

See important information below from the August 4, 2022 ruling on the MOU litigation. The defined terms in the following paragraphs of the Judge's order are: "SACS" means Specified Affiliated Companies under the MOU; "NHC" means the New Holding Company under the MOU; and "IALA" means the Interim Amendment to Loan Agreements:

196. The problems giving rise to this case are a direct result of the Defendants causing the Plaintiff Insurance Companies to place over 40% of their investments in the SACs creating a significant exposure to the Plaintiff Insurance Companies and placing their policyholders at risk. After being placed under supervision, with that supervision being twice extended, the Defendants were unable to get the Plaintiff Insurance Companies to meet their required level of divestiture of investments in the SACs. The Plaintiff Insurance Companies who were controlled by Defendant Lindberg agreed to be placed into rehabilitation and execute the MOU in exchange for approximately \$150 million in economic incentives being given to affiliates of Defendants. In exchange, the Plaintiff Insurance Companies would have the benefit of having the SACs made subsidiaries of NHC for the purpose of meeting the goals of rehabilitation which was key to the plan to rehabilitate the Plaintiff Insurance Companies. After receiving the economic benefits of MOU, IALA and Revolver, the Defendants essentially disclaimed the MOU by arguing its provisions were unenforceable. .

197. After the trial of this matter, the Court ordered specific performance of the MOU except to the extent it would violate the automatic stay in *In re PB Life and Annuity, Ltd., et al*, U.S. Bankruptcy Court for the Southern District of New York, case No. 20-1291-LGB. See Amended Judgment and Order, p. 44, ¶ 19.

198. Defendants have made it abundantly clear in Court and otherwise that their preference is to essentially devise their own rehabilitation plan outside the conditions of the MOU under which they received approximately \$150 million in economic benefits. Simply put, after failing to right the ship while under supervision and after consenting to rehabilitation and through the artifice of fraud securing approximately \$150 million in economic benefits and then failing to perform their obligations contained in the MOU, Defendants now seek to rehabilitate the Plaintiff Insurance Companies themselves, while depriving the Plaintiff Insurance Companies of the benefit of their bargain all the while keeping the fraudulently obtained \$150 million in financial benefits.