to enforcement of the Amended Judgment and Order entered in the MOU litigation. CBL, BLIC, SNIC, and SNRC asked the Bankruptcy Court to declare that the automatic stay does not prohibit the Lindberg-Defendants in the MOU Action from performing their obligations under the Amended Judgment and Order to contribute the SACs to NHC.

This declaratory judgment action was filed in response to the JPLs Motion to Enforce whereby the JPLs asked the Bankruptcy Court to prohibit the Lindberg-Defendants in the MOU action from performing their obligations under the Amended Judgment and Order or MOU.

On January 9, 2023, the JPLs answered the Declaratory Judgment Action and filed counterclaims which incorporated by reference all of the allegations and claims against CBL, BLIC, SNIC, and SNRC set forth in their adversary proceeding, discussed above.

On January 30, 2023, CBL, BLIC, SNIC, and SNRC moved to strike the counterclaims as improperly filed. The JPLs responded to the motion to strike on February 8, 2023 and the insurance companies filed a reply on February 14, 2023. The Bankruptcy Court held a hearing on the Motion to Strike on February 15, 2023.

On March 10, 2023, the Bankruptcy Court entered an order staying the counterclaims against CBL, BLIC, SNIC, and SNRC.

On March 20, 2023, the Insurance Companies requested a conference with the Bankruptcy Court to discuss filing for summary judgment on the declaratory judgment claims. On April 7, 2023, the JPLs objected to the conference and sought to take discovery on the Insurance Companies declaratory judgment action and their alleged defenses.

On April 11, 2023, the Bankruptcy Court stayed the declaratory judgment action because a separate order issued in the Chapter 15 bankruptcy proceedings denying the Motion to Enforce and finding that the Amended Judgment and Order from the MOU action and implementation of the MOU itself did not violate the Bankruptcy Court's automatic stay. That order resolved most of the issues in the declaratory judgment action.

On May 22, 2023, the JPLs' filed a motion in this Court seeking permission to pursue their counterclaims against the Insurance Companies. The Insurance Companies and Rehabilitator opposed the motion and filed a response on June 15, 2023. This Court heard argument on June

19, 2023 and orally denied the JPLs' motion. A written order reflecting the same was entered on July 5, 2023.

***Colorado Bankers Life Insurance Company v. Avalon by the Sea AC, LLC, et al., Case No. 18-SM-cv-00144, Superior Court of California, Los Angeles County.***

This case was filed on October 17, 2018. CBL sued Avalon by the Sea AC, LLC ("Avalon"), alleging default on credit facility for mental health and drug/alcohol rehabilitation facilities in Southern California and seeking appointment of a Receiver. Alpine Capital is the agent/servicer.

The appointed Receiver is attempting to maximize value and ultimately sell assets of Avalon. Following reports of the Receiver, and at the request of CBL, the court extended the Receivership through April 20, 2020. On February 20, 2020, the Receiver applied for an Order approving the execution of a lease to expand the facility and approving a Receiver's Certificate of Indebtedness in favor of the new landlord in an amount of up to \$500,000. The Court approved the Receiver's requests. The Court also approved the Receiver executing an amended lease agreement which extends the operative lease term of a facility through March 31, 2025. Due to the COVID-19 pandemic and Court closures, the Court held its status conference on June 22, 2020, and extended the receivership through September 22, 2020. On September 22, 2020, the Court extended the receivership through December 16, 2020. On December 16, 2020, the Court extended the receivership through March 18, 2021. On March 18, 2021, the Court extended the receivership through June 11, 2021. On June 11, 2021, the Court extended the receivership through September 9, 2021. On September 9, 2021 the Court extended the receivership through December 9, 2021. On November 16, 2021, the Receiver filed a motion to terminate one of the leases of the facility premises. The motion was granted on January 5, 2022. On January 5, 2022, the Court extended the receivership through April 5, 2022. On April 5, 2022, the Court extended the receivership through July 5, 2022.

On April 18, 2022, the Receiver filed a motion to approve the extension of the lease for the facility. The Court granted the motion on May 17, 2022. On July 5, 2022, the Court extended the receivership through October 7, 2022.

On October 7, 2022, the Court extended the receivership through January 5, 2023. On January 5, 2023, the Court extended the receivership through July 12, 2023.

On July 12, 2023, the Court extended the receivership through October 11, 2023.

On October 11, 2023, the Court extended the receivership through February 28, 2024.

On February 28, 2024, the Court extended the receivership to May 29, 2024. The receiver announced that he intends to file a motion to sell the property in March 2024. The court reserved a hearing date for April 26, 2024 to hear the anticipated motion to approval the sale of the property.

On April 11, 2024, the Receiver filed a Motion to Approve the sale of the business.

On April 16, 2024, CBL filed a notice of non-opposition to the Motion to Approve the sale of the business.

On April 24, 2024, the Receiver filed a reply in support of the Motion to Approve the sale of the business. CBL filed a supplemental notice of non-opposition to the Motion to Approve on April 30, 2024.

On May 15, 2024, the court heard the Receiver's Motion to Approve the sale of the business and granted the motion. The court is holding the receivership open to permit the sale to close and the new owner to transition the regulatory licenses.

On July 16, 2024, the court held a status conference regarding the sale of the business and the receivership. The court scheduled the next status conference for January 15, 2025.

***In re Marriage of Alice C. Lager v. Howard E. Lager and Global Bankers Insurance Group (potential joinder of Colorado Bankers Life Insurance Company), Case No. 18WHFL00213, Superior Court of California, County of Los Angeles.***

This case was filed on May 22, 2019. This is a divorce proceeding in which Petitioner alleges an interest in CBL's policies of Respondent.

Joinder was filed adding GBIG, LLC as a Defendant in the divorce proceeding on May 22, 2019. Defendant/Husband is a policyholder of CBL. Counsel for Petitioner has been advised she joined the wrong party.

***Colorado Bankers Life Insurance Company v. Jamie Marie Hunt, Amariah Smith, John S. Isola, and Diane M. Isola and Christine N. Isola as the Personal Representatives of the Estate of Eva J. Forney, Case No. 21 CVS 13309, Wake County, North Carolina.***

CBL filed this interpleader action on September 30, 2021 in the Superior Court of Wake County, against Jamie Marie Hunt, Amariah Smith, John S. Isola, and Diane M. Isola and Christine N. Isola in their capacities as personal representatives of the Estate of Eva J. Forney, related to a disputed portion of a death benefit payable under an Annuity Policy that CBL issued to Eva J. Forney. On October 14, 2021, CBL filed a Motion for Determination of Interpleader, Motion to Deposit Funds with Court, and Motion for Discharge, asking the Court for an order determining the matter is a proper action and proceeding for interpleader, granting leave for CBL to deposit the disputed portion of the death benefit with the Clerk of Wake County Superior Court, and discharging CBL from the case and any liability under the benefit at issue. CBL requested a hearing on the pending motion. To date, none of the defendants have responded to the interpleader complaint. The Court heard CBL's Motion for Determination of Interpleader, Motion to Deposit Funds with Court, and Motion for Discharge on December 6, 2021. The Court entered an order on December 22, 2021 allowing the motions. The Court further ordered that immediately upon depositing the interpleaded funds and filing a receipt that evidenced that the funds were deposited with the Clerk of Court, CBL would be dismissed from the action with prejudice and discharged from any and all liability to any and all defendants and in any way relating to the portion of the benefit at issue. CBL deposited the funds, totaling \$37,128.20, with the Clerk of Court on January 5, 2022, and filed and served the Certified Civil Receipting Form evidencing the payment that same day. Immediately upon depositing the funds and filing the receipting form, CBL was dismissed from the action with prejudice and discharged from any and all liability to any and all defendants and in any way relating to the portion of the benefit at issue.

***Universal Life Insurance Company and TMI Trust Company v. Academy Financial Assets, LLC, et al., Case No. 22 CVS 7920, Wake County, North Carolina.***

On June 27, 2022, ULICO and TMI filed a complaint in Wake County, North Carolina seeking an order declaring the Interim Amendment to Loan Agreement (“IALA”) invalid and awarding monetary damages against CBL and SNIC as agents on certain loan agreements. BLIC was also named as a defendant because the suit seeks to invalidate the IALA, a contract to which it is a party, but does not seek damages against BLIC. That same day, ULICO and TMI filed a Motion for Permission to File Action in CBL, SNIC, and BLIC’s rehabilitation proceeding. The Motion sought the Court’s leave to file their lawsuit against the NC Insurance Companies that otherwise violated the Court’s injunction prohibiting lawsuits against the NC Insurance Companies.

On July 26, 2022, ULICO and TMI filed an Amended Complaint seeking the same relief. ULICO and TMI also agreed to extend the time to file an answer after the Court ruled on ULICO and TMI’s pending motion for permission to file.

On August 12, 2022, the Court heard argument on ULICO and TMI’s motion for permission to file. The Court found that the lawsuit violated the injunction but permitted the portion of the Amended Complaint seeking a declaratory judgment invalidating the IALA to proceed. The remainder of the action was stayed. On September 2, 2022, the Court entered a written order of his ruling from the hearing. CBL, SNIC, and BLIC moved to dismiss the Amended Complaint on October 3, 2022.

***Jaleshia Caldwell v. Colorado Bankers Life Insurance Company, Case No. CV-2023-900021, Circuit Court of Bullock County, Alabama***

This action was filed on March 15, 2023, in violation of the anti-suit injunction in the Rehabilitation Order, seeking payment of an accidental death benefit. On June 13, 2023, the court granted the parties’ joint motion to stay pursuant to the anti-suit injunction in the rehabilitation action.

**Affiliated**

The following litigation was initiated by one or more of the North Carolina Insurance Companies in Rehabilitation against Global Growth affiliated entities:

***Southland National Insurance Corporation in Rehabilitation, Bankers Life Insurance Company in Rehabilitation, Colorado Bankers Life Insurance Company in Rehabilitation, and Southland National Reinsurance Corporation in Rehabilitation v. Greg Lindberg, Academy Association, Inc., Edwards Mill Asset Management, LLC, New England Capital, LLC, and Private Bankers Life and Annuity Co., Ltd., Case No. 19 CVS 013093, Wake County, North Carolina.***

This case was filed on October 1, 2019, alleging a breach of the contract entered into by the parties on June 27, 2019. An Amended Complaint was filed on October 28, 2019 and added claims for fraud and negligent misrepresentation arising from statements contained in the June 27, 2019 contract and the Defendants’ conduct.



On October 1, 2019, the Wake County Superior Court entered a Temporary Restraining Order (“TRO”), which remains in place, as amended by the Court on April 1, 2020 and June 23, 2020. Essentially, the TRO prohibits the Defendants from taking any action that would negatively impact the value of Plaintiffs’ investments into Defendants’ companies.

The Defendants moved to dismiss the original Complaint and the Amended Complaint on various grounds. The Court denied those motions in an Order filed on January 21, 2020. Defendants filed an Answer to the Amended Complaint on February 20, 2020.

The Court entered a Case Management Order and set the matter for trial in February 2021. On July 8, 2020, Defendants filed a Motion to Modify the Case Management Order & For Continuance seeking to extend all discovery deadlines and the trial for 120 days. On August 5, 2020, the Court entered an order extending all discovery deadlines by 90 days with discovery to be completed by December 31, 2020 but kept the trial set for February 1, 2021.

The Court severed Defendant PB Life and Annuity Co. Ltd. f/k/a Private Bankers Life and Annuity Co., Ltd. (“PBLA”) from this litigation after it filed Chapter 15 bankruptcy, *In re: PB Life and Annuity Co. Ltd.*, No. 1:20-BK-12791, pending in the United States Bankruptcy Court for the Southern District of New York. Plaintiffs’ claims against PBLA are expected to be stayed during the pendency of its bankruptcy proceeding; however, Plaintiffs’ claims against the other defendants are unaffected.

On January 8, 2021, the Court entered a Second Case Management Order extending the discovery deadline to February 28, 2021 and setting the trial for April 15, 2021.

On March 19, 2021, the Court entered an order extending the time to take the depositions of Defendants Greg Lindberg, AAI, and NEC to May 14, 2021. The Court also ordered that all dispositive motions be filed by June 2, 2021, responses filed by June 9, 2021, and hearing on said motions to occur the week of June 14, 2021.

On June 9, 2021, the Parties filed respective Motions for Summary Judgment and on June 14, 2021, the Parties filed their respective responses. The Court orally denied the Motions for Summary Judgment and trial commenced on June 21, 2021. Trial concluded on June 30, 2021. Post-trial briefing was filed on August 31, 2021. Defendants filed a Motion to Strike certain exhibits on September 3, 2021 and Objections to Relief Requested on October 1, 2021. The Court heard argument on the Motion to Strike and Objection on October 13, 2021.

On November 22, 2021, Defendants filed a motion to compel post-trial mediation. That motion was granted at the conclusion of a hearing on January 27, 2022. The mediation was conducted on March 9, 2022 and an impasse was declared by the mediator.

On March 11, 2022, Plaintiffs’ Motion to Add Global Growth Holdings, Inc. as the successor defendant to Academy Association, Inc. was granted.

On May 18, 2022, the Court entered a Judgment and Order on the issues tried at the June 2021 trial. The Court found Defendants Lindberg, Global Growth, and NEC breached the MOU and

ordered specific performance of Article II of the MOU on a 90-day timeline. The Court found Plaintiffs may be entitled to an undetermined amount of contractual damages for the value of any SACs not transferred to NHC. The Court also found that Defendants Lindberg, Global Growth, and NEC made fraudulent statements to induce Plaintiffs into entering into the Revolver and IALA and ordered \$467,622,097.48 in compensatory and punitive damages. The Court conditioned the award of those damages on the appellate court determining that specific performance is unavailable. The Court also ordered appointment of a special master to oversee implementation of the Order.

On May 23, 2022, Defendants filed a motion to stay the Order while on appeal.

On May 24, 2022, Plaintiffs filed a Motion to Amend the Judgment and Order to correct clerical errors in the Order.

On May 26, 2022, the Court held a hearing on Defendants' Motion to Stay and Plaintiffs' Motion to Amend the Judgment and Order. The Court denied Defendants' Motion to Stay to the extent it sought a discretionary stay and granted Plaintiffs' Motion to Amend. The Court also entered a scheduling order for post-trial motions. The Court entered written orders on the Defendants' Motion to Stay and Plaintiffs' Motion to Amend.

The Court also entered an Amended Judgment and Order on May 26, 2022 (the "Amended Judgment") correcting the clerical errors.

The Plaintiffs filed a second Motion to Amend the Judgment and Order on June 6, 2022 asking the Court to immediately award compensatory and punitive damages for Defendants' fraud. That same day, Defendants' filed a Motion for New Trial seeking to disqualify Plaintiffs' counsel and to relieve all Defendants from liability of the Amended Judgment.

Defendants filed a Notice of Appeal of the Amended Judgment, among other pre-judgment orders on June 13, 2022.

On June 21, 2022, Plaintiffs filed a conditional Notice of Cross-Appeal of the Judgment and Order and Amended Judgment.

Plaintiffs filed a Motion for Show Cause Order on June 30, 2022 asking the Court to issue an order requiring Global Growth to show cause why it should not be held in contempt for failing to bind the D&O insurance as ordered in the Amended Judgment. Plaintiffs also asked the Court to appoint a third-party to bind the insurance at Global Growth's expense.

On July 1, 2022, the Court held a hearing on the pending post-trial motions. The Court denied Plaintiffs' second Motion to Amend and reserved ruling on Defendants' Motion for New Trial.

Defendants filed a Motion to Establish Security for a Stay Pending Appeal on July 7, 2022.

Pursuant to Court order, the Defendants served a response opposing Plaintiffs' Motion for Show Cause on July 22, 2022.

On August 18, 2022, Plaintiffs filed a Motion for Injunctive Relief and Expedited Ruling, asking the Court of Appeals to require Defendant Global Growth Holdings, Inc. to bind directors and officers' insurance for NHC. Defendants opposed the Motion.

On August 24, 2022, the Court of Appeals dismissed Plaintiffs Motion.

On September 20, 2022, Plaintiffs filed a Motion to Expedite the Appeal, which was opposed by the Defendants.

On October 5, 2022, the Court of Appeals entered an order denying Plaintiffs' Motion to Expedite the Appeal without explanation.

On October 31, 2022, Plaintiffs filed a Motion for Sanctions related to Defendants' motion to disqualify Plaintiffs' counsel, which was improperly styled as a Motion for New Trial.

On November 18, 2022, Plaintiffs filed Motion for Order Show Cause asking the Court to require Defendants Lindberg and GGHI show why they should not be held in contempt for violating the TRO. On December 21, 2022, the Court entered an Order of Show Cause on Plaintiffs' motion. That same day, Defendants moved to continue the hearing on the Order to Show Cause and sought discovery. On December 28, 2022, the Court entered an Amended Order to Show Cause and that same day Defendants filed a Motion to Dismiss the Order and Amended Order to Show Cause. On December 29, 2022, Plaintiffs filed a Motion for Sanctions related to Defendants' Motion to Dismiss. On December 30, 2022, the Court denied Defendants' Motion to Continue. On January 5, 2023, Plaintiffs moved to withdraw their Motion for Order to Show Cause and refile the motion following additional analysis of Defendants' financial transactions. That motion was granted the same day.

On January 25, 2023, Plaintiffs filed an exception to the TRO Review Panel's recommended use of proceeds from the sale of the Clanwilliam Group. On February 7, 2023, non-party Universal Life Insurance Company ("ULICO") and Defendant Lindberg filed separate responses in support of the TRO Review Panel's recommended use of proceeds. That same day, the Joint Provisional Liquidators of PBLA and related Bermudan insurance companies filed an objection to the TRO Review Panel's recommended use of proceeds. On February 9, 2023, the Court held a hearing on the Clanwilliam Group sale objections. In a ruling announced on the record, the Court approved the sale of the Clanwilliam Group and the use of proceeds under certain conditions to be memorialized by a written order. At the same hearing, the Court announced it would disband the TRO Review Panel and future transactions would be heard by the Court. An order reflecting the approved uses of proceeds was entered on March 14, 2023.

On January 19, 2023, Plaintiffs filed their opening brief for their cross-appeal of the Amended Judgment and Order and Request for Judicial Notice. That same day, Defendants filed their opening brief of their appeal of the Amended Judgment and Order.

On February 21, 2023, Plaintiffs filed their response brief to Defendants' appeal of the Amended Judgement and order and second Request for Judicial Notice. That same day, Defendants filed

their response to Plaintiffs' cross-appeal of the Amended Judgment and Order and response to Plaintiffs' Request for judicial notice. Also on February 21, 2023, non-party ULICO filed a motion for leave to file amicus brief and proposed amicus brief. On March 7, 2023, the Court of Appeals deferred ruling on Plaintiffs' first Request for Judicial Notice until the appeal is heard. That same day, the Court of Appeals denied ULICO's Motion for Leave to file amicus brief.

On March 24, 2023, the Plaintiffs and Defendants filed their reply briefs. The North Carolina Court of Appeals heard oral argument on this appeal on April 26, 2023. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the MOU Judgment and Order's holdings that the MOU is a valid and enforceable agreement after severing Article III and that the Defendants are liable for fraud and remanded to allow damages for Defendants' fraud.

On March 30, 2023, the JPLs and ULICO filed an Emergency Request for Hearing on the Clanwilliam Sale Order. On April 14, 2023, the Defendants filed a response to the Emergency Request. On April 18, 2023, Plaintiffs filed their response to the Emergency Request. On April 19, 2023, the JPLs filed a Supplemental Statement in Support of their Emergency Request.

The Court held a hearing on the JPLs' and ULICO's Emergency Request on April 20, 2023. The Court determined that the JPLs and ULICO had not asked for any specific relief in the Emergency Request that the Court could grant.

On July 11, 2023, the Defendants filed a Petition for Writ of Supersedeas and Motion for Temporary Stay seeking to stay the Court of Appeals' unanimous decision while Defendants seek the NC Supreme Court's discretionary review. On July 13, 2023, the NC Supreme Court granted the Motion for Temporary Stay until it can consider the Petition for Writ of Supersedeas. On July 24, 2023, Plaintiffs filed their opposition to the Petition for Supersedeas. The Petition for Writ of Supersedeas remains pending.

Defendants filed a Petition for Discretionary Review on July 25, 2023. Plaintiffs filed their response in opposition to the Petition for Discretionary Review on August 7, 2023. The Petition for Discretionary Review remains pending.

On July 25, 2023, non-party ULICO filed a Motion for Leave to File Amicus Curiae Brief. ULICO filed and served on its amicus brief the same day.

On August 7, 2023, Plaintiffs filed a Motion to Expedite the NC Supreme Court's consideration of the Petition for Writ of Supersedeas and Petition for Discretionary Review. That motion remains pending.

On August 15, 2023, Plaintiffs filed a consent motion for 30-day extension of time to reply to ULICO's amicus brief. On August 17, 2023, the NC Supreme Court granted the motion for extension to reply to ULICO's amicus brief to September 27, 2023.

On September 25, 2023, Plaintiffs filed a second motion for extension of time to reply to ULICO's amicus brief until 30 days after the NC Supreme Court resolves the pending Petition for Discretionary Review or ULICO's motion for leave to file its amicus brief. The NC Supreme Court granted Plaintiffs' motion.

On November 30, 2023, ULICO filed a motion to withdraw its amicus brief. The NC Supreme Court granted that motion on December 13, 2023.

On December 13, 2023, the NC Supreme Court allowed in part Defendants' PDR to resolve the issue of reasonable reliance related to Plaintiffs' fraud claim. The NC Supreme Court denied the PDR on all other issues. The NC Supreme Court also granted the Defendants' Petition for Writ of Supersedeas.

On December 21, 2023, Plaintiffs filed a Motion for Clarification asking the NC Supreme Court to clarify its order on the Petition for Writ of Supersedeas to allow the specific performance of the MOU to proceed while the appeal on the fraud issue continues.

On January 4, 2023, Defendants responded in opposition to Plaintiffs' Motion for Clarification in the NC Supreme Court.

On January 8, 2024, Plaintiffs filed a reply in support of their Motion for Clarification in the NC Supreme Court.

On January 22, 2024, Plaintiffs filed a supplement in support of their Motion for Clarification in the NC Supreme Court.

On January 24, 2024, Defendants filed a motion to strike Plaintiffs' reply and supplement to their Motion for Clarification in the NC Supreme Court.

On January 25, 2024, Plaintiffs responded in opposition to the Motion to Strike. The Motion for Clarification remains pending.

On February 15, 2024, Defendants filed their opening brief in the NC Supreme Court appeal on the fraud issue.

On March 19, 2024, Plaintiffs filed their appellee brief in the NC Supreme Court on the appeal of the fraud issue.

On March 25, 2024, the NC Supreme Court dismissed the Plaintiffs' Motion for Clarification without providing any reasoning or written opinion. The NC Supreme Court also dismissed as moot the Defendants' motion to strike.

On March 26, 2024, the Commissioner of Insurance filed a motion for leave to file an amicus brief in support of Plaintiffs' position in the appeal and to clarify the Administrative Supervisor's role in approving certain transactions. The motion for leave was allowed on March 28, 2024.

On April 5, 2024, the Defendants sought and were granted an extension of time to file their reply brief in the NC Supreme Court.

On April 15, 2024, Plaintiffs filed three motions to be heard by the trial court: (1) Motion to Modify TRO and Appoint Receiver over Defendant GGHI, seeking to impose additional restrictions on the Defendants to prevent dissipation of assets until the MOU is performed and to

appoint a receiver over Defendant GGHI to ensure compliance with the modified TRO; (2) Renewed Motion for Order to Show Cause seeking an order requiring the defendants to show cause why they should not be held in contempt for violating the TRO by improperly transferring tens of millions of dollars; and (3) Motion to Add Global Growth Holdings, LLC as a defendant where Defendant Global Growth Holdings, Inc. converted to an LLC.

On April 16, 2024, Defendants filed a motion to continue the hearing on the Motion to Modify TRO/Appoint Receiver and Motion for Order to Show Cause. Defendants argued they needed time for discovery on the contents of the forensic accountant's affidavit supporting the Motion for Order to Show Cause.

On April 18, 2024, Plaintiffs responded in opposition to Defendants' Motion to Continue.

On April 22, 2024, the Court heard argument on the Motion to Add GGHL as defendant, Motion to Modify TRO/Appoint Receiver, and Motion for Order to Show Cause. Orally on the record, the Court granted Plaintiffs' Motion to Add GGHL as a defendant and Motion to Modify TRO/Appoint Receiver. The Court denied Defendant's motion to continue as it related to the Motion to Modify the TRO/Appoint Receiver and heard the motion that day. The Court granted Defendants' motion to continue as it related to the Motion for Order to Show cause and agreed to give Defendants approximately 90 days of discovery on the forensic accountants' affidavit supporting the Motion for Order to Show Cause. Written orders to follow.

On April 22, 2024, the Court entered an interim order appointing Bill Janvier as limited Receiver over GGHL to monitor compliance with the TRO.

On April 25, 2024, Defendants filed a motion to modify the TRO to permit certain modifications to trust agreements and approve certain transactions.

On April 29, 2024, the Defendants filed their reply to the appeal and response to the Commissioner of Insurance's amicus brief with the North Carolina Supreme Court.

On May 3, 2024, the Court entered an order adding GGHL as a defendant to the matter.

On May 10, 2024, the Court entered the substantive order imposing a limited receiver over Defendant GGHL to monitor compliance with the TRO.

On May 13, 2024, Defendants served their brief in support of maintaining the forensic accountant's affidavit under seal.

On May 13, 2024, Defendants filed a Notice of Limited Waiver to Allow Implementation of NHC stating that Defendants were waiving their objection to the stay of execution and enforcement of the Amended Judgment and Order to permit NHC to be created, the SACs to be contributed to NHC, and for the NHC Board to assume its role.

On May 14, 2024, Nicholas Kajon and Constantine Pourakis moved to withdraw as counsel representing PBLA in the matter.

On May 15, 2024, the Defendants filed a Notice of Limited Waiver with the NC Supreme Court indicating they waived the stay of execution and enforcement of certain provisions of the Amended Judgment and Order related to specific performance. Also on May 15, 2024, Defendants filed a notice that they had complied with certain provisions of the Modified TRO requiring them to provide notice of the Modified TRO to certain managers and employees and sought financial statements from the SACs.

On May 15, 2024, the Receiver filed its first monthly report and notice of retention of M3 Advisory Partners to provide financial support services.

On May 15, 2024, the Court entered its written order on Defendants' Motion to Continue the Hearing on the motion to modify the TRO and appoint the receiver and renewed motion to show cause. The Court found probable cause that the Defendants violated the TRO, set the show cause hearing for August 1, 2024, and established a limited discovery schedule related to that hearing.

On May 16, 2024, Plaintiffs filed a motion requesting a status conference related to the Defendants' Notice of Limited Waiver. The Court held the status conference on May 23, 2024.

On May 23, 2024, the Court entered an order unsealing the affidavit of Carey Miller, the forensic accountant, filed in support of Plaintiffs' renewed motion for order to show cause. Plaintiffs filed the affidavit with only minimal redactions on May 30, 2024.

On June 12, 2024, the Plaintiffs and Defendants filed a Joint Motion for Limited Remand asking the NC Supreme Court to return jurisdiction of the matter to the trial court for the limited purpose of implementing the specific performance portion of the Amended Judgment and Order.

On June 18, 2024, the Receiver filed his Second Monthly Report and Request for Approval of Expenses. In the report, the Receiver identified potential violations of the TRO.

On June 24, 2024, the Receiver filed a supplement to his Second Monthly Report providing additional explanation of the TRO violations and the Defendants' explanations for the same.

On June 25, 2024, the Court held a hearing on the Defendants' Motion for Approval of Resolutions and Consents. The Court continued the hearing to June 10, 2024 to permit the Insurance Companies an opportunity to deal directly with the lenders who allegedly threatened to foreclose on the Beckett loans. The Court also heard from the Receiver related to the potential TRO violations. The Court ruled that the TRO would be modified to prevent Defendants Lindberg and/or GGHL from transferring/disposing of more than \$5,000 without the Receiver's prior approval. Written order confirming the same entered on July 12, 2024.

On June 28, 2024, the NC Supreme Court granted the Parties' Joint Motion for Limited Remand and remanded the matter to the trial court for the limited purpose of implementing the specific performance of the MOU.

On July 3, 2024, Plaintiffs filed a motion in limine to exclude Defendants' purported expert witness at the upcoming August 1, 2024 show cause hearing. The Court heard that motion on July 10, 2024.

On July 8, 2024, the Receiver filed a Notice of Request for Status Conference to discuss the Defendants' recent financial transactions that implicate the modified TRO. The Court heard this update on July 10, 2024.

On July 9, 2024, the Court entered an order approving the Receiver's second month of expenses.

On July 10, 2024, the Court heard the status update from the Receiver on the Defendants' financial transactions and the forbearance agreements related to the Beckett lenders. The Court also heard Plaintiffs' Motion to Exclude Defendants' expert testimony at the upcoming Show Cause Hearing.

On July 12, 2024, Defendants filed a Motion to Allow the Receiver to Approve Transfers from SACs to pay GGHL's and Lindberg's expenses, including the fees owed to the Receiver.

On July 12, 2024, the Court entered an order modifying the TRO's restrictions to prevent GGHL and Lindberg from transferring more than \$5,000 without the Receiver's approval.

On July 15, 2024, Emilio Mendoza on behalf of GGHL and Greg Lindberg, individually, filed affidavits attesting that Lindberg and GGHL did not have funds available, or access to funds, to pay the D&O insurance premium needed for the NHC D&O policy.

On July 15, 2024, the Receiver filed his third monthly report and request for fees. In his report, the Receiver detailed Defendants' violations of the TRO, including transacting over \$5,000 after the Receiver denied permission for the transactions.

On July 17, 2024, Defendants filed a motion to permit two witnesses to testify remotely at the upcoming Show Cause Hearing.

On July 18, 2024, the Receiver filed a request for a status conference related to the recent TRO violations identified in this third monthly report and responded in opposition to Defendants' motion to permit transfers from SACs to pay GGHL and Lindberg's expenses.

On July 18, 2024, the Court heard the Receiver's status update on the TRO violations. The Court also heard Defendants' motion to allow SAC transfers and Defendants' motion to permit remote testimony. The Court orally ruled that the SAC transfers would not be permitted. The Court also announced that one of Defendants' witnesses who lives in India could testify remotely at the Show Cause Hearing but the other witness who was only on vacation would be required to testify in person, if called.

On July 18, 2024, the Court entered written orders denying Defendants' motion to approve certain corporate resolutions related to the Beckett loans and approving the Receiver's third month of expenses.

On July 18, 2024, the Court entered a written order appointing Bill Janvier as Special Master to oversee MOU implementation.

On July 22, 2024, the Receiver filed a motion requesting permission to file certain exhibits under seal. This motion was granted on July 29, 2024.



On July 23, 2024, Defendants filed a Notice of Appeal of the orders entered on July 12, 2024 modifying the TRO and Receiver's powers to prohibit Defendants' transactions above \$5,000 without the Receiver's permission and oral order denying Defendants' motion to permit SAC transfers to pay GGHL and Lindberg's expenses.

On July 29, 2024, the Court entered a written order denying Defendants' motion to permit SAC transfers to pay GGHL and Lindberg's expenses. The Court also entered a written order granting in part and denying in part Defendants' motion to permit remote testimony at the Show Cause Hearing.

On July 30, 2024, Plaintiffs filed a motion to extend the remaining NHC implementation deadlines for 30 days to permit the prospective NHC Board members' counsel to finalize the D&O policy and to allow the NHC Board members to hire counsel to review the SAC contribution documents after the Board is seated.

On July 31, 2024, the Receiver filed a supplement to his third monthly report providing additional information on Defendants' TRO violations.

On August 1, 2024, The Court heard Plaintiffs' renewed Show Cause motion. At the hearing, the Court indicated the prior probable cause finding shifted the burden to Defendants to show cause why they should not be held in contempt for violating the TRO's restrictions. The Court heard all evidence and scheduled closing arguments for August 8, 2024.

On August 1, 2024, the Court also heard argument on Plaintiffs' motion to extend the NHC deadlines by 30 days. The Special Master supported the extension. The Defendants did not object to the extension. The Court orally granted the motion. Written order expected to follow.

On August 7, 2024, the Receiver filed a Notice of Unpaid Receiver and Professional Fees notifying the Court that Defendants have not paid any of the Receiver's fees as approved by the Court since the appointment in April 2024.

On August 8, 2024, the Court heard closing arguments from the August 1, 2024 contempt hearing.

On August 15, 2024, the Receiver filed his fourth monthly report on the Defendants' violations of the TRO and request for fees. The Court entered a written order requiring Defendants to pay the Receiver's requested fees on August 25, 2024.

On August 27, 2024, Defendants filed a Motion to Clarify TRO asking to restrict the TRO's scope to the SACs' assets and exclude Lindberg's non-SAC assets from the TRO restrictions.

On August 30, 2024, the Court entered a written order finding Defendants GGHL and Lindberg violated the TRO through various financial transactions between the SACs, GGHL, and Lindberg's personal vehicle entities from October 2019 to early 2022. The Court ordered GGHL to return \$56 million to certain FinCo companies and ordered Lindberg to return over \$52 million to GGHL and over \$13 million to various SACs. Lindberg and a representative of GGHL are ordered to be held in jail until the funds are repaid and the contempt is purged.

On September 11, 2024, the Special Master filed a Motion to Extend the NHC implementation deadlines to permit additional time for the SAC contribution documents to be finalized.

On September 13, 2024, Defendants filed a Motion to Clarify and/or For Relief from the May 26, 2022 Amended Judgment and Order. In the Motion, Defendants sought to clarify or remove the requirement that the Defendants deliver SAC contribution documents that satisfy the NHC Board where the Defendants' transferred dozens of SACs into trusts, thereby removing the Defendants' ability to contribute those SACs to NHC.

On September 13, 2024, Defendants filed an opposition to the Special Master's motion to extend the NHC implementation deadlines arguing the extension was not necessary where Defendants can contribute all SACs not held in trust.

On September 17, 2024, the Receiver filed his Fifth Monthly Report and request for fees detailing the Defendants' continued noncompliance with the TRO and requesting approval of the fees associated with his work.

On September 18, 2024, Defendants filed a Notice of Appeal of the Order holding Lindberg and GGHI in contempt of court for violations of the TRO.

On September 25, 2024, Defendants filed their brief in opposition to the Special Master's motion to continue NHC implementation deadlines and brief in support of Defendants' Motion for Clarification of Amended Judgment and Order.

On September 27, 2024, Plaintiffs filed their response in opposition to Defendants' Motion to Clarify/Relief from Amended Judgment and Order opposing the Defendants' requested relief.

On September 30, 2024, the Court heard argument on the Special Master's motion to continue NHC implementation deadlines, the Defendants' Motion to Clarify the TRO, and the Defendants' Motion to Clarify/Relief from Amended Judgment and Order. The Court orally granted the Special Master's motion and denied the Defendants' motions. Written orders to follow.

***Colorado Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:20-CV-185-D, Eastern District of North Carolina ("Credit Agreement lawsuit").***

This case was filed on April 1, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a Revolving Credit Agreement, entered into by the parties on June 27, 2019. The Complaint seeks repayment of an approximately \$40MM credit facility extended to Defendant where a defined event of default occurred, namely the restructuring plan set forth in the MOU was not effective as of March 31, 2020. On May 4, 2020, the Defendant removed the action to the Eastern District of North Carolina. The Defendant filed an Answer to the Complaint on June 1, 2020, generally denying liability and asserting affirmative defenses.

On July 15, 2020, the Parties entered a Joint Rule 26(f) Planning Meeting Report agreeing to a scheduling order with discovery set to conclude by January 31, 2021, dispositive motions to be filed by February 26, 2021, and for a trial to be scheduled thereafter at the Court's discretion.

On July 23, 2020, CBL filed an Amended Complaint to add as an event of default the Defendant's failure to pay the outstanding loan on the June 30, 2020 maturity date. The Defendant filed an

Answer to the Amended Complaint on August 6, 2020, generally denying liability and asserting affirmative defenses.

On October 19, 2020, the Court entered a Scheduling Order setting February 5, 2021 as the deadline to complete discovery, and March 5, 2021 as the deadline to file dispositive motions, among other discovery deadlines. On November 19, 2020, the Court entered the parties' Protective Order governing the handling of confidential information.

On December 30, 2020, the parties filed a Motion for Entry of Consent Order related to the production of certain discovery documents. This motion remains pending with the Court.

On January 19, 2021, the parties sought an extension of the deadline to complete discovery from February 5, 2021, to February 28, 2021. This motion was granted on January 26, 2021. On February 8, 2021, AFA filed a Motion for Protective Order and Extension of Deadlines in Scheduling Order seeking additional time to take AFA's deposition pursuant to Rule 30(b)(6). On March 9, 2021, after hearing, the Court denied AFA's motion for protective order and granted its extension of time to complete AFA's Rule 30(b)(6) deposition to and including April 9, 2021. The order also extended the deadline to file dispositive motions to May 10, 2021.

On May 10, 2021, CBL filed its Motion for Summary Judgment on both claims asserted in its Amended Verified Complaint. On June 22, 2021, Defendant filed its opposition to CBL's motion, and on July 6, 2021, CBL filed its reply to Defendant's response. On December 22, 2021, the Court granted CBL's motion for summary judgment finding that AFA had breached the Revolving Credit Agreement and awarding damages. On January 4, 2022, CBL submitted its statement of damages. On January 4, 2022, the Court entered judgment against AFA in the amount of \$39,905,524.37 in damages, plus \$4,937,840.98 in pre-judgment interest accrued as of January 4, 2022 (after applying credits against accrued interest), plus attorneys' fees in the amount of \$6,007,148.04, plus post-judgment interest under 28 U.S.C. § 1961 until the judgment is paid in full.

Defendants have filed a notice of appeal with the United States Court of Appeals for the Fourth Circuit. AFA's opening brief was filed on April 13, 2022. CBL filed a response brief on May 13, 2022 and AFA filed its reply on June 10, 2022. The appeal briefing is closed.

On December 7, 2022, the Parties presented oral argument to a panel of judges of United States Court of Appeals for the Fourth Circuit. On February 15, 2023, the Fourth Circuit Court of Appeals issued a published opinion unanimously affirming the trial court's order and judgment against AFA in CBL's favor.

***Colorado Bankers Life Insurance Company v. AR Purchasing Solutions 2, LLC, Case No. 5:20-CV-366-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan and is the only lender of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under

the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021 filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition. The Defendant responded and opposed the amendment on February 14, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Southland National Insurance Corporation v. AR Purchasing Solutions, LLC, Case No. 5:20-CV-367-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. Southland National Insurance Company ("SNIC") filed this action in its capacity as agent of the loan but is not a lender on this loan. CBL is the only lender on this loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, SNIC filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit, discussed below, were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 10, 2020 and filed counterclaims against SNIC for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, SNIC moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to SNIC's partial motion to dismiss on December 2, 2020.

On December 8, 2020, SNIC filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, SNIC filed its reply to Defendant's response.

On July 20, 2021, the Court denied SNIC's motion to dismiss Defendant's second and third counterclaims, as well as SNIC's motion to consolidate. SNIC filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, SNIC filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 14, 2023. SNIC filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 15, 2023, the Defendant dismissed its counterclaims against SNIC.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims and Defendants' affirmative defenses.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial

Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Forest Park Asset Management, LLC, iTech Funding, LLC, FPAM Holdings, I, LLC, Case No. 5:20-CV-368-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant Forest Part Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and SNIC are lenders on this loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant Borrower removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On August 7, 2020, an Amended Complaint was filed to add causes of action against iTech Funding, LLC and FPAM Holdings I, LLC seeking an order allowing foreclosure of the pledged property.

The Defendants answered the Amended Complaint on August 21, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Hampton Asset Management, LLC, Case No. 5:20-CV-369-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and Bankers Life Insurance Company ("BLIC") are lenders on this loan. The Defendant defaulted on its payment obligations



by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Jackson Asset Management, LLC, Case No. 5:20-CV-370-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and BLIC are lenders on this loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Kite Asset Management, LLC, Case No. 5:20-CV-371-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is also the only lender of this loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Marshall Asset Management, LLC, Case No. 5:20-CV-372-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is also the only lender of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments

when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Paradise Asset Management, LLC, Case No. 5:20-CV-373-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is also the only lender of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.



On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Rockdale Asset Management, LLC, Case No. 5:20-CV-374-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is the also the only lender of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 13, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 26, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Iron City Asset Management, LLC, iTech Funding, LLC, ICAM Holdings, I, LLC, Case No. 5:20-CV-375-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant Iron City Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders on the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan,

default interest, and attorneys' fees. On July 13, 2020, the Defendant Borrower removed the action to the Eastern District of North Carolina.

On July 16, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On July 22, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On August 7, 2020, an Amended Complaint was filed to add causes of action against iTech Funding, LLC and ICAM Holdings I, LLC seeking an order allowing foreclosure of the pledged property.

The Defendants answered the Amended Complaint on August 21, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 5, 2023, Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Baldwin Asset Management, LLC, iTech Funding, LLC, and EAM Holdings, LLC, Case No. 5:20-CV-398-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Baldwin Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders on the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and BAM Holdings, LLC. On July 23, 2020, the Defendants removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on August 20, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the

second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Damascus Asset Management, LLC, iTech Funding, LLC, and EAM Holdings, LLC, Case No. 5:20-CV-399-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Damascus Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and DAM Holdings, LLC. On July 23, 2020, the Defendants removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on August 20, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Ephesus Asset Management, LLC, iTech Funding, LLC, and EAM Holdings, LLC, Case No. 5:20-CV-400-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Ephesus Asset Management, LLC (“Defendant Borrower”) on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys’ fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and EAM Holdings, LLC. On July 23, 2020, the Defendants removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on August 20, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL’s partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants’ response.

On July 20, 2021, the Court denied CBL’s motion to dismiss Defendant Borrower’s second and third counterclaims, as well as CBL’s motion to consolidate. CBL filed its answer to Defendant Borrower’s counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties’ agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg’s deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.



On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Intralan Investments Limited, Case No. 5:20-CV-401-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is also a lender of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 23, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 20, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. iTech Funding, LLC, Case No. 5:20-CV-402-D, Eastern District of North Carolina.***

This case was filed on June 15, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 23, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 20, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Lilly Asset Management, LLC, 5:20-CV-405-D, Eastern District of North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is the only lender of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. On July 24, 2020, the Defendant removed the action to the Eastern District of North Carolina.

On July 30, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 3, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on August 21, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to

Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Capital Assets Fund IV, LLC, Case No. 20 CVS 6474, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant later that day. Also, on July 16, 2020 and after CBL's entry of default was entered, Defendant filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant filed a Motion to Set Aside the Entry of Default. On August 17, 2020, Plaintiffs filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant's Motion to Set Aside the Entry of Default and denied as moot Plaintiffs' Motion for Default Judgment.

The Defendant answered the Complaint on December 14, 2020 and filed counterclaims against Plaintiffs for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 13, 2021, Plaintiffs replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant's motion to dismiss the Complaint and Plaintiffs' partial motion to dismiss Defendant's counterclaims remain pending.

On February 10, 2023, Plaintiffs moved for summary judgment in their favor.

On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiffs' motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Capital Assets Fund V, LLC, Case No. 20 CVS 6475, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant later that day. Also, on July 16, 2020, but before CBL's entry of default was entered, Defendant filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant filed a Motion to Set Aside the Entry of Default. On August 17, 2020, Plaintiffs filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant's Motion to Set Aside the Entry of Default and denied as moot Plaintiffs' Motion for Default Judgment.

The Defendant answered the Complaint on December 14, 2020 and filed counterclaims against Plaintiffs for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 13, 2021, Plaintiffs replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant's motion to dismiss the Complaint and Plaintiffs' partial motion to dismiss Defendant's counterclaims remain pending.

On February 10, 2023, Plaintiffs moved for summary judgment in their favor. On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiffs' motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company v. Capital Assets Management III, LLC, Case No. 20 CVS 6476, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is the only lender of the loan.



The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant later that day. Also, on July 16, 2020 but before CBL's entry of default was entered, Defendant filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant filed a Motion to Set Aside the Entry of Default. On August 17, 2020, CBL filed a Motion for Default Judgment

On November 13, 2020, the Court granted Defendant's Motion to Set Aside the Entry of Default and denied as moot CBL's Motion for Default Judgment.

The Defendant answered the Complaint on December 14, 2020, and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 13, 2021, CBL replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant's motion to dismiss the Complaint and CBL's Partial Motion to Dismiss Defendant's Counterclaims remain pending.

On February 10, 2023, CBL moved for summary judgment in its favor. On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiff's motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company v. ComplySmart, LLC, ComplySmart Holdings, LLC, Case No. 20 CVS 6477, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant ComplySmart, LLC (“Defendant Borrower”) on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is the only lender of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys’ fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant Borrower later that day. Also, on July 16, 2020 and after CBL’s entry of default was entered, Defendant Borrower filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant Borrower filed a Motion to Set Aside the Entry of Default. On August 17, 2020, CBL filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant Borrower’s Motion to Set Aside the Entry of Default and denied as moot CBL’s Motion for Default Judgment.

On December 3, 2020, an Amended Complaint was filed to add causes of action against ComplySmart Holdings, LLC seeking an order allowing foreclosure of the pledged property.

The Defendants answered the Amended Complaint on January 4, 2021 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 27, 2021, CBL replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant Borrower’s motion to dismiss the Complaint and CBL’s Partial Motion to Dismiss Defendant Borrower’s Counterclaims remain pending.

On February 10, 2023, CBL moved for summary judgment in its favor.

On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiff’s motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company v. HPCSP Investments, LLC, HPCSP Holdings, LLC, Case No. 20 CVS 6480, Wake County, North Carolina.***

This case was filed on June 5, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and Defendant HPCSP Investments, LLC (“Defendant Borrower”) on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys’ fees.

On July 16, 2020, CBL filed a Motion for Entry of Default and default was entered against the Defendant Borrower later that day. Also, on July 16, 2020 and after CBL’s entry of default was entered, Defendant Borrower filed a Motion to Dismiss the Complaint for alleged lack of personal jurisdiction, insufficiency of process, insufficiency of service of process, and failure to state a claim. On July 22, 2020, Defendant Borrower filed a Motion to Set Aside the Entry of Default. On August 17, 2020, CBL filed a Motion for Default Judgment.

On November 13, 2020, the Court granted Defendant Borrower’s Motion to Set Aside the Entry of Default and denied as moot CBL’s Motion for Default Judgment.

On December 3, 2020, an Amended Complaint was filed to add causes of action against HPCSP Holdings, LLC, seeking an order allowing foreclosure of the pledged property.

The Defendants answered the Amended Complaint on January 4, 2021 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On January 27, 2021, CBL replied to the counterclaims and moved to dismiss the second and third counterclaims.

Defendant Borrower’s motion to dismiss the Complaint and CBL’s Partial Motion to Dismiss Defendant Borrower’s Counterclaims remain pending.

On February 10, 2023, CBL moved for summary judgment in its favor.

On October 5, 2023, the Court heard argument on the motion for summary judgment and took the matter under advisement.

On January 17, 2024, the Wake County Court issued orders denying the Plaintiff’s motion for summary judgment.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases with the 5 IALA actions, including this one.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company v. Summerville Asset Management, LLC, iTech Funding, LLC, and SAM Holdings, LLC, Case No. 5:20-CV-432-D, Eastern District of North Carolina.***

This case was filed on August 10, 2020, alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Summerville Asset Management, LLC (“Defendant Borrower”) on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys’ fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and SAM Holdings, LLC.

On August 10, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 11, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on September 9, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL’s partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants’ response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by

May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Capital Assets Fund I, LLC, Case No. 5:20-CV-450-D, Eastern District of North Carolina.***

This case was filed on July 17, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On August 20, 2020, the Defendant removed the action to the Eastern District of North Carolina. On August 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 27, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on September 17, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Chatsworth Asset Management, LLC, iTech Funding, LLC, and CAM Holdings, LLC, Case No. 5:20-CV-451-D, Eastern District of North Carolina.***

This case was filed on July 17, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Chatsworth Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is also a lender of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and CAM Holdings, LLC.

On August 21, 2020, the Defendants removed the action to the Eastern District of North Carolina. On August 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA

lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 27, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on September 17, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed their response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants' response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant Borrower's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant Borrower's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.



On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On March 15, 2024, Plaintiff filed a supplemental declaration to correct the record in support of its motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. TAC Investments, LLC, Case No. 5:20-CV-453-D, Eastern District of North Carolina.***

This case was filed on July 17, 2020, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by the parties on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, and SNIC are lenders of the loan. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On August 20, 2020, the Defendant removed the action to the Eastern District of North Carolina. On August 24, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On August 27, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendant answered the Complaint on September 17, 2020 and filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On October 12, 2020, CBL moved to dismiss the second and third counterclaims. Defendant filed its response in opposition to CBL's partial motion to dismiss on December 2, 2020.

On December 8, 2020, CBL filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendant's response.

On July 20, 2021, the Court denied CBL's motion to dismiss Defendant's second and third counterclaims, as well as CBL's motion to consolidate. CBL filed its answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by

May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:20-CV-474-D, Eastern District of North Carolina.***

This case was filed on September 3, 2020, alleging a breach of promissory notes, as modified by the IALA, entered into on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the promissory notes. The Defendant defaulted on its payment obligations by failing to make interest payments when required under the promissory notes, as modified. The Complaint seeks repayment of all amounts owed to Plaintiffs under the notes, default interest, and attorneys' fees.

On September 3, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On September 4, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On September 30, 2020, the Defendant answered the Complaint and filed a counterclaim against Plaintiffs seeking reformation of the IALA. On October 22, 2020, Plaintiffs were granted an extension of time through November 20, 2020 to respond to Defendant's counterclaim. On November 20, 2020, Plaintiffs moved to dismiss the counterclaim. On December 11, 2020, Defendant filed its response in opposition to Plaintiffs' motion to dismiss. On December 23, 2020, Plaintiffs filed their reply in support of their motion to dismiss.

On December 8, 2020, Plaintiffs filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendant filed its response in opposition to the motion to consolidate. On January 12, 2021, Plaintiffs filed their reply to Defendant's response.

On July 20, 2021, the Court denied Plaintiffs' motion to dismiss Defendant's second and third counterclaims, as well as Plaintiffs' motion to consolidate. Plaintiffs filed their answer to the Defendant's counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, Plaintiffs filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. Plaintiffs filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 15, 2023, the Defendant dismissed its counterclaims against SNIC.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiffs and Defendant filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiffs and Defendant filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company and Bankers Life Insurance Company v. Academy Financial Assets, LLC and New England Capital, LLC, Case No. 5:20-CV-517-D, Eastern District of North Carolina.***

This case was filed on October 2, 2020, alleging a breach of a loan agreement, as modified by the IALA entered into by Defendant Academy Financial Assets, LLC ("Defendant Borrower") on June 27, 2019. CBL and BLIC filed this action in their capacities as lenders of the loans. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements, as modified. The Complaint seeks repayment of all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees. The Complaint also alleges that Defendant New England Capital, LLC, the agent of the loan, breached the loan agreements by failing to enforce the loan agreements following Defendant Borrower's breach.

On October 10, 2020, Plaintiffs filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On October 5, 2020, this action was assigned to be heard before the Honorable James C. Dever III. On November 30, 2020, Defendants filed their respective motions to dismiss for failure to state a claim. On December 21, 2020, Plaintiffs filed a response in opposition to Defendants' motions. Defendants filed replies in support of their respective motions to dismiss on January 4, 2021.

On December 8, 2020, Plaintiffs filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed responses in opposition to the motion to consolidate. On January 12, 2021, Plaintiffs filed their reply to Defendants' responses.

On July 20, 2021, the Court denied Defendants' motions to dismiss, as well as Plaintiffs' motion to consolidate. Defendants filed answers to Plaintiffs' Complaint on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, Plaintiffs filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. Plaintiffs filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiffs and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiffs and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Bankers Life Insurance Company v. Augusta Asset Management, LLC, New England Capital, LLC, AAM Holdings I, LLC, and iTech Funding, LLC, Case No. 5:20-CV-518-D, Eastern District of North Carolina.***

This case was filed on October 2, 2020, alleging a breach of a loan agreement, as modified by the IALA entered into by Defendant Augusta Asset Management, LLC ("Defendant Borrower") on June 27, 2019. CBL, SNIC, and BLIC filed this action in their capacities as lenders of the loans. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements, as modified. The Complaint seeks all amounts owed to Plaintiffs under the loan, default interest, and attorneys' fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and AAM Holdings, LLC. Finally, the Complaint alleges that Defendant New England Capital, LLC, the agent of the loan, breached the loan agreements by failing to enforce the loan agreements following Defendant Borrower's breach.

On October 10, 2020, Plaintiffs filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On October 2, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

On November 30, 2020, Defendants filed their respective motions to dismiss for failure to state a claim. On December 21, 2020, Plaintiffs filed a response in opposition to Defendants' motions. Defendants filed replies in support of their respective motions to dismiss on January 4, 2021.

On December 8, 2020, Plaintiffs filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed responses in opposition to the motion to consolidate. On January 12, 2021, Plaintiffs filed their reply to Defendants' responses.

On July 20, 2021, the Court denied Defendants' motions to dismiss, as well as Plaintiffs' motion to consolidate. Defendants filed answers to Plaintiffs' Complaint on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties' agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg's deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.

On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 14, 2022, Plaintiffs filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendants responded and opposed the amendment on February 15, 2023. Plaintiffs filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 15, 2023, the Defendant dismissed its counterclaims against SNIC.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiffs and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiffs and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Tybee Island Asset Management, LLC, iTech Funding, LLC, and TIAM Holdings, LLC, Case No. 5:20-CV-520-D, Eastern District of North Carolina.***

This case was filed on October 2, 2020, alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Tybee Island Asset Management, LLC (“Defendant Borrower”) on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is a lender of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys’ fees. The Complaint also seeks an order allowing foreclosure of the pledged property of Defendants iTech Funding, LLC and TIAM Holdings, LLC.

On October 2, 2020, CBL filed a Notice of Related Cases informing the Court that the IALA lawsuits and the Credit Agreement lawsuit were related, and involved many of the same parties, transactions, and events. On October 7, 2020, this action was assigned to be heard before the Honorable James C. Dever III.

The Defendants answered the Complaint on October 30, 2020 and Defendant Borrower filed counterclaims against CBL for alleged breach of contract, breach of the covenant of good faith and fair dealing, and breach of fiduciary duty. On November 19, 2020, CBL moved to dismiss the second and third counterclaims. Defendant Borrower filed its response in opposition to CBL’s partial motion to dismiss on December 10, 2020.

On December 8, 2020, Plaintiff filed a motion to consolidate the 26 federal IALA cases to promote efficiency and judicial economy. On December 29, 2020, Defendants filed a response in opposition to the motion to consolidate. On January 12, 2021, CBL filed its reply to Defendants’ response.

On July 20, 2021, the Court denied CBL’s motion to dismiss Defendant Borrower’s second and third counterclaims, as well as CBL’s motion to consolidate. CBL filed its answer to the Defendant Borrower’s counterclaims on August 3, 2021.

On September 3, 2021, the parties held their Rule 26(f) discovery planning meeting, and on September 17, 2021, filed a Rule 26(f) report with the Court which included a proposed discovery plan and other proposed case deadlines. On October 1, 2021, the Court entered a scheduling order setting various case deadlines with all discovery to be completed by September 22, 2022, and dispositive motions to be filed September 30, 2022.

On October 22, 2021, the Court appointed the parties’ agreed upon mediator. On February 7, 2022 and April 5, 2022, the Court entered protective orders governing the discovery in the matter.

On August 31, 2022, the parties filed a Joint Motion for Extension of Time to take the deposition of Greg Lindberg and to file dispositive motions. The Court granted the motion on September 8, 2022 extending the time to take Greg Lindberg’s deposition to September 23, 2022 and to file dispositive motions to October 31, 2022.



On October 18, 2022, the Parties filed a Consent Motion to Stay Dispositive Deadlines, which the Court granted on October 19, 2022. On December 15, 2022, CBL filed a Motion for Leave to Amend the Complaint to add an additional breach of the underlying loan agreement that was discovered during Mr. Lindberg's deposition.

The Defendant responded and opposed the amendment on February 15, 2023. CBL filed a reply on March 8, 2023.

On April 24, 2023, the Court denied the Motion to Amend the complaint as unnecessary because the additional breaches could be used in the previously-pled complaint as further proof of the borrowers' breach.

On May 3, 2023, the Court consolidated the 24 original IALA matters filed in 2020 that are pending in federal court.

On November 17, 2023, Plaintiffs and Defendants in the federal court IALA matters filed cross-motions for summary judgment seeking judicial determination of the Plaintiffs' claims, Defendants' affirmative defenses, and Defendants' counterclaims.

On December 18, 2023, the Plaintiff and Defendants filed responses to the other party's motion for summary judgment.

On January 2, 2024, the Plaintiff and Defendants filed replies in support of their respective motion for summary judgment.

On August 19, 2024, the Court entered a written order granting Plaintiffs' Motion for Summary Judgment concerning Defendants' liability for breach of contract and Defendants' counterclaims, denying Plaintiff's request to foreclose on collateral, denying Defendants' Motion for Partial Summary Judgment, and dismissing without prejudice Defendants' counterclaims. The Federal Court found the borrowers were in breach of the IALA for failing to pay the amounts owed by May 1, 2020. The parties were ordered to meet and confer about a procedure for briefing and presenting the damages phase of the case and report back to the court.

***Colorado Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:23-CV-181, Eastern District of North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Academy Financial Assets, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL is a lender of the loan, along with other entities. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements and breached the representations and warranties set forth in the loan agreement. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower removed this action to the Eastern District of North Carolina. On April 14, 2023, the Defendant Borrower moved to dismiss the complaint. On May 5, 2023, CBL filed its opposition to the Motion to Dismiss.

On June 14, 2023, the Court denied the Defendant Borrower's Motion to Dismiss. On June 28, 2023, the Defendant Borrower filed its answer and counterclaims. On July 19, 2023, CBL filed its answer to the counterclaims.

On June 17, 2024, the Federal Court entered orders staying four IALA federal matters, including this one, until the Court's resolution of the pending motion for summary judgment in the other consolidated federal IALA cases. The summary judgment decision will significantly impact the discovery and dispositive motions in the later filed IALA cases.

***Colorado Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:23-CV-182, Eastern District of North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Academy Financial Assets, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. CBL, BLIC, SNIC, and other entities are lenders of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements and breached the representations and warranties set forth in the loan agreement. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower removed this action to the Eastern District of North Carolina. On April 14, 2023, the Defendant Borrower moved to dismiss the complaint. On May 5, 2023, CBL filed its opposition to the Motion to Dismiss.

On June 14, 2023, the Court denied the Defendant Borrower's Motion to Dismiss. On June 28, 2023, the Defendant Borrower filed its answer and counterclaims. On July 19, 2023, CBL filed its answer to the counterclaims.

On June 17, 2024, the Federal Court entered orders staying four IALA federal matters, including this one, until the Court's resolution of the pending motion for summary judgment in the other consolidated federal IALA cases. The summary judgment decision will significantly impact the discovery and dispositive motions in the later filed IALA cases.

***Colorado Bankers Life Insurance Company v. Fiasco Fine Wine, LLC, Case No. 23 CVS 1432, Wake County, North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Fiasco Fine Wine, LLC ("Defendant Borrower") on June 27, 2019. CBL filed this action in its capacity as agent of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements and breached the representations and warranties set forth in the loan agreement. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower moved to dismiss the complaint.

On January 31, 2024, the Plaintiff insurance companies filed motions to consolidate the two Vista-related cases, including his one, with the 5 IALA actions.

On February 21, 2024, the Wake County Court issued an order granting the motion to consolidate.

On June 3, 2024, the Wake Court informed the parties that the 7 consolidated matters pending in Wake County would be set for trial in July 2024 would permit the parties to move to continue that trial date to a time later in the year.

On June 23, 2024, the Wake County Court entered an order continuing the trial date of the 7 consolidated matters pending in Wake County, including this one, to December 16, 2024.

On September 11, 2024, the Insurance Companies filed a motion for continuance to continue the mediation and trial dates of the 7 consolidated matters pending in Wake County to March 14, 2025 and April 21, 2025, respectively.

***Colorado Bankers Life Insurance Company v. Standard Malta Holdings Limited, Case No. 5:23-CV-184, Eastern District of North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Standard Malta Holdings Limited (“Defendant Borrower”) on June 27, 2019. CBL filed this action in its capacity as agent of the loan. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments when required under the loan agreements and breached the representations and warranties set forth in the loan agreement. The Complaint seeks repayment of all amounts owed under the loan, default interest, and attorneys’ fees.

On April 7, 2023, the Defendant Borrower removed this action to the Eastern District of North Carolina. On April 14, 2023, the Defendant Borrower moved to dismiss the complaint. On May 5, 2023, CBL filed its opposition to the Motion to Dismiss.

On June 14, 2023, the Court denied the Defendant Borrower’s Motion to Dismiss. On June 28, 2023, the Defendant Borrower filed its answer and counterclaim. On July 19, 2023, CBL filed its answer to the counterclaim.

On June 17, 2024, the Federal Court entered orders staying four IALA federal matters, including this one, until the Court’s resolution of the pending motion for summary judgment in the other consolidated federal IALA cases. The summary judgment decision will significantly impact the discovery and dispositive motions in the later filed IALA cases.

***Southland National Insurance Corporation v. Standard Financial Limited, Case No. 5:23-CV-183, Eastern District of North Carolina.***

This case was filed on January 31, 2023, in the Superior Court of Wake County, North Carolina alleging a breach of a loan agreement, as modified by the IALA, entered into by CBL and the Defendant Standard Financial Limited (“Defendant Borrower”) on June 27, 2019. SNIC filed this action in its capacity as agent of the loans. CBL and other entities are lenders of the loans. The Defendant Borrower defaulted on its payment obligations by failing to make interest payments

when required under the loan agreements and breached the representations and warranties set forth in the loan agreements. The Complaint seeks repayment of all amounts owed under the loans, default interest, and attorneys' fees.

On April 7, 2023, the Defendant Borrower removed this action to the Eastern District of North Carolina. On April 14, 2023, the Defendant Borrower moved to dismiss the complaint. On May 5, 2023, SNIC filed its opposition to the Motion to Dismiss.

On June 14, 2023, the Court denied the Defendant Borrower's Motion to Dismiss. On June 28, 2023, the Defendant Borrower filed its answer.

On June 17, 2024, the Federal Court entered orders staying four IALA federal matters, including this one, until the Court's resolution of the pending motion for summary judgment in the other consolidated federal IALA cases. The summary judgment decision will significantly impact the discovery and dispositive motions in the later filed IALA cases.

***Colorado Bankers Life Insurance Company v. Nederlandsche Algemeene Maatschappij Van Levensverzekering Conservatrix N.V., et al.,* Case No. 19 CVS 17191, Wake County, North Carolina**

On December 22, 2019, the Rehabilitator advised Nederlandsche Algemeene Maatschappij Van Levensverzekering Conservatrix N.V. ("Conservatrix") that he was disavowing a 2017 reinsurance agreement and related trust agreement between Conservatrix and CBL. Later that same day, Conservatrix presented its arbitration demand to the Rehabilitator, and the following day - on December 23, 2019 - the Rehabilitator applied for and obtained a Temporary Restraining Order ("Conservatrix TRO") from the Wake County Superior Court ("Court"), restraining Conservatrix and the trustee for the trust account - Fifth Third Bank - from removing, disturbing, or otherwise interfering with any of the assets in the trust account and restraining Conservatrix from proceeding or acting upon its arbitration demand. The return date for the Conservatrix TRO, and the hearing date were extended by agreement of the parties several times – first until March 2, 2020, and again until April 6, 2020. In mid-March, because of the COVID-19 pandemic, the Chief Justice entered an order requiring all court proceedings to be rescheduled. The hearing was initially moved to May 4, 2020. In mid-April, the Chief Justice entered another order requiring that all court proceedings be rescheduled until after June 1, 2020. During this time, the Rehabilitator and Conservatrix continued to discuss a satisfactory resolution that encompassed the Rehabilitator's disavowal of the reinsurance agreement and related trust agreement, and terminated the arbitration proceeding and the Conservatrix TRO. On July 5, 2020, the Rehabilitator and Conservatrix entered into an agreement that resolved the issues related to the reinsurance agreement and the related trust agreement. Pursuant to the agreement, the Rehabilitator dismissed the Conservatrix TRO proceeding with prejudice and Conservatrix dismissed the arbitration proceeding.

***Colorado Bankers Life Insurance Company and Southland National Reinsurance Corporation v. GBIG Holdings, LLC, Case No. 5:22-CV-212-D, Eastern District of North Carolina.***

This case was filed on May 26, 2022, alleging breach of the Tax Sharing Agreement, conversion, embezzlement, and unfair and deceptive trade practices. The lawsuit seeks the repayment of over \$5 million owed to Plaintiffs stemming from a 2019 consolidated federal tax return filed by GBIG Holdings, LLC.

On July 21, 2022, GBIG Holdings, LLC filed a partial motion to dismiss the conversion, embezzlement, and unfair and deceptive trade practices claims.

On September 13, 2022, Plaintiffs responded in opposition to the partial motion to dismiss. On September 27, 2022, GBIG Holdings, LLC filed its reply.

On January 23, 2023, the Court granted in part GBIG Holdings, LLC's Motion to Dismiss and dismissed Plaintiffs' claims for conversion, embezzlement, and unfair and deceptive trade practices. Plaintiffs' claim for breach of the Tax Sharing Agreement will proceed.

On July 18, 2024, Plaintiffs filed a consent motion to extend the discovery deadlines through February 2025.

July 19, 2024, the Court granted Plaintiffs' consent motion to extend the discovery deadlines.

The matter is in the discovery process.

***Southland National Insurance Corporation, et al v. Lindberg, et al, Case No. 5:23-CV-340-D, Eastern District of North Carolina.***

This case was filed on June 23, 2023 by SNIC, BLIC, CBL, the Special Deputy Liquidators of SNIC, and the Special Deputy Rehabilitators of BLIC and CBL on behalf of both the policyholders and creditors of each of the insolvent companies. In this action, the plaintiffs brought claims of federal and state RICO violations, conspiracy, constructive fraud, breach of fiduciary duty, and unfair and deceptive trade practices seeking the repayment of more than \$1 billion of policyholder funds improperly taken by Lindberg, his associates, and affiliates while they were in control of the insurance companies. The defendants include Lindberg, Chris Herwig, Devin Solow, GGHI, and dozens of the affiliated entities.

The defendants which have been served sought an extension of time to respond to the Complaint to and including September 5, 2023.

On September 5, 2023, the Lindberg-related defendants filed a partial motion to dismiss seeking to dismiss Counts 1-5, 8, and 9 of the complaint.

On September 6, EMAM received an extension of time to respond to the complaint through October 5, 2023.

On September 12, 2023, the Insurance Companies and Devin Solow filed a joint motion for entry of judgment as to the claims against Mr. Solow. The Court entered the consent judgment on September 14, 2023.

On September 13, 2023, counsel for Defendant Herwig moved to withdraw from representation of Mr. Herwig. New counsel filed a notice of appearance on behalf of Mr. Herwig and sought a 30-day extension of time to respond to the Complaint. On September 14, 2023, the Court granted the motion to withdraw as counsel. The Court granted Mr. Herwig's motion for extension of time to respond to the complaint through October 15, 2023.

On September 25, 2023, the Insurance Companies filed an amended complaint against the same defendants.

On October 10, 2023, the Lindberg-defendants filed a Partial Motion to Dismiss. The Insurance Companies must respond by November 30, 2023.

Also on October 10, 2023, Herwig filed a motion to extend the time for him to respond to the Complaint. The Court granted that motion.

On November 7, 2023, EMAM received a second extension of time to respond to the Amended Complaint through December 6, 2023.

On November 14, 2023, the Insurance Companies and Chris Herwig filed a joint motion for entry of judgment as to the claims against Mr. Herwig. The Court entered the consent judgment on November 20, 2023.

On April 26, 2024, Plaintiffs filed a motion to extend the time to serve Defendant Standard Advisory Services Limited ("SASL") through the SEC in the United States. Plaintiffs continue to try to serve SASL in its country of incorporation, Malta.

On May 1, 2024, the Court granted an order granting Plaintiffs' motion to extend the time to serve SASL through the SEC for 60 days.

On June 3, 2024, Plaintiffs filed a Motion to Dismiss Defendant EMAM without prejudice. On June 6, 2024, the Court granted Plaintiffs' motion and dismissed EMAM without prejudice.

On June 11, 2024, Defendant SASL filed a notice it joined in the other Lindberg-related Defendants' motion to dismiss and a purported "Motion to Dismiss" for lack of personal jurisdiction and insufficient service of process.

On June 13, 2024, Defendant Standard Financial Limited ("SFL") filed a notice it joined in the other Lindberg-related Defendants' motion to dismiss and a purported "Motion to Dismiss" for lack of personal jurisdiction and insufficient service of process.

On July 1, 2024, the Court entered an order granting Plaintiffs' motion to extend the time to respond to both SASL and SFL's purported motions to dismiss to July 23.

On July 23, 2024, Plaintiffs filed their response in opposition to Defendants SASL and SFL's motions to dismiss. The motions remain pending.

On August 13, 2024, the Court entered an order granting in part and denying in part the Lindberg-related Defendants' motion to dismiss. Specifically, the court dismissed some of the Lindberg-company defendants from 5 counts. However, all counts will proceed as alleged against Lindberg, Herwig, and SASL. The court also denied SASL and SFL's motions to dismiss based on lack of personal jurisdiction and service of process.

On August 22, 2024, the Defendants received an extension of time to respond to the Amended Complaint.

On September 20, 2024, Global Growth's new in-house counsel appeared on behalf of many of the entity defendants.

On September 20, 2024, Condon Tobin and Fox Rothschild moved to withdraw as counsel for many of the entity defendants, but remain as counsel for Lindberg, SASL, and others. That motion was granted on September 23, 2024.

On September 23, 2024, the Defendants were granted an additional extension of time to respond to the Amended Complaint through October 16, 2024.

**OTHER MATTERS**

- Pursuant to the Moratorium Order, the Rehabilitator imposed a moratorium on cash surrenders, annuitizations, and policy loans against the Company's policies.
- In accordance with the Moratorium Order, the Rehabilitator adopted and implemented a policy to provide substitute benefits in lieu of the contractual obligations of the Company for annuity benefits and cash withdrawals for policyholders who petition for payment under claims of legitimate hardship. As of September 30, 2024, 2,355 hardship cases have been received. 1,552 were approved, 542 were denied due to insufficient information, 239 were denied due to not meeting the hardship qualifications and 22 are in process.

**CONTINUATION OF BUSINESS**

The Company reduced writing the majority of new business in October 2018 and ceased all new business as of the date of the Order.

## **POLICYHOLDER DISTRIBUTION PROGRAMS**

### First Partial Withdrawal Program

On September 9, 2020, the Court modified the Moratorium to allow a partial withdrawal program that allowed annuity contract owners to withdraw 10% of the account value up to a maximum of \$15,000 per contract owner. In addition, annuity owners with an account value of less than \$1,000 were approved to receive the account value unless the contract owner opted out and elected to retain their annuity with the Company. Annuity contract owners received a letter explaining that they were eligible for a one-time option for a limited withdrawal of funds.

That program ended on April 30, 2021. During this program, CBL issued 40,697 checks totaling \$32.5MM.

### Interest-Only Program

The Rehabilitator of CBL petitioned the Rehabilitation Court for approval to pay contractual interest-only payments on annuities as of November 1, 2022, and going forward, as an exception to the moratorium until the Order of Liquidation becomes effective. The Court granted the petition on February 6, 2023. Policyholders had the option to activate interest-only payments if allowed under their contracts. There were no payments of retroactive interest accumulated prior to November 1, 2022.

### 2023 Partial Withdrawal Program

The Rehabilitator filed on April 28, 2023, a motion in the Rehabilitation Court to modify the Court-ordered Moratorium to allow the Rehabilitator to make a one-time partial distribution in the amount of 25%, less any applicable tax withholding, fees and surrender charges, to annuity holders of CBL. The Court entered an order approving this on July 18, 2023. All letters to policyholders about the program were mailed. The opportunity for policyholders to make elections for this program ended on June 30, 2024. The program has concluded.

### Small Annuity Cash Out Program

The Rehabilitator filed on May 3, 2023, a motion in the Rehabilitation Court to modify the Court-ordered Moratorium to allow the Rehabilitator to cash out certain CBL small annuities, at a value of \$1334.00 and under that amount. The Court entered an order approving this on July 18, 2023. All eligible distributions related to the small annuity cash outs were processed.

## **REVIEW PANEL**

At a hearing on February 9, 2023, the Court disbanded the TRO Panel. Any future transactions will be heard by the Court. The Court entered an order reflecting the same on March 14, 2023.

## **THIRD PARTY ADMINISTRATOR**

On June 30, 2021, CBL obtained the Court's permission to transfer the servicing of its business to a new third party administrator ("TPA") at a reduced cost from the CSA. Actuarial Management Resources ("AMR") began servicing CBL's business on October 1, 2021. Policyholders and



agents were notified in writing of the transition. During the quarter, CBL paid AMR \$743,102 for these services.

### **DISBURSEMENTS**

During the period, the following expenses related to the rehabilitation and litigation to recover the affiliated investments were incurred and allocated in a manner consistent with prior accounting practices:

- \$26,453 to Consilio for legal support services
- \$141,944 to Gordian Group for investment advisory services
- \$94,763 to Kroll Restructuring Administration for policyholder services
- \$898,718 to Noble Consulting Services, Inc. for rehabilitation services
- \$59,703 to Norton Rose Fullbright for legal services
- \$2,320 to Johnson & Lambert for tax services
- \$144,067 to J.S. Held, LLC (f/k/a Veris Consulting) for forensic accounting services
- \$62,332 to Squire Patton Boggs for legal services
- \$29,262 to Tharrington Smith for legal services
- \$1,059,135 to Williams Mullen for legal services

### **COMMUNICATION WITH POLICYHOLDERS**

The Special Deputy Receivers (SDRs) have focused on the importance of responsive communications to policyholder inquiries since the beginning of the rehabilitation. The SDRs set up a direct phone number and email account specifically for direct contact with policyholders and agents, when the Court ordered the insurance companies into rehabilitation. The SDRs' receivership team monitors these phone and email contacts on a daily basis. The staff members of the receivership team, and the SDRs, have personally responded to over 5,500 inquiries by policyholders and agents, either in writing or by telephone. The insurance companies' third party administrators (TPAs) also have dedicated customer service phone lines. The TPAs receive an average of 400 calls a day. Since October 1, 2021, the TPAs have received over 360,000 calls. In addition, the SDRs and receivership team respond in writing to every policyholder letter. In communicating with policyholders, the SDRs have worked to provide policyholders detailed information regarding not only about their policies, but also an explanation of how the receivership process works, including a description of the role that the moratorium plays in that process.

### **OTHER RECEIVERSHIP MATTERS**

#### **Litigation**

During rehabilitation, the following cases have been settled.

- *Nathan Safford v. Colorado Bankers Life Insurance Company, Benefits for America, William Maxwell McMullen, et al.*, Case No. CV-17-900014, Circuit Court for Bullock County, State of Alabama.
- *Harry Smith v. Colorado Bankers Life Insurance Company, Benefits for America, William Maxwell McMullen, et al.*, Case No. CV-17-000485, Circuit Court for Montgomery County, State of Alabama.

- *Estate of Douglas S. Long v. Colorado Bankers Life Insurance Co., et al*, Case No. VCU 281258, Tulare County, State of California.
- *Colorado Bankers Life Insurance Company v. AT Denmark Investments, ApS*, Case No. 5:20-CV-409-D, Eastern District of North Carolina.
- *Colorado Bankers Life Insurance Company v. Lares, LLC, Lares Holding, LLC*, Case No. 5:20-CV-403-D, Eastern District of North Carolina.

### **Liquidity**

One of the goals of the rehabilitation is to increase liquidity. As of June 27, 2019, CBL held \$248MM of private loans. The private loans have no readily available market. The Company was able to liquidate \$165MM of the private loans. The Company realized losses of \$17MM.

### **LIQUIDATION PETITION AND ORDER**

On November 1, 2022, the Commissioner as Rehabilitator filed a petition seeking to have the Court place CBL into liquidation (“Liquidation Petition”). On November 15, 2022, GBIG Holdings, LLC (“GBIG Holdings”) filed an objection to the Liquidation Petition and moved to continue the hearing to allow time for discovery related to CBL’s insolvency. On November 16, 2022, the Rehabilitator and CBL jointly opposed GBIG Holdings’ objection and motion to continue the hearing on the basis that GBIG Holding lacked standing to object to the Liquidation Petition and was not entitled to discovery. The Court held an evidentiary hearing on November 21, 2022 to determine if CBL is insolvent. The Court permitted GBIG Holdings, LLC to intervene for the purpose of informing the Court and presenting evidence and argument at the hearing.

On December 30, 2022, the Court entered an order holding that GBIG Holdings lacked standing to object to the Liquidation Petition and was not entitled to discovery. Also on December 30, 2022, the Court entered an Order of Liquidation as to CBL. GBIG Holdings filed a Notice of Appeal of the Order of Liquidation on January 27, 2023.

On March 5, 2024, the North Carolina Court of Appeals issued a unanimous opinion affirming the Liquidation Order’s finding of insolvency and ordering CBL and BLIC into liquidation. The North Carolina Court of Appeals also held that GBIG Holdings did not have standing to object the Liquidation Petition and held that the Court should not have permitted GBIG Holdings to intervene in the proceeding.

On April 9, 2024, GBIG Holdings filed a Petition for Discretionary Review to the North Carolina Supreme Court. CBL, BLIC, and the Commissioner of Insurance responded in opposition to that petition on April 22, 2024, and filed a Motion to Expedite the Supreme Court’s consideration of the petition. On July 11, 2024, GBIG Holdings moved to withdraw its Petition for Discretionary Review of the BLIC/CBL Liquidation Order with the North Carolina Supreme Court. The NC Supreme Court granted the motion to withdraw the Petition for Discretionary Review on August 23, 2024. The Liquidation Order’s effective date is as of November 30, 2024.

Liquidation is a statutory process under state law designed to protect CBL policyholders in a number of critical ways. Liquidation of CBL triggers coverage from state life and health insurance guaranty associations (“Guaranty Associations”) subject to and in accordance with their enabling acts. See N.C. Gen. Stat. § 58-30-110(c) and § 58-62-36(d). Guaranty Associations are created by state statutes in each state where CBL was licensed and typically provide coverage for residents of their states, with the state of domicile (in this case North Carolina) providing coverage for residents of its state and residents from states where CBL was not licensed. N.C. Gen. Stat. § 58-62-21(a). Many Guaranty Associations provide up to \$300,000 in protection for life insurance death benefits and \$100,000 for life insurance policy net cash values, though some Guaranty Associations are authorized to provide more. See N.C. Gen. Stat. § 58-62-21(d). Benefits paid by CBL prior to its being placed in liquidation do not count against the Guaranty Association's statutory coverage limits but will be applied in determining the remaining benefits available under the policy.

Policies in excess of Guaranty Association coverage limits will be covered up to those limits. Those policyholders who are owed obligations in excess of Guaranty Association coverage limits will have a pro-rata claim for the remaining policy obligations up to policy limits, against whatever assets CBL can marshal in liquidation or recover through litigation and MOU implementation, after all expenses of administering the liquidation are paid. Liquidation guarantees that 100% of policy liabilities, and of certain other liabilities, must be paid before any general creditor claims can be paid. Liquidation also stays litigation against CBL, which reduces costs. CBL will still have the rights and powers in liquidation to seek recovery from persons and entities that owe CBL money. Any such recoveries will increase potential payouts to the policyholders with policies in excess of Guaranty Association coverage limits, will help pay back Guaranty Associations for their expenditures on behalf of CBL policyholders, and will save state taxpayer funds.<sup>1</sup>

When Guaranty Associations are triggered upon issuance of a final liquidation order and a finding of insolvency, they provide administration, continue coverage, pay claims, collect premiums, and are entitled to reinsurance, under certain circumstances and subject to their enabling acts. See N.C. Gen. Stat. §§ 58-62-36(d), 58-62-36(l), and 58-62-36(u). This will reduce CBL’s administrative expenses.

The current court-ordered moratorium prohibiting CBL from paying surrenders and loans would not apply to the Guaranty Associations. The Guaranty Associations have not notified the Receiver that they would seek to impose such a moratorium under their enabling act. See N.C. Gen. Stat. § 58-62-36(n).

**INTRODUCTION TO COLORADO BANKERS LIFE INSURANCE COMPANY**  
**FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2024**

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<sup>1</sup> The financial burden of insurance company insolvencies falls ultimately on state general funds in most instances. To the extent the estate assets, deposits, subrogation and assignment rights, premiums and reinsurance are not sufficient to cover the shortfall, the Guaranty Associations assess solvent carriers that write the same lines of business as the insolvent company after being triggered. N.C. Gen. Stat. § 58-62-41. Those carriers receive state premium tax credits equal to the assessments over time in about 90% of states. The Rehabilitator is seeking recoveries through litigation outlined elsewhere in this report and those efforts would continue during liquidation as part of the effort to defray this financial burden on Guaranty Associations, policyholders, and taxpayers.

Introduction and Basis of Presentation: The Company is a North Carolina domiciled life, accident and health insurance company that was placed in rehabilitation by the Wake County Superior Court on June 27, 2019. The Company is under the control of the Commissioner of Insurance of the State of North Carolina, in his capacity as Court appointed Rehabilitator. It is the Rehabilitator's responsibility to take possession of the assets of the Company and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by the Rehabilitator's staff as of September 30, 2024. The financial statements have been prepared in accordance with Statutory Accounting Principles promulgated by the National Association of Insurance Commissioners.

On July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent (10%) of the insurer's admitted assets or fifty percent (50%) of the insurer's policyholders' surplus, provided that after those investments, the insurer's policyholders' surplus will be reasonable in relation to the insurers' outstanding liabilities and adequate to its financial needs. The statutory limitation on affiliated investments was enacted after the companies were placed into rehabilitation. Quarterly reports prior to June 30, 2022 have shown the financial condition of CBL based on the law as of the date of Rehabilitation and the current law regarding limitations on affiliated investments. The financial statements with the June 30, 2022 quarterly report and going forward are based solely on the current state of North Carolina law.

In accordance with Statement on Statutory Accounting Principles No. 26R, the Company is taking an other-than-temporary impairment ("OTTI") on the securities that it is unable to hold to maturity. The Company recorded no OTTI in this quarter.

Beginning in May 2023, accrued interest on affiliated loans is not being recognized as income until the interest is received.

## ASSETS

		1	2	3	4
		Current Statement Date			
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1	Bonds (Schedule D)	1,305,690,059	824,277,513	481,412,547	693,299,186
2	Stocks (Schedule D):				
	2.1 Preferred stocks	67,412,249	67,412,249		
	2.2 Common stocks	626,700		626,700	926,700
3	Mortgage loans on real estate (Schedule B):				
	3.1 First liens				
	3.2 Other than first liens				
4	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less \$0 encumbrances)				
	4.2 Properties held for the production of income (less \$0 encumbrances)				
	4.3 Properties held for sale (less \$0 encumbrances)				
5	Cash, cash equivalents, and short-term investments	75,837,053		75,837,053	47,495,853
6	Contract loans (including \$0 premium notes)	10,005,001		10,005,001	9,749,036
7	Derivatives (Schedule DB)				
8	Other invested assets (Schedule BA)				
9	Receivables for securities	3,521,818		3,521,818	20,259
10	Securities lending reinvested collateral assets (Schedule DL)				
11	Aggregate write-ins for invested assets	22,547,954		22,547,954	
12	Subtotals, cash and invested assets (Lines 1 to 11)	1,485,640,834	891,689,762	593,951,072	751,491,033
13	Title plants less \$0 charged off (for Title insurers only)				
14	Investment income due and accrued	267,923,606	264,552,824	3,370,782	5,468,993
15	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	7,594,173	13,560,525	(5,966,351)	(4,375,610)
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	4,910,306		4,910,306	5,160,023
	15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)				
16	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	1,252,353	1,106,449	145,905	133,612
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts				
17	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	57,286,821	57,286,821		
19	Guaranty funds receivable or on deposit				
20	Electronic data processing equipment and software				
21	Furniture and equipment, including health care delivery assets (\$0)				
22	Net adjustment in assets and liabilities due to foreign exchange rates				
23	Receivables from parent, subsidiaries and affiliates	7,232,967	5,737,481	1,495,487	216,913
24	Health care (\$0) and other amounts receivable				
25	Aggregate write-ins for other than invested assets	84,743,119	84,743,119		
26	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,916,584,180	1,318,676,981	597,907,199	758,094,964
27	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28	Total (Lines 26 and 27)	1,916,584,180	1,318,676,981	597,907,199	758,094,964
<b>DETAILS OF WRITE-INS</b>					
1101	Sightview, LLC	17,438,005		17,438,005	
1102	NHC Holdings	5,109,949		5,109,949	
1103					
1198	Summary of remaining write-ins for Line 11 from overflow page				
1199	Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	22,547,954		22,547,954	
2501	Prepaid Expenses	131,694	131,694		
2502	Negative IMR	84,611,425	84,611,425		
2503					
2598	Summary of remaining write-ins for Line 25 from overflow page				
2599	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	84,743,119	84,743,119		

## LIABILITIES, SURPLUS, AND OTHER FUNDS

		1	2
		Current Statement Date	December 31 Prior Year
1	Aggregate reserve for life contracts (Exhibit 5, Line 9999999) less \$0 included in Line 6.3 (including \$0 Modco reserve)	1,404,369,447	1,582,413,048
2	Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$0 Modco reserve)	1,827,465	1,743,452
3	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$0 Modco reserve)	6,956,675	7,540,114
4	Contract Claims:		
4.1	Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cpls. 9, 10 and 11)	9,335,828	8,953,852
4.2	Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cpls. 9, 10 and 11)	111,726	114,440
5	Policyholders' dividends/refunds to members and coupons due and unpaid (Exhibit 4, Line 10)		
6	Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year-estimated amounts:		
6.1	Policyholders' dividends and refunds to members apportioned for payment (including \$0 Modco)		
6.2	Policyholders' dividends and refunds to members not yet apportioned (including \$0 Modco)		
6.3	Coupons and similar benefits (including \$0 Modco)		
7	Amount provisionally held for deferred dividend policies not included in Line 6		
8	Premiums and annuity considerations for life and accident and health contracts received in advance less discount; including accident and health premium (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	267,407	245,565
9	Contract liabilities not included elsewhere:		
9.1	Surrender values on canceled contracts		
9.2	Provision for experience rating refunds, including the liability of \$0 accident and health experience rating refunds of which \$0 is for medical loss ratio rebate per the Public Health Service Act		
9.3	Other amounts payable on reinsurance including \$..... assumed and \$..... ceded	4,375,926	3,030,106
9.4	Interest maintenance reserve (IMR, Line 6)		
10	Commissions to agents due or accrued-life and annuity contracts \$..... accident and health \$..... and deposit-type contract funds \$.....		
11	Commissions and expense allowances payable on reinsurance assumed		
12	General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	1,125,523	1,416,388
13	Transfers to Separate Accounts due or accrued (net) (including \$0 accrued expense allowances recognized in reserves net of reinsured allowances)		
14	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6)		
15.1	Current federal and foreign income taxes including \$0 on realized capital gains (losses)	(4,653)	(4,653)
15.2	Net deferred tax liability		
16	Unearned investment income		
17	Amounts withheld or retained by reporting entity as agent or trustee	15,033,145	14,756,682
18	Amounts held for agents' account, including \$..... agents' credit balances		
19	Remittances and items not allocated		
20	Net adjustment in assets and liabilities due to foreign exchange rates		
21	Liability for benefits for employees and agents if not included above		
22	Borrowed money \$..... and interest thereon \$.....		
23	Dividends to stockholders declared and unpaid		
24	Miscellaneous liabilities:		
24.01	Asset valuation reserve (AVR, Line 16, Col. 7)	178,583,292	173,456,093
24.02	Reinsurance in unauthorized and certified (\$0) companies		
24.03	Funds held under reinsurance treaties with unauthorized and certified (\$0) reinsurers		
24.04	Payable to parent, subsidiaries and affiliates	27,925,582	25,398,070
24.05	Drafts outstanding		
24.06	Liability for amounts held under uninsured plans		
24.07	Funds held under coinsurance		
24.08	Derivatives		
24.09	Payable for securities	47	47
24.10	Payable for securities lending		
24.11	Capital notes \$0 and interest thereon \$0		
25	Aggregate write-ins for liabilities	146,806,496	147,720,522
26	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	1,796,713,906	1,966,783,728
27	From Separate Accounts statement		
28	Total liabilities (Lines 26 and 27)	1,796,713,906	1,966,783,728
29	Common capital stock	1,500,000	1,500,000
30	Preferred capital stock	1,000,000	1,000,000
31	Aggregate write-ins for other than special surplus funds		
32	Surplus notes	9,000,000	9,000,000
33	Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	204,976,020	204,976,020
34	Aggregate write-ins for special surplus funds		
35	Unassigned funds (surplus)	(1,415,282,727)	(1,425,164,784)
36	Less treasury stock, at cost:		
36.1	0 Shares common (value included in Line 29 \$0)		
36.2	0 Shares preferred (value included in Line 30 \$0)		
37	Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$0 in Separate Accounts statement)	(1,201,306,707)	(1,211,188,764)
38	Totals of Lines 29, 30 and 37 (Page 4, Line 55)	(1,198,806,707)	(1,208,688,764)
39	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	597,907,199	758,094,964
<b>DETAILS OF WRITE-INS</b>			
2501	Stale Dated Checks	2,546,312	3,512,674
2502	Suspense	11,437,859	11,726,321
2503	Frozen Funds	893,027	552,229
2504	Payable from BLIC for Aff Inv Coll	131,929,298	131,929,298
2598	Summary of remaining write-ins for Line 25 from overflow page		
2599	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	146,806,496	147,720,522
3101	Deferred Gain on Reinsurance		
3102	Prior Period Adjustment - Investment income		
3103			
3198	Summary of remaining write-ins for Line 25 from overflow page		
3199	Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401			
3402			
3403			
3498	Summary of remaining write-ins for Line 25 from overflow page		
3499	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		

## SUMMARY OF OPERATIONS

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
1 Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	18,438,200	22,092,048	18,344,712
2 Considerations for supplementary contracts with life contingencies		329,294	521,173
3 Net investment income (Exhibit of Net Investment Income, Line 17)	71,721,414	90,248,902	116,973,714
4 Amortization of Interest Maintenance Reserve (IMR, Line 5)	(11,188,337)	(8,397,681)	(11,224,894)
5 Separate Accounts net gain from operations excluding unrealized gains or losses			
6 Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	77,959	96,952	124,888
7 Reserve adjustments on reinsurance ceded			
8 Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	125	110	307,496
9 Totals (Lines 1 to 8.3)	79,049,360	104,369,626	125,047,088
10 Death benefits	39,361,141	49,628,796	59,369,505
11 Matured endowments (excluding guaranteed annual pure endowments)	17,180		
12 Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	107,465	315,972	335,147
13 Disability benefits and benefits under accident and health contracts	1,418,405	1,908,014	2,184,239
14 Coupons, guaranteed annual pure endowments and similar benefits			
15 Surrender benefits and withdrawals for life contracts	146,239,204	182,898,899	357,660,349
16 Group conversions			
17 Interest and adjustments on contract or deposit-type contract funds	(243,324)	(1,134,335)	(849,403)
18 Payments on supplementary contracts with life contingencies	21,940	70,076	77,389
19 Increase in aggregate reserves for life and accident and health contracts	(177,959,589)	(250,440,666)	(349,373,698)
20 Totals (Lines 10 to 19)	8,962,423	(16,753,244)	69,403,528
21 Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	2,531,724	2,575,919	4,101,946
22 Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	(2,713)	(2,422)	(4,136)
23 General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Columns 1, 2, 3, 4 and 6)	13,362,375	17,432,054	22,628,883
24 Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5)	557,076	68,698	371,810
25 Increase in loading on deferred and uncollected premiums	1,200,393	3,049,749	(4,112,717)
26 Net transfers to or (from) Separate Accounts net of reinsurance			
27 Aggregate write-ins for deductions	(516,483)	1,556	(886,179)
28 Totals (Lines 20 to 27)	26,094,795	6,372,309	91,503,136
29 Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	52,954,565	97,997,316	33,543,952
30 Dividends to policyholders and refunds to members			
31 Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	52,954,565	97,997,316	33,543,952
32 Federal and foreign income taxes incurred (excluding tax on capital gains)			
33 Net gain from operations after dividends to policyholders, refunds to members and federal income tax and before realized capital gains or (losses) (Line 31 minus Line 32)	52,954,565	97,997,316	33,543,952
34 Net realized capital gains or (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$..... (excluding taxes of \$..... transferred to the IMR)	(9,284,717)		
35 Net income (Line 33 plus Line 34)	43,669,848	97,997,316	33,543,952
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36 Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	(1,208,688,764)	0	(1,161,392,978)
37 Net income (Line 35)	43,669,848	97,997,316	33,543,952
38 Change in net unrealized capital gains or (losses) less capital gains tax	12,625,364	(11,377,350)	21,839,224
39 Change in net unrealized foreign exchange capital gain (loss)			
40 Change in net deferred income tax			
41 Change in nonadmitted assets	(41,285,955)	(38,075,427)	(42,641,137)
42 Change in liability for reinsurance in unauthorized and certified companies			
43 Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)			
44 Change in asset valuation reserve	(5,127,199)	(24,701,626)	(60,037,824)
45 Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)			
46 Surplus (contributed to) withdrawn from Separate Accounts during period			
47 Other changes in surplus in Separate Accounts statement			
48 Change in surplus notes			
49 Cumulative effect of changes in accounting principles			
50 Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51 Surplus adjustment:			
51.1 Paid in			
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance			
52 Dividends to stockholders			
53 Aggregate write-ins for gains and losses in surplus			
54 Net change in capital and surplus for the year (Lines 37 through 53)	9,882,057	23,842,913	(47,295,785)
55 Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	(1,198,806,707)	23,842,913	(1,208,688,763)
<b>DETAILS OF WRITE-INS</b>			
08.30 Commissions, Service & Issue Fees and Other	125	110	307,496
08.302			
08.303 Admin Fees			
08.398 Summary of remaining write-ins for Line 8.3 from overflow page			
08.399 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	125	110	307,496
2701 Modified Coinsurance Expense	(517,347)		(894,383)
2702 Reinsurance funds withheld Investment Income			
2703 Fines and penalties	864	1,556	8,204
2704 Other Miscellaneous Expenses			
2798 Summary of remaining write-ins for Line 27 from overflow page			
2799 Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	(516,483)	1,556	(886,179)
5301 Deferred Gain on Reinsurance			
5302 Prior Period Adjustment - Investment income			
5303			
5398 Summary of remaining write-ins for Line 53 from overflow page			
5399 Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)			

**COLORADO BANKERS LIFE INSURANCE COMPANY**  
**SCHEDULE OF AFFILIATED INVESTMENTS**  
**JUNE 30, 2024 AND SEPTEMBER 30, 2024 COMPARISON**

CUSIP Identification	Description	Actual Cost	Book/Adjusted Carrying Value June 30, 2024	Book/Adjusted Carrying Value September 30, 2024	Change
00405@AA7	ACADEMY FINANCIAL ASSETS	\$ 19,698,000	\$ 20,411,338	\$ 20,411,338	\$ -
37940*AA3	ACADEMY FINANCIAL ASSETS	8,462,891	8,843,691	8,843,691	-
9941326T3	ACADEMY FINANCIAL ASSETS - REVOLVER **	33,905,524	39,905,524	39,905,524	-
9941328T5	ACADEMY FINANCIAL ASSETS FKA AFI PROMISSORY NOTE	24,196,820	34,615,398	34,615,398	-
9941327T4	AFA FKA AFI TERM	5,674,149	5,930,115	5,930,115	-
9941329T6	AFA FKA GIC SR. NOTE	21,700,000	23,245,663	23,245,663	-
00856#AD3	AGERA ENERGY LLC	35,000,000	1	1	-
9941268Z6	ALPHARETTA	2,097,465	1,523,392	1,523,392	-
00224#AA4	AR PURCHASING SOLUTIONS 2, LLC	2,841,811	3,121,473	3,121,473	-
00223@AA7	AR PURCHASING SOLUTIONS, LLC	2,140,418	2,617,860	2,617,860	-
04686@AA9	AUGUSTA ASSET MANAGEMENT, INC	4,271,474	4,392,842	4,392,842	-
05777@AA6	BALDWIN ASSET MANAGEMENT, INC	21,225,457	21,588,272	21,588,272	-
13972#AA1	CAPITAL ASSET MANAGEMENT III, LLC	29,625,000	29,460,269	29,460,269	-
13973@AA2	CAPITAL ASSETS FUND I, LLC	60,007,146	64,932,583	64,932,583	-
9941317T1	CAPITAL ASSETS FUND II, LLC	33,555,104	31,703,735	31,703,735	-
9941317V6	CAPITAL ASSETS FUND IV, LLC	42,910,111	34,349,953	34,349,953	-
9941317U8	CAPITAL ASSETS FUND V, LLC	41,443,522	36,741,577	36,741,577	-
9941318T3	CAPITAL ASSETS MANAGEMENT II, LLC	21,346,767	21,346,767	21,346,767	-
16230#AA2	CHATWORTH ASSET MANAGEMENT, INC.	19,346,472	20,032,230	20,032,230	-
20465#AA0	COMPLYSMART, LLC	3,002,000	3,166,666	3,166,666	-
99467UAA5	CV INVESTMENTS	37,372,872	37,463,881	37,463,881	-
9944639X1	CV INVESTMENTS, LLC	12,590,691	12,590,627	12,590,627	-
23570*AA0	DAMASCUS ASSET MANAGEMENT, INC.	18,791,160	19,317,088	19,317,088	-
29412#AA5	EPHESUS ASSET MANAGEMENT, INC.	21,139,806	21,639,902	21,639,902	-
34610#AA5	FOREST PARK ASSET MANAGEMENT, INC.	17,246,459	17,800,319	17,800,319	-
9942228W1	GILFORD ASSET MANAGEMENT, LLC	1,771,121	1,771,121	1,771,121	-
40905#AA6	HAMPTON ASSET MANAGEMENT, INC	22,097,474	22,715,018	22,715,018	-
9941557U3	HPCSP INVESTMENTS PROMISORY NOTE	7,088,965	7,430,379	7,430,379	-
9941556V4	HPCSP INVESTMENTS SENIOR NOTE	7,016,140	7,346,260	7,346,260	-
G4919@AA1	INTRALAN INVESTMENTS LIMITED	4,152,310	4,352,443	4,352,443	-
46275@AA7	IRON CITY ASSET MANAGEMENT, INC.	25,275,943	22,685,091	22,685,091	-
46563@AA8	ITECH FUNDING LLC	19,281,368	20,345,616	20,345,616	-
46662#AA6	JACKSON ASSET MANAGEMENT, INC.	20,725,423	21,393,476	21,393,476	-
49803@AA2	KITE ASSET MANAGEMENT INC	34,622,923	36,076,707	36,076,707	-
53250#AA0	LILY ASSET MANAGEMENT INC	33,084,925	34,072,077	34,072,077	-
57187#AA9	MARSHALLA ASSET MANAGEMENT, LLC	31,082,941	32,207,679	32,207,679	-
9947669V1	NIH CAPITAL, LLC	11,407,477	12,083,106	12,083,106	-
69902#AA8	PARADISE ASSET MANAGEMENT INC	39,700,000	28,294,668	28,294,668	-
72083RAA7	PIERRE MENDES LLC	59,999,993	38,529,692	38,529,692	-
77294@AA9	ROCKDALE ASSET MANAGEMENT INC	39,700,000	30,531,298	30,531,298	-
X7552#AC1	STANDARD FINANCIAL LIMITED	3,819,822	4,078,559	4,078,559	-
86576#AA7	SUMMERVILLE ASSET MANAGEMENT, INC.	23,752,824	21,579,431	21,579,431	-
90225@AA6	TYBEE ISLAND ASSET MANAGEMENT, INC.	28,743,436	29,455,975	29,455,975	-
Total Affiliated Investments		\$ 952,914,205	\$ 891,689,762	\$ 891,689,762	\$ -



INDIANA

MARION COUNTY

VERIFICATION

JOHN MURPHY, being first duly sworn, deposes and says that he is appointed as Special Deputy Rehabilitator for Southland National Reinsurance Corporation, and Special Deputy Liquidator for Bankers Life Insurance Company, Colorado Bankers Life Insurance Company and Southland National Insurance Corporation by the Commissioner of Insurance for the State of North Carolina and in his capacity as Rehabilitator and Liquidator; that he participated in the preparation of and has read the foregoing quarterly report of the activity of the Rehabilitator and Liquidator as of September 30, 2024 and that the contents of the foregoing quarterly report are true and correct to the best of his knowledge and belief, based on the books and records of the Companies. I did not review or participate in the creation of the Financial Statements of the Companies contained in the quarterly report. The accuracy of the Financial Statements will be separately verified by Barry Armstrong.

This 11th day of March, 2025.

*John T. Murphy*  
John Murphy  
Special Deputy Rehabilitator for Southland National Reinsurance Corporation, and Special Deputy Liquidator for Southland National Insurance Corporation, Bankers Life Insurance Company and Colorado Bankers Life Insurance Company

INDIANA

MARION COUNTY

Sworn to and subscribed before me:

This 11th day of March, 2025.  
Lorie A. Ellert  
(Official Seal)  
Notary Public  
**SEAL**  
Marion County, State of Indiana  
My Commission Expires July 11, 2025  
Commission #702622  
My Commission Expires: July 11, 2025

*Lorie A. Ellert*  
Lorie A. Ellert  
Notary Public

SOUTH CAROLINA

HORRY COUNTY

VERIFICATION

BARRY ARMSTRONG, being first duly sworn, deposes and says that he is a Director at Noble Consulting Services, Inc. and works for and with the appointed Special Deputy Liquidators for Southland National Insurance Corporation, Southland National Reinsurance Corporation, Bankers Life Insurance Company and Colorado Bankers Life Insurance Company; that in that capacity he reviewed the financial condition of the Companies; that he participated in the preparation of and has read the Financial Statements, consisting of the balance sheet, summary of operations, and schedule of affiliated investments in the foregoing quarterly report of activity of the Liquidator as of September 30, 2024 of the Companies; and that the contents of same are true and correct to the best of his knowledge and belief, based on the books and records of the Companies.

This 21 day of February, 2025.

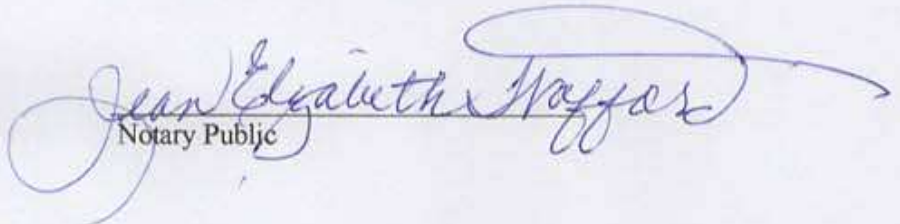
  
Barry Armstrong

SOUTH CAROLINA

HORRY COUNTY

Sworn to and subscribed before me:

This 21 day of February, 2025.  
(Official Seal)

  
Notary Public

My Commission Expires: 11-7-2029

