

IN THE CIRCUIT COURT OF THE 15TH
JUDICIAL CIRCUIT IN AND FOR PALM
BEACH COUNTY, FLORIDA

CASE NO.: 50-2016-CA-013264-XXXX-MB-AN

FLORIDA INSURANCE ADVISORY GROUP,
LLC, FLORIDA INSURANCE ADVISORY
GROUP II, LLC, MRB & ASSOCIATES II, LLC,
MRB & ASSOCIATES III, LLC, FLORIDA
PROPERTY & CASUALTY INSURANCE
AGENCY, LLC and INSURANCE ADVISORS
OF SOUTH FLORIDA LLC,

Plaintiffs,

vs.

RELIANCE AGENCY NETWORK, LLC,
JOEY SASSON, MANAGING DIRECTOR,
DeSOTO MOULTON, LLC, DeSOTO MOULTON
SOUTHERN INSURANCE GROUP, LLC,
OAK STREET FUNDING, LLC and
ALICIA M. MITCHELL CHANDLER,

Defendants.

**RELIANCE AGENCY NETWORK, LLC AND DESOTO MOULTON, LLC'S
ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS**

Defendants, RELIANCE AGENCY NETWORK, LLC, (hereinafter referred to as "Reliance") and DESOTO MOULTON, LLC (hereinafter referred to as "DeSoto" with Reliance and DeSoto collectively referred to herein as the "Defendants"), by and through their undersigned counsel and pursuant to Rules 1.140 and 1.170 of the Florida Rules of Civil Procedure, file their Answer, Affirmative Defenses and Counterclaims and state as follows:

**ANSWER AND AFFIRMATIVE DEFENSES OF RELIANCE AGENCY
NETWORK, LLC AND DESOTO MOULTON, LLC TO AMENDED COMPLAINT**

Defendants, RELIANCE AGENCY NETWORK, LLC and DeSOTO MOULTON, LLC,
answer Plaintiffs' Amended Complaint as follows:

PARTIES, JURISDICTION, AND VENUE

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. Admitted.
6. Admitted.
7. Admitted.
8. Admitted.
9. Admitted for jurisdictional purposes only.

10. Denied that there exists an “Exhibit A” to the Complaint as none of the attachments to the Amended Complaint are identified. It is further denied that the Amended Complaint contains a complete copy of the Asset Purchase Contract. The remaining allegations in paragraph 10 are admitted for jurisdictional purposes only.

ALLEGATIONS

11. Admitted that the Sellers should no longer be engaged in the business of selling insurance products and services in Florida. However, Defendants are without sufficient knowledge to admit or deny that the Sellers are no longer engaged in the business of selling insurance products and services in Florida and, accordingly, deny the allegations in Paragraph 11.

12. Admitted that Reliance entered into negotiations for the purchase of Sellers’ Insurance Brokerage Business, culminating in the Asset Purchase Contract between Reliance and Sellers.

13. Admitted.

14. Admitted, Addendum #1 speaks for itself.

15. Admitted, the Asset Purchase Contract speaks for itself.

16. Admitted the Asset Purchase Contract provided a 4-day due diligence period for the Buyers. The Asset Purchase Contract speaks for itself and Defendants deny any allegations inconsistent with the terms of the Asset Purchase Contract.

17. Denied.

18. Admitted that an analysis of the Insurance Brokerage Business was completed. The remaining allegations of paragraph 18 are denied.

19. Denied.

20. Denied that there exists an "Exhibit B" to the Complaint as none of the attachments to the Amended Complaint are identified. The remaining allegations in Paragraph 20 are admitted.

21. Admitted that Sellers and DeSoto Moulton closed on or around June 17, 2016, and that \$3,300,000.00 was transferred to the Escrow Agent pursuant to the Escrow Agreement. The remaining allegations in paragraph 21 are denied.

22. Denied that there exists an "Exhibit C" to the Complaint as none of the attachments to the Amended Complaint are identified. Admitted that on or about August 4, 2016, DeSoto Moulton, LLC provided a claims notice to the Escrow Agent and Sellers pursuant to section 4(b) of the Escrow Agreement which is attached to the Amended Complaint (but not identified as an exhibit). The remaining allegations in paragraph 22 are denied.

23. Denied.

24. Denied that there exists an “Exhibit E” to the Complaint as none of the attachments to the Amended Complaint are identified. Admitted that on or about September 8, 2016, DeSoto Moulton, LLC provided a claims notice to the Escrow Agent and Sellers pursuant to section 4(b) of the Escrow Agreement which is attached to the Amended Complaint (but not identified as an exhibit) asserting damages in excess of \$4,000,000.

25. Admitted that the Escrow Agreement required Sellers to notify the Escrow Agent within thirty (30) days of a dispute in response to the Buyers’ claims notice. The Escrow Agreement speaks for itself and Defendants deny any allegations inconsistent with the terms of the Escrow Agreement.

26. The Escrow Agreement speaks for itself.

27. Denied.

28. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 28 as the tracking information is inconsistent with the date of the letter and, accordingly, deny the allegations in paragraph 28. Defendants restate that the Escrow Agreement speaks for itself and deny any allegations inconsistent with the terms of the Escrow Agreement. Defendants further deny that there exists an “Exhibit G” to the Amended Complaint as none of the attachments to the Amended Complaint are identified.

29. Defendants are without knowledge sufficient to admit or deny the allegations in paragraph 29 and it is noted that the email address for the attorney for the Buyers is incorrect. Admitted that such notice by email is not required by the Escrow Agreement and would not constitute valid notice under the Escrow Agreement.

30. Defendants deny that there exists an “Exhibit H” to the Amended Complaint as none of the attachments to the Amended Complaint are identified. Admitted that a letter from

Alicia Mitchell Chandler on behalf of the Escrow Agent is attached to the Amended Complaint (but not identified). The remaining allegations in paragraph 30 are denied.

31. Defendants deny that there exists an “Exhibit I” to the Amended Complaint as none of the attachments to the Amended Complaint are identified. Admitted that a letter dated November 22, 2016, to counsel for the Escrow Agent is attached to the Amended Complaint (but not identified). Defendants are without sufficient knowledge to admit or deny whether the escrow account was replenished.

32. Defendants are without sufficient knowledge to admit or deny the allegations of paragraph 32 and, accordingly, deny the same.

33. Defendants are without sufficient knowledge to admit or deny the allegations of paragraph 33 and, accordingly, deny the same.

34. Admitted that paragraph 32 of the Asset Purchase Contract provides for attorneys’ fees and costs to the prevailing party.

COUNT I
BREACH OF CONTRACT

35. Defendants reallege and incorporate by reference each of their responses to the allegations of paragraphs 1 through 34 as if fully set forth herein.

36. Defendants admits this is an action for breach of contract; however, deny Plaintiffs are entitled to any such relief.

37. Admitted.

38. Admitted.

39. Admitted that Buyers sent Buyer Claims Notices to the Escrow Agent. The remaining allegations of paragraph 39 are denied.

40. Denied.

41. Denied.

42. Denied.

WHEREFORE, Defendants, RELIANCE AGENCY NETWORK, LLC and DeSOTO MOULTON, LLC, pray that:

- (a) Plaintiffs' Amended Complaint be dismissed and that Plaintiffs take nothing;
- (b) Defendants be awarded their fees and costs incurred in this litigation pursuant to the parties' contracts;
- (c) Defendants be granted such other and further relief as the Court deems just and appropriate.

COUNT II
DECLARATORY JUDGMENT

43. Defendants reallege and incorporate by reference each of their responses to the allegations of paragraphs 1 through 34 as if fully set forth herein.

44. Admitted that this purports to be an action pursuant to Chapter 86 of the Florida Statutes for declaratory relief; however, Defendants deny Plaintiffs are entitled to such relief.

45. Admitted.

46. Admitted.

47. Admitted that Buyers sent Buyer Claim Notices to the Escrow Agent. The remaining allegations in paragraph 47 are denied.

48. Denied.

49. Denied.

50. Defendants are without sufficient knowledge to admit or deny whether Sellers are in doubt as to their rights and, accordingly, deny the same.

51. Denied.

52. Denied.

53. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 53 and, accordingly, deny the same.

54. Admitted.

55. Defendants are without sufficient knowledge as to what the “justiciable question” is referenced in paragraph 55 and, accordingly, deny the allegations in paragraph 55.

56. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 56 and, accordingly, deny the same.

57. Defendants have insufficient knowledge as to the “seeds of litigation” ripening, as referenced in paragraph 57, to admit or deny the allegations of paragraph 57 and, accordingly, deny the same.

WHEREFORE, Defendants, RELIANCE AGENCY NETWORK, LLC and DeSOTO MOULTON, LLC, pray that:

- (a) Plaintiffs’ Amended Complaint be dismissed and that Plaintiffs take nothing;
- (b) Defendants be awarded their fees and costs incurred in this litigation; and
- (c) Defendants be granted such other and further relief as the Court deems just and appropriate.

AFFIRMATIVE DEFENSES

First Affirmative Defense

Plaintiffs' Amended Complaint fails to state a claim upon which relief can be granted. Specifically, Plaintiffs fail to allege a breach of any of the terms of the Asset Purchase Contract as the Defendants' alleged conduct complied with the parties written agreements and expectations.

Second Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, because Plaintiffs' damages, if any, were caused by Plaintiffs own culpable conduct, as more specifically set forth in the Counterclaim. Additionally, Plaintiffs' failure to comply with the Escrow Agreement's requirements required that the Escrow Agent release the escrowed funds. Additionally, pursuant to the Escrow Agreement, the Plaintiffs' failure to provide timely dispute notices irrevocably consented to liability as alleged in the Claim Notices.

Third Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, due to Plaintiffs' prior breach of the Asset Purchase Contract, as more fully set forth in the Counterclaim.

Fourth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, due to Plaintiffs' lack of clean hands, as more fully set forth in the Counterclaim.

Fifth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, because the relief sought by Plaintiffs would result in their unjust enrichment, as more fully set forth in the Counterclaim.

Sixth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, because Plaintiffs have suffered no damages. Specifically, Plaintiffs' misrepresented and/or erroneous financial information inflated the purchase price for the Asset Purchase Contract; accordingly, Plaintiffs have already been paid more than the bargained-for rate for their assets.

Seventh Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the doctrines of waiver and estoppel. Specifically, in addition to the facts set forth in the Counterclaim, the Escrow Agreement provided that the Seller Parties' failure to provide a timely Dispute Notice to the Escrow Agent "shall be deemed an irrevocable acceptance of liability on behalf of the Seller Parties for any amount contained in the applicable Claim Notice." Thus the Seller Parties have waived any claims, and/or should be estopped from claiming, that they are entitled to the escrowed funds.

Eighth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, because Plaintiffs have failed to fulfill their duty to mitigate any damages, the existence of which Defendants deny, as required by law.

Ninth Affirmative Defense

The relief requested in Plaintiffs' Amended Complaint Count I is barred because the Amended Complaint fails to attach the complete contract on which the action is brought.

Tenth Affirmative Defense

The relief requested in Plaintiffs' Amended Complaint is barred because Plaintiffs are not free from fault and Plaintiffs' liability is not solely vicarious, constructive, derivative, or technical, and is not based upon actual wrongdoing or breach of contract of Defendants.

Eleventh Affirmative Defense

In the alternative, Defendants are entitled to a setoff for any and all damages incurred as a result of Plaintiffs' prior breach of contract, as more fully set forth in the Counterclaim.

Twelfth Affirmative Defense

The relief requested in Plaintiffs' Amended Complaint is barred because Plaintiffs consented to or ratified the acts taken by Defendants, including, but not limited to, specifically agreeing to the claim procedure in the Escrow Agreement and Asset Purchase Contract and then failing to comply with the time restrictions contracted to.

Reservation of Right to Amend

Defendants state and aver that they have insufficient knowledge or insufficient information upon which to form a belief as to whether they may have additional, as yet unstated, separate affirmative defenses available. Defendants, accordingly, reserve the right to amend this Answer and Affirmative Defenses to add, delete, or modify defenses based upon legal theories that may, might, or will be divulged through discovery or through further legal analysis of Defendants' position in this litigation, in accordance with the Florida Rules of Civil Procedure.

COUNTERCLAIM

Counter-Plaintiffs, DESOTO MOULTON, LLC and RELIANCE AGENCY NETWORK, LLC, by and through their undersigned counsel and pursuant to Fla. R. Civ. P. 1.170, hereby file their Counterclaim against Counter-Defendants, FLORIDA INSURANCE ADVISORY GROUP, LLC, FLORIDA INSURANCE ADVISORY GROUP II, LLC, MRB ASSOCIATES II, LLC, MRB & ASSOCIATES III, LLC, FLORIDA PROPERTY & CASUALTY INSURANCE AGENCY, LLC, INSURANCE ADVISORS OF SOUTH FLORIDA LLC and MICHAEL R. BUZA, individually and states as follows:

JURISDICTION, VENUE AND PARTIES

1. This is an action for damages in excess of Fifteen Thousand Dollars (\$15,000.00) and declaratory relief.

2. Jurisdiction and venue are proper in the Palm Beach County Circuit Court as the parties to the Asset Purchase Contract & Receipt agreed, pursuant to Section 32, that the jurisdiction and venue for any dispute arising from the contract would exclusively be in Palm Beach County, Florida.

3. Counter-Plaintiff DESOTO MOULTON, LLC (“DeSoto”) is a Florida limited liability company with its principal place of business in Vero Beach, Florida.

4. Counter-Plaintiff RELIANCE AGENCY NETWORK, LLC (“Reliance”) is a Florida limited liability company with its principal place of business in New York, New York. (Reliance and DeSoto may be collectively referred to herein as the “Buyers”.)

5. Counter-Defendant FLORIDA INSURANCE ADVISORY GROUP, LLC (hereinafter “FIAG”) is a Florida limited liability company registered and authorized to do business in Florida.

6. Counter-Defendant FLORIDA INSURANCE ADVISORY GROUP II, LLC (hereinafter “FIAG 2”) is a Florida limited liability company registered and authorized to do business in Florida.

7. Counter-Defendant MRB & ASSOCIATES II, LLC (hereinafter “MRB 2”) is a Florida limited liability company registered and authorized to do business in Florida.

8. Counter-Defendant MRB & ASSOCIATES III, LLC (hereinafter “MRB 3”), is a Florida limited liability company registered and authorized to do business in Florida.

9. Counter-Defendant FLORIDA PROPERTY & CASUALTY INSURANCE AGENCY, LLC (hereinafter “FPCIA”) is a Florida limited liability company registered and authorized to do business in Florida.

10. Counter-Defendant INSURANCE ADVISORS OF SOUTH FLORIDA, LLC (hereinafter “IASF”) is a Florida limited liability company registered and authorized to do business in Florida.

11. Counter-Defendant MICHAEL R. BUZA is a Florida resident and an owner of FIAG, FIAG 2, MRB 2, MRB 3 FPCIA, and IASF (hereinafter collectively referred to as the “Buza Entities”) and individually included as one of the “Seller Parties” in the Asset Purchase Contract and Receipt at issue in this case.

12. The Buza Entities were insurance brokerage businesses engaged in the business of selling insurance products and services.

GENERAL ALLEGATIONS

13. In 2016, Mr. Buza entered into negotiations with Reliance to sell the Buza Entities. Ultimately, Mr. Buza and the Buza Entities (hereinafter collectively referred to as the “Seller Parties”) agreed to sell all, or substantially all, of the assets of the Buza Entities relating to their insurance brokerage business to Reliance pursuant to that certain Asset Purchase Contract and Receipt (hereinafter the “Asset Purchase Contract”). A true and correct copy of the Asset Purchase Contract, without schedules, is attached to the Amended Complaint.

14. Pursuant to Addendum #1 to the Asset Purchase Contract, Reliance and the Seller Parties agreed that Reliance would close the transaction in the name of a newly-formed company, DeSoto Moulton, LLC. A true and correct copy of Addendum #1 is attached to the Amended Complaint

15. As part of the transaction, the parties agreed that Three Million Three Hundred Thousand Dollars (\$3,300,000.00) of the purchase price would be set aside in an escrow account in case there were any indemnification claims, breach of contract claims, and/or misrepresentations made by the Seller Parties.

16. Specifically, the escrowed funds were put aside to cover any claims against the Seller Parties pursuant to Section 8 of the Asset Purchase Contract for, amongst other things, “Any inaccurate representation or warranty made by the Seller Parties, or any of them, in this Agreement; or any breach or default in the performance of any of the covenants or agreements made by the Seller Parties, or any of them, in this Agreement.”

17. Accordingly, the parties entered into an Escrow Agreement with Oak Street Funding acting as the Escrow Agent. A true and correct copy of the Escrow Agreement is attached to the Amended Complaint.

18. Following closing, it became apparent that the Seller Parties misrepresented the financial state of affairs to the Buyers and violated several other representations, warranties, and terms of the Asset Purchase Contract.

19. Specifically, after closing, the Seller Parties improperly withheld One Hundred Twenty-Nine Thousand One Hundred Fifty-Three Dollars and Sixty-Four Cents (\$129,153.64) of trust account funds that did not belong to the Seller Parties.

20. In the insurance brokerage industry, the insureds often pay the insurance broker/agency the full amount of the insurance policy premium. The insurance broker/agency is then required by law to segregate and hold these funds in trust as a fiduciary for the insured until the funds are paid directly to the insurance company. If the insurance company does not receive these

payments, it begins the process of cancelling these insurance policies even though the insured has actually paid the premiums.

21. Pursuant to the Asset Purchase Contract, the Seller Parties agreed to assist in transitioning all their policies, relationships, and insureds to the Buyers. Instead, due to the Seller Parties' mishandling of trust funds and refusing to pay premiums, the Buyers' insureds were receiving cancellation notices despite having paid the Seller Parties their insurance premiums.

22. As a result of the Seller Parties' actions, several insureds received notices of cancellation, which caused the Buyers to lose business and goodwill it had just purchased from the Seller Parties.

23. Additionally, the Seller Parties' failure to comply with Florida law with regards to segregating insurance premiums for their insureds was a violation of the representation and warranty contained in Section 7(g) of the Asset Purchase Contract.

24. Accordingly, pursuant to the Asset Purchase Contract and the Escrow Agreement, the Buyers sent a Claim Notice to the Seller Parties and the Escrow Agent. A true and correct copy of the Claim Notice pursuant to the Escrow Agreement is attached hereto and incorporated herein as **Exhibit "A."**

25. Pursuant to the parties' Escrow Agreement, the Seller Parties were required to notify the Escrow Agent of any dispute regarding the Claim Notice on or before September 3, 2016.

26. The Escrow Agent did not receive notice of a dispute, and after the time for notice of a dispute had passed, released the One Hundred Twenty-Nine Thousand One Hundred Fifty-Three Dollars and Sixty-Four Cents (\$129,153.64) to the Buyers.

27. Specifically, the email addressed to Oak Street Funding was sent to the wrong email address - "Alicia.chandler@oakstreetfunding.com." A true and correct copy of the email showing addressees is attached hereto and incorporated herein as **Exhibit "B."**

28. Pursuant to the Escrow Agreement, the Seller Parties' failure to provide a timely Dispute Notice to the Escrow Agent "shall be deemed an irrevocable acceptance of liability on behalf of the Seller Parties for any amount contained in the applicable Claim Notice."

29. Additionally, in the Asset Purchase Contract, the Seller Parties represented and warranted as of the Closing that "the Net Income as defined herein is equal to Three Million Dollars as shown in Schedule 7(c)." **However, after closing, it became apparent to DeSoto that the Seller Parties misrepresented their Net Income in the Asset Purchase Contract and Schedule 7(c) and/or provided false or outdated information in order to convince Reliance and DeSoto to pay a higher purchase price.**

30. Pursuant to the Asset Purchase Contract, the purchase price was based on the representation by the Seller Parties that they had Net Income (as defined in the contract) of Three Million Dollars (\$3,000,000.00). The purchase price was set at a multiple of 6.27 times the Seller Parties' Net Income as set forth in Schedule 7(c). A true and correct copy of Schedule 7(c) is attached hereto and incorporated herein as **Exhibit "C."**

31. Pursuant to the Asset Purchase Contract, the Seller Parties were required to provide a bill of sale and access to financial information after closing in order to reconcile and complete an accounting of the proper purchase price including, but not limited to, an up-to-date report of customer lists, purchasing histories, and all books and records of the Seller Parties.

32. The Seller Parties breached the Asset Purchase Contract by failing and refusing to provide all of the financial information necessary to reconcile the Seller Parties' alleged financial situation.

33. Accordingly, the Buyers sent a second Claim Notice to the Seller Parties and Escrow Agent on September 8, 2016. A true and correct copy of the September 8, 2016 Claim Notice is attached hereto and incorporated herein as **Exhibit "D."**

34. As set forth in the September 8 Claim Notice, the Seller Parties violated multiple terms, covenants, and obligations, set forth in the Asset Purchase Contract.

35. DeSoto is still reconciling the financial misrepresentations made by the Seller Parties with the true state of affairs, but estimate the Seller Parties misrepresented their Net Income by roughly One Million Three Hundred Thousand Dollars (\$1,300,000.00).

36. Specifically, to date, while operating expenses have been consistent with Schedule 7(c) at roughly Two Million Four Hundred Thousand Dollars (\$2,400,000.00), DeSoto's annualized operating income is only Three Million Seven Hundred Thirteen Thousand Dollars (\$3,713,000.00).

37. Thus, since the Purchase Price was calculated as a multiple of 6.27 times Net Income, DeSoto has been damaged by One Million Three Hundred Thousand Dollars (\$1,300,000.00) times 6.27, or roughly Eight Million Two Hundred Thirty-Seven Thousand Dollars (\$8,237,000.00).

38. Once again, as shown by the attachments to the Amended Complaint, the Seller Parties failed to send a Dispute Notice to the Escrow Agent in time as required by the Escrow Agreement (the Dispute Notice was not delivered to the Escrow Agent until October 13, 2016) and the Escrow Agent released the funds to the Buyers.

39. Again, the email to the Escrow Agent was sent to the wrong email address. A true and correct copy of the email to “alicia.chandler@oakstreetfunding.com” is attached hereto and incorporated herein as **Exhibit “E.”**

40. However, the funds from the Escrow Account are not sufficient to remedy the damages caused by the Seller Parties’ misrepresentation.

41. In addition to the aforementioned claims, the Seller Parties have violated Section 5(f) of the Asset Purchase Contract by failing to disclose Andrew Rich on Schedule 5(f), who was not only an employee and/or agent of the Seller Parties but a major producer for the Seller Parties (referred to as the “Boss”), and Mr. Buza’s brother-in-law.

42. Section 5(f) represents and warrants that all employees and producers are listed in Schedule 5(f); however, Mr. Rich was not listed in Schedule 5(f). A true and correct copy of Schedule 5(f) is attached hereto and incorporated herein as **Exhibit “F.”**

43. In fact, even after the closing, Mr. Rich was present at the agencies purchased by DeSoto under the false pretense that he was an “information technology guy” who needed access to the new owner’s computer systems.

44. The Seller Parties’ omission of Mr. Rich was compounded when considering that, pursuant to Section 7(f) of the Asset Purchase Contract, the Seller Parties represented and warranted that “Each Employee and Producer of the Sellers is a party to a written contract that is in full force and effect and each such contract contains restrictive covenants regarding maintaining the Sellers’ confidentiality and non-solicitation/non-acceptance of the Sellers’ Client Accounts post-termination of employment.”

45. Thus, the Buyers purchased the Seller Parties' assets based on the representation and warranties of the Seller Parties that there would be no competition from anyone associated with the Seller Parties for the assets purchased by the Buyers.

46. The Buyers reasonably relied upon the Seller parties' representations in the Asset Purchase Contract.

47. It has come to DeSoto's attention that Mr. Rich did not have a written contract with the Seller Parties restricting him from, amongst other things, soliciting or accepting any of DeSoto's clients post-termination.

48. Upon information and belief, Mr. Rich, with the assistance of Mr. Buza, is actively soliciting the clients, relationships, and insurers purchased by the Buyers, thus depriving the Buyers of the benefit of their bargain with the Seller Parties.

49. Specifically, immediately after the signing of the Asset Purchase Contract, Mr. Rich contacted QQ Solutions, the Seller Parties' service provider that managed all of their contracts and data related to their customers, insurance policies, commission schedules, and other critical and proprietary information.

50. Mr. Rich sent an email to QQ Solutions asking to separate certain data within QQ Solutions. When Mr. Rich was advised that he would have to work with the QQ Solutions sales representative assigned to the Seller Parties, he emailed her (Doris Gonzalez) the request and, very tellingly, told Ms. Gonzalez "please only discuss this with me nothing to Kristy in regards to this one." A true and correct copy of the email correspondence is attached hereto and incorporated herein as **Exhibit "G."**

51. “Kristy” refers to Kristy Sanders, an employee for one or more of the Seller Parties whose employment was transferred to DeSoto as part of the acquisition of the Seller Parties’ assets. Mr. Rich was attempting to conceal his actions from DeSoto.

52. The effect of Mr. Rich’s actions was that Vertafore (who acquired QQ Solutions) created a purchase order for Raymond Buza (Michael R. Buza’s father) to execute, allowing the copying of DeSoto’s purchased information for Mr. Rich to exploit. A true and correct copy of the order form is attached hereto and incorporated herein as **Exhibit “H.”**

53. Specifically, as explained by QQ Solutions, they were to “create a new account...move all the data, from the entire QQ10611 account and move it to the Master account location of the new account.” *See* Exhibit “G.”

54. As Mr. Rich explained, “Also just want to make sure we are only mirroring the data from 10611 to the master account and leaving 10611 exactly the same with the exception of removing the PBIAG book of business.” *Id.*

55. The QQ10611 data was the data purchased by DeSoto. Specifically, the QQ10611 account contained all customer information, policy information, commission information, and other confidential and proprietary information relating to certain businesses DeSoto acquired. Thus, Mr. Rich was making sure that QQ Solutions would copy all of the QQ10611 data purchased by DeSoto and put it on his own new account, but leave the QQ10611 data undisturbed so that no one would know what happened.

56. Again, Mr. Rich was trying to conceal his actions. Indeed, Mr. Rich thereafter deleted his email account with the Seller Parties. Mr. Rich was able to conceal his actions for a significant period of time; however, Mr. Rich forgot to delete his Sent Items and, ultimately, his actions were discovered.

57. On information and belief, Mr. Buza and Mr. Rich have been using the information stolen from DeSoto to solicit and steal clients, customers, and accounts from DeSoto – clients, customers, and accounts for which DeSoto paid Eighteen Million Eight Hundred Thousand Dollars (\$18,800,000.00).

58. Around the time of the sale of the Seller Parties' assets to DeSoto, Mr. Rich, with Mr. Buza's assistance, formed and/or purchased a competing insurance agency. On information and belief, that agency is named "Kim Ellis Insurance Services, Inc."

59. On July 12, 2016, shortly after the closing, Mr. Rich contacted Ronald Lohman, with Mercury Insurance, to notify him of his purchase of Kim Ellis Insurance Services, Inc. and requested that Mr. Lohman "move the appointment and book over" to Kim Ellis Insurance Services, Inc. from the accounts purchased by DeSoto. A true and correct copy of the email correspondence between Mr. Rich and Mr. Lohman is attached hereto and incorporated herein as **Exhibit "I."**

60. Mercury Insurance was specifically listed as one of the carriers in the Asset Purchase Contract.

61. Additionally, on Tuesday, July 12, 2016, Mr. Rich attempted to transfer the agent of record on Policy Number 00907629 from Insurance Advisors of South Florida, LLC. Mr. Rich forwarded the Agent of Record Transfer Notice directly to Michael Buza. A true and correct copy of the "Agent of Record Transfer Notice" sent by Mr. Rich to Mr. Buza is attached hereto and incorporated herein as **Exhibit "J."**

62. These are policies Mr. Buza had an affirmative obligation to assist in transitioning to DeSoto; instead, he was helping his brother-in-law steal them from DeSoto.

63. In July 2016, Mr. Rich also contacted Gainsco Auto Insurance and terminated DeSoto's ability to write any Gainsco insurance policies. Gainsco's information was in the QQ10611 account.

64. Additionally, Mr. Buza has failed to comply with Article 30 of the Asset Purchase Contract by failing to sign certain forms transitioning relationships to DeSoto. Specifically, despite being asked to execute forms transitioning books of business with Nationwide Insurance, Mr. Buza has failed or refused to do so.

65. All conditions precedent to bringing this action have occurred or have been waived.

66. Counter-Plaintiffs have been forced to retain counsel and have agreed to pay counsel for the costs incurred and reasonable attorney's fees for their services.

67. Pursuant to section 32 of the Asset Purchase Contract, Counter-Plaintiffs are entitled to recover their attorney's fees and costs in the event Counter-Plaintiffs are the prevailing party.

COUNT I
BREACH OF CONTRACT

68. Counter-Plaintiffs reallege and incorporate paragraphs 1 through 67 above as if fully set forth herein.

69. This is an action against the Seller Parties for damages for breach of contract.

70. The Seller Parties and the Buyers entered into a valid contract for the sale of the Seller Parties' insurance brokerage business to the Buyers – the Asset Purchase Contract.

71. The Seller Parties have repeatedly breached the Asset Purchase Contract as set forth herein.

72. The Seller Parties' actions also constitute a breach of the covenant of good faith and fair dealing.

73. As a result of the Seller Parties' breaches of the Asset Purchase Contract, Counter-Plaintiffs have been damaged.

74. Counter-Plaintiffs have no adequate remedy at law for the Seller Parties' violations of the restrictive covenants in the Asset Purchase Contract and failure to cooperate in transitioning the business to Counter-Plaintiffs as Counter-Plaintiffs are losing clients, relationships, and goodwill that they specifically purchased from the Seller Parties. Counter-Plaintiffs face irreparable harm if these violations are not enjoined.

WHEREFORE, Counter-Plaintiffs, DESOTO MOULTON, LLC and RELIANCE AGENCY NETWORK, LLC, pray for (a) a judgment against the Seller Parties for temporary and permanent injunctive relief to stop the Counter-Defendants' from violating the restrictive covenants in the Asset Purchase Contract by improperly competing with DeSoto and failing to assist and cooperate in the transition of the purchased assets to DeSoto; (b) compensatory damages; (c) prejudgment interest; (d) attorney's fees and costs pursuant to any applicable contract or statute (including the Asset Purchase Contract); and (e) such other and further relief as this Court deems just and proper.

COUNT II – DECLARATORY JUDGMENT

75. Counter-Plaintiffs reallege and incorporate paragraphs 1 through 67 above as if fully set forth herein.

76. This is an action against the Seller Parties for declaratory relief pursuant to Chapter 86 of the Florida Statutes.

77. The Buyers and the Seller Parties entered into a valid contract for the sale of the Seller Parties' insurance business assets pursuant to the Asset Purchase Contract.

78. Pursuant to the Asset Purchase Contract, the parties agreed to keep Three Million Three Hundred Thousand Dollars (\$3,300,000.00) in an escrow account to cover any claims made by the Buyers against the Seller Parties.

79. The parties entered into an Escrow Agreement to govern the procedure through which any escrow claims would be handled.

80. Pursuant to the Escrow Agreement and Asset Purchase Contract, Counter-Plaintiffs submitted two claims to the Escrow Agent.

81. The Escrow Agent did not receive any dispute notice from the Seller Parties as required by the Escrow Agreement and, accordingly, released the escrowed funds to DeSoto as required by the Escrow Agreement.

82. Pursuant to the Escrow Agreement, the failure of the Seller Parties to provide a timely dispute notice to the Escrow Agent acts as an irrevocable acceptance of liability on behalf of the Seller Parties for any amount contained in the applicable Claim Notice.

83. The Seller Parties now claim they submitted timely dispute notices, despite no timely notice being received by the Escrow Agent. Accordingly, Counter-Plaintiffs are in doubt as to their rights under the parties' contracts, specifically the Escrow Agreement.

84. The relief sought deals with a bona fide, actual, present, practical need for the declaration that deals with a present, ascertained, or ascertainable state of facts, or present controversy as to a state of facts.

85. Counter-Plaintiffs' rights, duties and obligations are dependent upon the facts or the law applicable to the facts.

86. The antagonistic and adverse interests are all before the Court such that relief sought is not merely giving of legal advice by the Court.

WHEREFORE, Counter-Plaintiffs, DESOTO MOULTON, LLC and RELIANCE AGENCY NETWORK, LLC, respectfully request this Court enter a declaratory judgment that declares (a) the Seller Parties' dispute notice(s) untimely; (b) that the Seller Parties irrevocably accepted liability on behalf of the Seller Parties for the amounts contained in the applicable Claim Notices; (c) that DeSoto is entitled to the escrowed funds delivered to it by the Escrow Agent; (d) awards DeSoto its costs and fees associated with bringing this action pursuant to the parties' contracts; and (e) such other relief as this Court deems just and proper.

COUNT III
INFORMATION NEGLIGENTLY SUPPLIED FOR THE GUIDANCE OF OTHERS

87. Counter-Plaintiffs reallege and incorporate paragraphs 1 through 67 above as if fully set forth herein.

88. This is an action against the Seller Parties for Information Negligently Supplied for the Guidance of Others.

89. This action is pled in the alternative in the event the information provided by the Seller Parties is found to not be a misrepresentation in violation of the Asset Purchase Contract.

90. The Seller Parties were responsible for providing accurate financial and other records to DeSoto and Reliance such that the Buyers could properly analyze the proposed purchase of the Seller Parties' businesses.

91. The Seller Parties, in the course of their business and in a transaction in which they have a pecuniary interest, supplied false information to DeSoto and Reliance that the Seller Parties knew and intended DeSoto and Reliance to rely upon in consummating the purchase of the Seller Parties' businesses.

92. The Seller Parties either knew they were providing false or misleading information, or failed to exercise reasonable care or competence in obtaining, communicating, compiling, and/or providing the information to DeSoto and/or Reliance.

93. Counter-Plaintiffs justifiably relied upon the information provided by the Seller Parties.

94. As a result of the Counter-Plaintiffs' reliance on the false information supplied by the Seller Parties, Counter-Plaintiffs have been damaged by purchasing assets that are not nearly worth what they were represented to be worth.

WHEREFORE, Counter-Plaintiffs, DESOTO MOULTON, LLC and RELIANCE AGENCY NETWORK, LLC, pray for (a) judgment against the Seller Parties for compensatory damages, prejudgment interest, attorney's fees, and costs pursuant to any applicable contract or statute (including the Asset Purchase Contract); and (b) such other and further relief as this Court deems just and proper.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 31, 2017, I electronically filed the foregoing with the Clerk of the Court by using the Florida E-Filing Portal system, which will send a notice of electronic filing to:

Gregory S. Weiss, Esq.
Alan B. Rose, Esq.
Jessica Van Nieuwenhoven, Esq.
Mrachek, Fitzgerald, Rose, Konopka, Thomas & Weiss, P.A.
505 South Flagler Drive, Suite 600
West Palm Beach, FL 33401
Attorneys for Plaintiffs
Email: gweiss@mrachek-law.com; arose@mrachek-law.com;
jvannieuwenhoven@mrachek-law.com
Secondary: psymons@mrachek-law.com; mchandler@mrachek-law.com;
tclarke@mrachek-law.com

/s/Zachary J. Glaser
ZACHARY J. GLASER
Florida Bar No. 0048059
DAVID W. ADAMS
Florida Bar No. 892416
Bennett, Jacobs & Adams, P.A.
Post Office Box 3300
Tampa, Florida 33601
Telephone: (813) 272-1400
Facsimile: (866) 844-4703
Attorneys for Reliance Agency Network, LLC
And DeSoto Moulton, LLC
Email: zglaser@bj-law.com; dadams@bj-law.com
Secondary: sbrant@bj-law.com

August 4, 2016

Esther Ovadia, Esq.
Reliance Global Holdings, LLC
40 Wall Street, 60th Floor
New York, NY 10005
212-293-8500 Ext: 4645

Via Email

Michael R. Buza
mbuza@pbiag.com

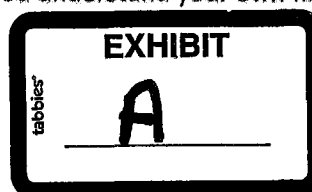
RE: Claim notice regarding out of trust exposure.

Dear Mr. Buza,

As per Section 8 of the Asset Purchase Agreement dated May 22, 2016, and per the Escrow Agreement signed on June 17, 2016, Desoto Moulton, LLC (my client) is hereby making a claim for Indemnification in the amount of \$129,153.64 for the reasons stated below.

After purchasing seven Insurance agencies from you for the sum of \$18,800,000, it has come to my client's attention that you have not been holding trust funds as Florida law requires you to, and that you are personally holding onto \$129,153.64 that you received from insured customers on behalf of the insurance companies. In fact, you have admitted that you are holding onto this amount, but insist that the amount owed to insurance companies should be pro-rated between my client and yourself for the month of June based on the closing date of June 17th. Pro-rating trust funds is obviously not feasible since the funds neither belong to you nor to my client. You were entrusted to hold on to them in a separate account and then pay the funds over to the insurance companies, the true owners of these funds. You have failed to do so, and the potential repercussions are immense. Any client whose funds do not reach the insurance company will have his policy cancelled. This is a problem for my client, because they will lose customers. However, the bigger issue is that an insured event may occur and the customer will not be covered.

In order to determine the amount that is still owed by you to insurance companies, my client has worked in good faith with you and with your accountant for the past couple of weeks. My client has gone above and beyond to try and help you understand your own financial statements. However, all




communication from you has ceased on July 26th. Attached as Exhibit A is a spreadsheet drafted for you by my client, that shows all premiums that we know of so far that were due to be paid to insurance companies for the month of June. The amounts that are in the column titled "Mike Portion" are funds that were received by you and not forwarded over to the insurance companies. The amounts titled "Desoto Moulton Portion", were received by my client and have or will be paid to the insurance companies at the appropriate time. Exhibit B is a more detailed description of Exhibit A, giving exact amounts and dates of deposits and bank accounts deposited to.

I understand that you have been made aware of Section 626.561 of the Florida Statutes, which states in part that "all premiums... received by an agent... are trust funds received by the licensee in a fiduciary capacity. An agent or insurance agency shall keep the funds belonging to each insurer for which an agent is not appointed... in a separate account so as to allow the department or office to properly audit such funds. The licensee...shall account for and pay the same to insurer...". The statute goes on to say that "Any agent... who, not being lawfully entitled thereto, either temporarily or permanently diverts or misappropriates such funds or any portion thereof... commits the offense described below: ... if the funds are \$100,000 dollars or more, a felony of the first degree."

My client hereby demands that you either pay the funds described above to the insurance companies immediately, or allow the escrow agent holding onto the funds in escrow as per Section 4 of the Asset Purchase Agreement to release the \$129,153.64 to my client immediately. My client further reserves the right to adjust the amount that is owed pending any further notices from insurance companies and/or to compensate for any other claims.

Thank you,


Esther Ovadia, Esq.

Cc: Law Offices of Bonnie A. Brown. Att: Bonnie Brown - bonnie@bonniebrownpa.com
Cc: Oak Street Funding, LLC. Att: Alicia M. Mitchel Chandler - Alicia.chandler@oakstreetfunding.com
Cc: Krieg DeVault LLP. Att: John Baxter, Esq. - jbaxter@kdlegal.com

Exhibit A

Payments To Make With Division Between Former Owner and Current Owner

<u>Payee</u>	<u>Total Due</u>	<u>Mike Portion</u>	<u>DeSoto Moulton Portion</u>
1 Atlantic Specialty Lines	\$21,058.13	21,058.13	-
All Risks	\$809.61		809.61
2 Hull & Company (St. Petersburg)	\$37,165.93		
3 Hull & Company (Jacksonville)	\$2,543.89	-	2,543.89
4 Hull & Company (Dania Beach)	\$10,058.10	10,058.10	-
Insurance Intermediaries (Kortz, Andrew)	\$926.17		926.17
5 John J & Shirley Leonardo (Cancellation - RP)	\$357.51	-	357.51
6 Players Club Condominium Association (Overpyrmt)	\$76.00	76.00	
7 Hartford Fire Insurance Co (Symtech)	\$1,271.00	1,271.00	
8 Heritage Insurance Co (Players Club)	\$7,421.00	7,421.00	
9 FedNat Underwriters (Gevals)	\$330.00	330.00	
10 Hartford Steam Boiler (Nice Ice)	\$5,859.00		
Florida Workers Comp JUA	\$21.85		21.85
Liberty Mutual	\$9.30		9.30
Florida Workers Comp JUA	\$39.15		39.15
Infinity Insurance Co	\$118.80		
11 C NA Surety	\$80.00	80.00	
12 The Hartford	\$839.30	839.30	
13 PGIT	\$330.30		330.30
14 R-T Specialty	\$2,712.31	2,186.41	525.90
15 Hull & Company	\$14,791.32		
16 Hull & Company	\$1,775.70	1,775.70	
17 Atlantic Specialty Insurance	\$4,618.55	4,325.34	293.21
18 Hearts Affire, Inc.	\$110.22	110.22	
19 Aphrodite Soussa Trust	\$204.04		
20 Hull & Company	\$3,228.04	3,139.69	88.35
21 Gulfcoast Drywall	\$1,064.00	1,064.00	
22 CRC	\$27,012.88	23,520.07	3,492.81
Total:	<u>\$144,832.10</u>	<u>129,153.64</u>	<u>15,678.46</u>

Exhibit B

Broken down by which account deposited to

		Deposited to	
		Mike	Desoto
1	Atlantic Specialty \$21,058.13		
	BU 5668 6/3/2016 Asar Investment	1,017.64	
	BU 5668 6/3/2016 Asar Investment	562.55	
	BU 5668 6/13/2016 C. Garfield Neely, P. E.	4,678.00	
	BU 5668 5/25/2016 Coast To Coast Marine In	1,900.00	
	BU 5668 6/29/2016 Danny Aldrich	377.49	
	BU 5668 5/26/2016 Finn, Mike	3,186.05	
	BU 5668 6/16/2016 Sentury Security Agency	1,088.30	
	BU 5668 6/7/2016 Steven Smith	10,445.50	
		<u>23,255.53</u>	
2	Hull&Co \$37,165.93		
	BU 5668 wire June Seabreeze	9,046.69	
	BU 5668 June, 2016 A&M Cocoa	1,037.97	
	BU 5668 June, 2016 Alliance & Associates	5,728.87	
	BU 5668 6/6/2016 Catherine Cross	1,766.99	
	BU 5668 6/3/2016 Debary Civic Association	3,175.87	
	BU 5668 6/11/2016 Hidden Acres Rescue for	8,303.00	
	BU 5668 6/15/2016 Jill and Darwyn Jones	1,748.91	
	BU 5668 6/2/2016 Kite Tax Lien Capital	897.15	
	BU 5668 6/21/2016 Little Folks Child	95.18	
	BU 5668 wire June Seabreeze	5,365.30	
		<u>37,165.93</u>	
3	Hull&Co \$2,543.89		
	WF 0228 7/6/2016 Ashwood of Brevard		1,069.18
	WF 0228 7/6/2016 Ashwood of Brevard		1,474.71
			<u>2,543.89</u>
4	Hull&Co \$10,058.10		
	BU 5668 6/29/2016 Rancho Teresita	10,058.10	
7	Harford Fire Insurance		
	WF 0960 6/24/2016 Symtech	1,271.00	
6 & 8	Heritage Ins Co \$7,421/players club \$76		
	WF 0960 6/17/2016 Players Club	7,421.00	
9	Federated National \$ 330		
	WF 0960 6/24/2016 Gervais	330.00	
10	Hartford Steam Boiler \$ 5,859		
	WF 0960 6/9/2016 Nice Ice Co	5,859.00	
11	C NA Surety \$ 80		
	WF 0960 5/27/2016 The Oaks of Arcadia	100.00	

		Deposited to	
		Mike	Desoto
12	The Hartford \$ 839.30		
	WF 0960 5/19/2016 Harlan Long	136.00	
	WF 0960 6/13/2016 Spinnaker Point	931.00	
13	PGIT \$ 330.30		
	WF 0228 7/21/2016 City of Arcadia		367
14	RT Specialty \$ 2,712.31		
	D'Vines Wine		
	WF 0228 7/12/2016 (Down Payment)	525.9	
	WF 0960 7/5/2016 (First Ins Fund)	2186.41	
15	Hull & Company \$14,791.32		
	WF 0228 7/1/2016 Accardi, John P		4,075.51
	WF 0960 5/26/2016 Betty Grady	5,018.71	
	WF 0228 7/19/2016 Hitzing, Justin		695.04
	WF 0960 6/16/2016 Kinard Tree Service	356.75	
	Kinard Tree Service	(124.08)	
	WF 0960 6/2/2016 Murray, Robert S III	3,605.49	
	WF 0228 7/11/2016 Turner Loose, LLC		2,700.00
	Total	8,856.87	7,470.55
16	Hull&Co \$1,775.70		
	WF 0960 6/24/2016 Symtech	1,973.00	
17	Atlantic Specialty \$4,618.55		
	WF 0960 6/21/2016 A Cut Above	500.00	
19	Canc. RP Aphrodite Soussa Trust	(204.04)	
18	Hearts Afire Inc	310.48	
	WF 0960 6/13/2016 Hochstetler Portable Welding	2,190.27	
	WF 0960 6/21/2016 South Trail Associates	562.55	
	WF 0960 6/21/2016 Tuckers Grade Associates	562.55	
	WF 0960 6/27/2016 Warren Horner Rentals	1,164.01	
		5,085.82	
20	Hull & Company \$ 3,228.04		
	WF 0960 6/11/2016 C J Hilgendorf Inc	562.55	
	WF 0960 6/21/2016 Helmuth, Beverly I	2,908.24	
	WF 0228 7/12/2016 Palm Grove Mennonite Church		88.35
		3,470.79	88.35
21	Gulfcoast Drywall \$1,064		
	WF 0960 5/9/2016 Gulfcoast Drywall	1,064.00	

22 CRC 27012.88

		Deposited to	
		Mike	Desoto
WF 0960	6/24/2016 Brownville Baptist	485.30	
WF 0960	6/29/2016 Brownville Baptist	1,288.22	
WF 0960	6/2/2016 The Learning Tree	680.00	
WF 0960	6/7/2016 The Learning Tree	1,339.33	
WF 0960	6/24/2016 Gary J Mundell	1,375.28	
WF 0960	6/28/2016 Gary J Mundell	3,633.86	
WF 0960	6/29/2016 Dereck Manley	462.99	
WF 0228	7/18/2016 Dereck Manley		1,295.96
WF 0960	6/1/2016 William Delaney	720.28	
WF 0960	6/9/2016 H-17 INC	3,105.93	
WF 0960	6/29/2016 Wouthwest Fending	1,606.69	
WF 0960	6/1/2016 Frierson, Gary	1,879.88	
WF 0960	6/1/2016 DA Manor	2,722.14	
WF 0960	6/9/2016 Dale Thomas	562.67	
WF 0960	6/28/2016 Dale Thomas	1,510.68	
WF 0228	7/11/2016 Turner Loose		1,877.98
WF 0960	6/20/2016 Total Pest	845.00	
WF 0960	6/21/2016 Total Pest	334.58	
WF 0960	6/21/2016 DeSoto Coin Laundry	1,141.24	
WF 0228	7/16/2016 DeSoto Coin Laundry		3,006.72
		<u>23,694.07</u>	<u>6,180.66</u>

Zach J Glaser

From: Edwin Mortell <Edwin.Mortell@petersonbernard.com>
Sent: Monday, August 08, 2016 2:43 PM
To: Zach J Glaser
Cc: Bonnie Brown; jsasson@reliancegh.com; eovadia@reliancegh.com; alicia.chandler@oakstreetfunding.com; jbaxter@kdlegal.com
Subject: Michael Buza
Attachments: 20160808_141617.pdf; Exhibit A.pdf

Good Afternoon: Please see the attached correspondence from Mr. Mortell. Thank you.

Cyndie Moler
Legal Assistant to
Edwin E. Mortell, III
Peterson Bernard
416 Flamingo Ave.
Stuart, FL 34996
Ph: (772) 286-9881, Ext. #1811
Fax: (772) 220-1784
cynthia.moler@petersonbernard.com NEW EMAIL ADDRESS EFFECTIVE June 23, 2016

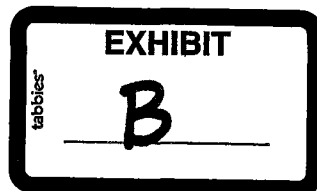


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Schedule 7(e) – Net Income

The "Net Income" of the Sellers has been calculated from the operational income minus operational expenses with such adjustments as reflected on the following page to account for the Seller Shareholder's salary, benefits and perquisites, as well as other adjustments specifically associated with the Seller Shareholder's ownership of the Businesses and any associated real estate. Based upon these adjustments, the Sellers have a Net Income of approximately Three Million Dollars (\$3,000,000).

On Behalf of the Seller Parties



On Behalf of the Buyer

SCHEDULE 7(C) -- NET INCOME

The Net Income of the Sellers is approximately Three Million Dollars as per the following page.

Dated: _____, 2016

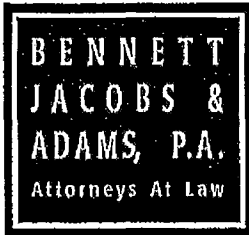
Florida Insurance Advisory Group, LLC, a Florida Limited Liability Company
Florida Insurance Advisory Group II, LLC, a Florida Limited Liability Company
MRB & Associates II, LLC, a Florida Limited Liability Company
MRB & Associates III, LLC, a Florida Limited Liability Company
Florida Property and Casualty Insurance Agency, LLC, a Florida Limited Liability Company
Insurance Advisors of South Florida, LLC, a Florida Limited Liability Company

By: _____
Michael R. Buza, Manager

Reliance Agency Network, LLC, a Florida Limited Liability Company

By: _____
Joey Sasson, Managing Director

Financial Statements																
Income Statement																
Revenues																
Revenue	\$ 3,734,509	331	\$ 341,108	100.0	\$ 856,297	57.9	\$ 1,373,624	100.0	\$ 1,179,382	100.0	\$ 456,272	100.0	\$ (3,261,270)	\$ 4,670,223	45.7	Client Costs Adjustments
Return	\$ (32,040)	0.8	\$ (971)	0.0	\$ (3,200)	0.0	\$ (3,200)	0.0	\$ -	0.0	\$ -	0.0	\$ -	\$ (40,377)	0.7	
Com Income Brokerage	\$ 3,339,143	89.7	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ (2,542,373)	\$ 816,772	18.0	Client Costs Brokerage Adjustment
Rental Income	\$ 723,133	19.4	\$ 341,108	100.0	\$ 864,360	100.0	\$ 1,366,424	100.0	\$ 1,199,382	100.0	\$ 456,272	100.0	\$ 5,182	\$ -	0.0	Non-Business Income
Total Revenues	\$ 7,035,421	100.0	\$ 341,108	100.0	\$ 864,360	100.0	\$ 1,366,424	100.0	\$ 1,199,382	100.0	\$ 456,272	100.0	\$ (5,798,491)	\$ 5,446,618	100.0	Net Revenue
Expenses																
Advertising	\$ 37,334	0.5	\$ 1,800	0.5	\$ 1,278	0.1	\$ 1,798	0.1	\$ 1,001	0.1	\$ -	0.0	\$ -	\$ 43,211	0.4	
Amortization Expense	\$ 222,810	3.2	\$ 8,224	2.5	\$ 63,560	4.6	\$ 44,197	3.2	\$ 44,253	3.7	\$ 19,585	4.3	\$ (302,849)	\$ -	0.0	Non-recurring expense
Association Fees	\$ -	0.0	\$ -	0.0	\$ 3,931	0.3	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	\$ -	0.0	
Auto Expenses	\$ 863	0.0	\$ -	0.0	\$ 2,970	0.2	\$ 2,970	0.2	\$ 6,670	0.5	\$ -	0.0	\$ (12,475)	\$ -	0.0	Owner's discretionary
Bank Fees	\$ 60,402	0.9	\$ 669	0.2	\$ 2,178	0.2	\$ 1,459	0.1	\$ 2,709	0.2	\$ 746	0.2	\$ (69,000)	\$ 8,163	0.1	Non-recurring fees
Credit Card Processing	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ 420	0.0	\$ 9,120	2.0	\$ -	\$ 9,540	0.2	
Contract Labor	\$ -	0.0	\$ 3,240	0.9	\$ 3,500	0.4	\$ -	0.0	\$ 7,850	0.7	\$ -	0.0	\$ -	\$ 14,590	0.3	
Consultants	\$ 91,593	1.3	\$ 1,350	0.4	\$ 4,471	0.3	\$ 83,524	6.1	\$ 1,719	0.1	\$ -	0.0	\$ -	\$ 182,639	3.4	
Computer Expenses	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ 6,650	0.5	\$ -	0.0	\$ -	0.0	\$ -	\$ 6,650	0.1	
Qualifying Expenses	\$ 1,598	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ 1,222	0.1	\$ -	0.0	\$ -	\$ 2,812	0.1	
Consulting	\$ 28,000	0.4	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ (28,000)	\$ -	0.0	Non-recurring
Credit Card Fees	\$ 405	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	\$ 405	0.0	
Continuing Education	\$ 5,800	0.1	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	\$ 5,800	0.1	
Client Costs	\$ 2,283,512	32.5	\$ 180,682	53.0	\$ 926,973	67.9	\$ 729,799	53.3	\$ 706,423	58.9	\$ 214,011	46.9	\$ (3,777,142)	\$ 166,166	3.1	Proforma and discretionary items removed
Donations	\$ 1,425	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	\$ 1,425	0.0	
Depreciation Expense	\$ 68,218	1.0	\$ 5,153	1.5	\$ 13,180	1.0	\$ 9,371	0.7	\$ 83	0.0	\$ 83	0.0	\$ (96,503)	\$ -	0.0	Non-cash expense
Dues & Subscriptions	\$ 1,339	0.0	\$ -	0.0	\$ 792	0.1	\$ 792	0.1	\$ 893	0.1	\$ -	0.0	\$ -	\$ 3,538	0.1	
Entertainment & Meals	\$ 61	0.0	\$ -	0.0	\$ 1,951	0.2	\$ 1,951	0.2	\$ 5,120	0.4	\$ -	0.0	\$ -	\$ 9,133	0.2	
Equipment Rental	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ 399	0.0	\$ -	0.0	\$ -	\$ 399	0.0	
Insurance - Health Employ.	\$ 2,281	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ 1,970	0.2	\$ -	0.0	\$ -	\$ 9,251	0.2	
Interest Expense	\$ 375,118	5.3	\$ 4,514	1.3	\$ -	0.0	\$ 21,272	1.6	\$ 101,524	8.5	\$ 30,900	6.8	\$ (534,428)	\$ -	0.0	Debit-card fees
Licenses	\$ 176	0.0	\$ 196	0.1	\$ 791	0.1	\$ 8,842	0.6	\$ 3,983	0.3	\$ 439	0.1	\$ -	\$ 14,427	0.3	
Loan Origination Fee	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ 27,081	2.3	\$ -	0.0	\$ (27,081)	\$ -	0.0	Non-recurring expense
Office/Computer Expense	\$ 66,041	0.9	\$ 4,616	1.4	\$ 13,310	1.0	\$ 44,434	3.2	\$ 14,197	1.2	\$ 3,179	0.7	\$ -	\$ 145,777	3.2	
Payroll Company Fees	\$ 491	0.0	\$ 247	0.1	\$ 374	0.0	\$ 446	0.0	\$ -	0.0	\$ 346	0.1	\$ -	\$ 1,294	0.0	
Postage	\$ 8,300	0.1	\$ -	0.0	\$ 323	0.0	\$ 323	0.0	\$ 761	0.1	\$ 985	0.2	\$ -	\$ 11,092	0.2	
Professional Fees	\$ 3,678	0.1	\$ 750	0.2	\$ 39,843	2.9	\$ 9,614	0.7	\$ 13,723	1.1	\$ 1,112	0.2	\$ -	\$ 67,710	1.2	
Rent Expense	\$ 81,781	1.2	\$ 16,050	4.7	\$ 39,650	2.9	\$ 21,168	1.6	\$ -	0.0	\$ 22,291	4.9	\$ 83,110	\$ 255,000	4.7	Rent adj to include RE owned by MB
Security/Alarm	\$ 693	0.0	\$ 286	0.1	\$ 623	0.0	\$ 1,862	0.1	\$ 1,725	0.1	\$ 92	0.0	\$ -	\$ 5,281	0.1	
Repairs & Maintenance	\$ 51,941	0.7	\$ 139	0.0	\$ 6,870	0.5	\$ 12,629	0.9	\$ 40,734	3.4	\$ -	0.0	\$ (85,000)	\$ 27,323	0.5	Owner's discretionary (estimate)
Storage Expense	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	\$ -	0.0	
Taxes - Property	\$ 74	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	\$ 74	0.0	
Taxes - Other	\$ 22	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	\$ 22	0.0	
Taxes - Payroll	\$ 78,987	1.1	\$ 2,393	0.7	\$ 13,420	1.0	\$ 12,522	0.9	\$ -	0.0	\$ 4,338	1.0	\$ -	\$ 112,060	2.1	
Telephone	\$ 8,469	0.1	\$ -	0.0	\$ 5,275	0.4	\$ 1,470	0.1	\$ 300	0.0	\$ 4,804	1.1	\$ -	\$ 20,318	0.4	
Travel	\$ 2,000	0.0	\$ 2,213	0.6	\$ 29,251	2.1	\$ 35,720	2.6	\$ 21,320	1.8	\$ 14,613	3.2	\$ (109,617)	\$ -	0.0	Owner's discretionary
Utilities	\$ 47,042	0.7	\$ 5,994	1.8	\$ 1,883	0.2	\$ 3,842	0.3	\$ 32,084	2.7	\$ 76	0.0	\$ -	\$ 91,521	1.7	
Wages - Other	\$ 952,430	13.6	\$ 20,870	6.1	\$ 48,886	3.6	\$ 141,139	10.3	\$ -	0.0	\$ 30,065	6.6	\$ -	\$ 1,224,090	22.4	
Wages - Offices	\$ -	0.0	\$ -	0.0	\$ 113,542	8.3	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ (113,542)	\$ -	0.0	Owner's Income
Client Costs Brokerage	\$ 2,542,373	36.1	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ (2,542,373)	\$ -	0.0	Proforma removed from revenue
Total Expenses	\$ 7,131,687	101.4	\$ 272,684	79.9	\$ 751,995	55.1	\$ 1,199,120	87.0	\$ 533,955	44.5	\$ 581,073	127.3	\$ (7,506,326)	\$ 2,640,040	48.5	
Net Operating Income	\$ (96,266)	-1.4	\$ 68,422	20.1	\$ 132,365	9.7	\$ 169,304	12.4	\$ 645,427	54.3	\$ 75,199	16.5	\$ 3,006,297	\$ 532	0.0	Net Income (adjusted)



ROBERT B. BENNETT
GWEN G. JACOBS
DAVID W. ADAMS +

KERRY J. ANDERSON
KAREN E. FERGUSON
ZACHARY J. GLASER

JOHN F. WENDEL

+BOARD CERTIFIED IN LABOR
AND EMPLOYMENT LAW

JAN S. STOUT
ADMINISTRATOR

AMANDAL COX
BRIGETTE P. CROMWELL
JOHN R. DARIN
LISA E. LAZAN
KATRINA A. LUETZOW
JARED M. WRAGE

September 8, 2016

Oak Street Funding, LLC
Attn: Alicia M. Mitchell Chandler, Esq.
11350 N. Meridian Street, Suite 600
Carmel, Indiana 46032

RE: Buyer's Claim Notice
Desoto Moulton, LLC – Michael Buza Escrow Agreement
BJA File No.: 2016-17234

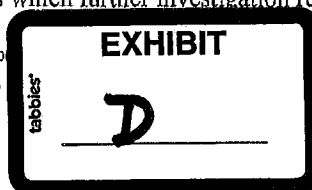
Gentlemen:

As you know, this firm represents Reliance Agency Network, LLC and its affiliated companies, including, but not limited to, Desoto Moulton, LLC (collectively "Reliance" or the "Buyers") with regards to the Buyers' dispute with Michael Buza, Florida Insurance Advisory Group, LLC, Florida Insurance Advisory Group II, LLC, MRB & Associates II, LLC, MRB & Associates III, LLC, Florida Property & Casualty Insurance Agency, LLC, and Insurance Advisors of South Florida, LLC (hereinafter referred to as the "Seller Parties") pertaining to that certain Asset Purchase Contract and Receipt dated May 22, 2016 (hereinafter the "Agreement") and the accompanying Escrow Agreement dated June 17, 2016. Please allow this to serve as the Buyers' formal Claim Notice pursuant to Section 8 of the Agreement and Section 4 of the Escrow Agreement for indemnification against the Seller Parties. At this time, the Buyers are unable to determine the full extent of their damages, but submit their good faith estimate that their damages exceed Four Million Dollars (\$4,000,000.00) based on the following facts giving rise to the claims.¹

I. Misrepresentation of Net Income

Pursuant to the Agreement, the purchase price of the assets was based on a multiple of 6.27 times the Sellers' represented annual Net Income of \$3 million from the Acquired Assets. Now that the transaction has closed and the Buyers have operated the businesses for several months, it has become clear that there is not sufficient consistent premium income at the acquird

¹ The Buyers' investigation is ongoing on these and other possible claims for indemnification based on the Seller Parties' conduct. As such, the Buyers are providing as much reasonable detail as is known at this time pursuant to the Escrow Agreement. The Buyers reserve their right to provide additional claims and details as they become known and will voluntarily reduce any claims which further investigation reveals are overstated.



agencies to substantiate the \$3 million of annual Net Income the Sellers represented to the Buyers. Specifically, while Total Revenues for the Acquired Assets were represented to be \$5,446,618.00, according to the Buyers' information and data to date, Total Revenue from the Acquired Assets is estimated to be only \$4,871,000.00. When deducting the Seller Parties' represented expenses of \$2,440,040.00 from Total Revenue, the actual Net Income from the Acquired Assets is only \$2,430,060.00. This is a misrepresentation of \$570,000.00 in Net Income.

Thus, based on the above misrepresentations and analysis of the actual premium receipts from the Acquired Assets, the Buyers estimate annual Net Income of the Seller agencies is only approximately \$2.43 million. Please note this is only an estimate and the Buyers reserve the right to modify this amount as additional information is discovered. Based on the formula for the purchase price, this would result in an adjusted selling price of \$15.236 million. As you know, the Buyers agreed to pay \$18.8 million, premised on true and correct representations that the agencies generate \$3 million of annual Net Income. Thus, the Buyers have been damaged in the amount of \$3.564 million, and demand is made for the same, jointly and severally against the Seller Parties, and accordingly from the Escrow Account.

II. Carrier Chargebacks

Prior to the sale, the Seller Parties received over-payments from carriers of approximately Twenty-Thousand Dollars (\$20,000.00). Post-sale, the Buyers received chargebacks from these insurance carriers, which the Buyers were required to pay. In addition to the return of the \$20,000.00 owed to the Buyers, the overpayments from the carriers were included in the Seller Parties' represented Net Income. As such, pursuant to the purchase formula in the Agreement, the Purchase Price was overstated by One Hundred Twenty-Five Thousand Four Hundred Dollars (\$125,400.00). As such, demand is made for the same, jointly and severally against the Seller Parties, and accordingly from the Escrow Account.

III. Failure to Transfer All Acquired Assets

It has come to our attention that the Seller Parties did not have the proper authority or power to transfer certain Acquired Assets which were supposed be transferred to the Buyers as part of the Agreement. Specifically, Ms. Lyssa Brennan has produced a contract reflecting that she, and not the Seller Parties, is the owner of her book of business which the Seller Parties represented as their own and part of the Acquired Assets. This book of business has \$439,000.00 in annual premium, which equates to approximately \$50,000.00 in Net Income. Accordingly, this misrepresentation and failure to transfer this book of business decreases the purchase price by approximately Three Hundred Thirteen Thousand Five Hundred Dollars (\$313,500.00).

Additionally, an Auto Owners book of business which was represented as an Acquired Asset cannot be transferred to the Buyers. The Seller Parties misrepresented these assets as part of the Acquired Assets. This book of business has approximately \$250,000.00-\$300,000.00 in annual premiums, which equates to a \$25,000.00 to \$30,000.00 hit to Net Income. Accordingly, the Seller Parties' misrepresentation and failure to transfer this book of business decreases the purchase price by approximately One Hundred Fifty-Six Thousand Seven Hundred Fifty Dollars (\$156,750.00).

Finally, there is a third book of business (that we know of) with approximately \$35,000.00 in annual premiums from Citizens Insurance which the Seller Parties cannot transfer pursuant to the Agreement, causing an additional (estimated) Twenty-Two-Thousand-Dollar (\$22,000.00) decrease in the Purchase Price. As such, demand is made for Four Hundred Ninety-Two Thousand Two Hundred Fifty Dollars (\$492,250.00), jointly and severally against the Seller Parties, and accordingly from the Escrow Account, for misrepresenting their authority to transfer these books of business as Acquired Assets.

IV. Misrepresentations and Violations of Restrictive Covenants

It has come to our attention that Mr. Buza, through his brother-in-law Andrew Rich, is now actively competing with the Buyers' agencies. Specifically, the Buyers have learned that Andrew Rich (who held the title "Boss" with the Seller Parties) was intentionally omitted from the list of employees provided by the Seller Parties. It appears Mr. Rich's employment was terminated the day before the Closing in an effort to conceal his identity from the Buyers. Now, the Seller Parties' intentions have become clear. The Buyers have learned that Mr. Rich has purchased Kim Ellis Insurance Services, Inc. ("Kim Ellis") and is in active competition with the Buyers, having already transferred at least one insurance policy from the Buyers to Kim Ellis. Moreover, the Buyers have learned that Michael Buza is simply using his brother-in-law, Mr. Rich, to compete with the Buyers in violation of the Agreement. The Buyers are unable to calculate the full extent of their damages caused by the Seller Parties' unlawful competition and will be seeking injunctive relief if these actions are not voluntarily ceased, due to the irreparable harm the Seller Parties will cause.

V. Tangible Loss of Business Due To Sellers' Conduct and Damage to Goodwill

As you know, the Seller Parties failed to make premium payments to numerous insurance carriers despite having received full payment of premiums from the insureds. This resulted in multiple clients (formerly of the Seller Parties, and now the Buyers) receiving cancellation notices for non-payment despite having made full payment to the Seller Parties. As a result, certain clients have lost faith in the agencies and can no longer trust the agencies to responsibly act as their fiduciary. Despite the Buyers' best efforts to ensure this was an isolated incident

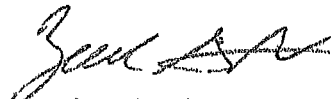
Oak Street Funding, LLC
Attn: Alicia M. Mitchell Chandler
September 8, 2016
Page 4

caused by the transition of the assets, the Buyers have lost several clients because they received cancellation notices despite having paid the Seller Parties. Specifically, several condominium association clients have terminated their relationship with the Buyers due to the receipt of cancellation notices after paying the Seller Parties their premiums. The associations lost include Venetian Isles, Savannah Bay, The Links, Captain Landing, and Park Beach associations. These associations represent approximately Ninety-Four Thousand Dollars (\$94,000.00) in lost premiums, equating to another loss of approximately Nine Thousand Four Hundred Dollars (\$9,400.00). Again, since these Acquired Assets were included in the Net Income calculations, the total loss to the Buyers is approximately Fifty Nine Thousand Dollars (\$59,000.00).

Additionally, as a result of receiving cancellation notices despite having paid the Seller Parties, the Acquired Assets have suffered damage to the goodwill associated with them. Pursuant to the Agreement, "Goodwill, Name, Customer Lists and Supplier Lists" accounted for \$18,445,000 of the \$18,800,000 purchase price allocation. The damage to the goodwill of the assets is undetermined at this time.

For the aforementioned reasons, the Buyers hereby submit this formal Claim Notice pursuant to the Agreement and Escrow Agreement and demand payment in full of the balance of the Escrow Account. The Buyers reserve all rights to claim damages exceeding the balance of the Escrow Account as warranted by the aforementioned claims and additional investigation.

Very truly yours,



Zachary J. Glaser

ZJG/sab/A1626A63314D0811

CC: Seller Parties, 9245 W. Marsh Island Drive, Vero Beach, Florida 32963; Attn.: Michael R. Buza

Law Offices of Bonnie A. Brown, 514 Colorado Avenue, Stuart, Florida 34994; Attn: Bonnie A. Brown, Esq.

Krieg De Vault LLP, 12800 N. Meridian St., Suite 300, Carmel, Indiana 46032; Attn: John Baxter, Esq.

Edwin E. Mortell III, Esq., Peterson Bernard, 416 Flamingo Avenue, Stuart, Florida 34996

Zach J Glaser

From: Edwin Mortell <Edwin.Mortell@petersonbernard.com>
Sent: Tuesday, October 04, 2016 11:12 AM
To: alicia.chandler@oakstreetfunding.com
Cc: Bonnie Brown; jsasson@reliancegh.com; eovadia@reliancegh.com; jbxter@kdlegal.com; Zach J Glaser
Subject: Michael Buza and Related Entitles- Dispute Notice
Attachments: Lr-Alicia Chandler Dispute Notice .pdf

Good Morning: Please see the attached correspondence from Mr. Mortell regarding the Dispute Notice. Thank you.

Cyndie Moler

Legal Assistant to
Edwin E. Mortell, III

Peterson Bernard

416 Flamingo Ave.

Stuart, FL 34996

Ph: (772) 286-9881, Ext. #1811

Fax: (772) 220-1784

cynthia.moler@petersonbernard.com **NEW EMAIL ADDRESS EFFECTIVE June 23, 2016**



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SCHEDULE 5(F) - EMPLOYEES

Name	Location	Entity	Pay	Rate	Position
1 ANABEL BECERRA	Arcadia	MRB & A II	Hourly	\$	CSR/Reception
2 ASHLEY BAKER	Arcadia	MRB & A II	Hourly	\$	CSR (sales & service)
3 ERICA VALDIVINOS	Arcadia	MRB & A II	Hourly	\$	CSR (sales & service)
4 JESSICA MILTON	Arcadia	MRB & A II	Hourly	\$	CSR (sales & service)
5 KAYLA N. SMITH	Arcadia	MRB & A II	Hourly	\$	CSR (service)
6 LEWIS AMBLER/AMBLER REALTY	Arcadia	MRB & A II	1099/monthly	\$	Crop insurance (prior owner)
7 LISA M. ST. MORTIZ	Arcadia	MRB & A II	Hourly	\$	CSR (sales & service)
8 MARCIA HILL	Arcadia	MRB & A II	Hourly	\$	CSR (sales & service)
9 MARGIE BERGENS	Arcadia	MRB & A II	Salaried	\$	Manager
10 MARSHA MCMILLIAN	Arcadia	MRB & A II	Hourly	\$	CSR (sales & service)
11 MARY VALDOVINOS	Arcadia	MRB & A II	Hourly	\$	CSR (service)
12 MILDRED DELUCA	Arcadia	MRB & A II	Salaried	\$	Manager
13 PHILLIP HUNT	Arcadia	MRB & A II	Salaried	\$	Sales (2-20)
14 PHOLICE DONALDSON	Arcadia	MRB & A II	Salaried	\$	Sales (2-20)
15 ROBERT MILLER	Arcadia	MRB & A II	1099/monthly	\$	Crop insurance
16 SARAH ROBERTS	Arcadia	MRB & A II	Hourly	\$	Reception
17 THERON PROVAU	Arcadia	MRB & A II	1099/monthly	\$	Crop insurance
18 THOMAS GUIDRY	Arcadia	MRB & A II	1099/Com.		Health insurance
19 BRITTANY JOHNSON	Bonifay	MRB & A II	Salaried	\$	Manager
20 JAMIE D. LUNSFORD	Bonifay	MRB & A II	Hourly	\$	CSR (sales & service)
21 JACQUELINE BISH	Bonifay	MRB & A II	Salaried	\$	CSR (sales & service)
22 DINA CARMICHAEL	Crestview	MRB & A II	Salaried	\$	Sales (2-20)
23 JENNIFER L. CRONIN	Crestview	MRB & A II	Salaried	\$	CSR (sales & service)
24 LEIGH M. WILSON	Crestview	MRB & A II	Salaried	\$	CSR (sales & service)
25 LINDSEY HATCHELL	Crestview	MRB & A II	Salaried	\$	Manager
26 MICHELLE WOOD	Lakeland	MRB & A III	Hourly	\$	Manager
27 CLAUDIA NOVOA	Miami	IASF	Hourly	\$	CSR (sales & service)
28 CRYSTAL GONZALEZ	Miami	IASF	Salaried	\$	Manager
29 ZENIA MARTINEZ	Miami	IASF	Hourly	\$	CSR (sales & service)
30 LYSSA ERENNAN	Palm Beach	FIAG II	1099/Com.		Sales (2-20)
31 ALICIA GOMEZ	Rockledge	FIAG II	Hourly	\$	CSR (sales & service)
32 APRIL BROADWAY	Rockledge	FIAG II	Hourly	\$	CSR (sales & service)
33 BERNADETTE KENNY	Rockledge	FIAG II	Hourly	\$	CSR (service)
34 JENNIFER SCHERFF	Rockledge	FIAG II	Hourly	\$	CSR (sales & service)
35 STEPHANIE SCHRADER	Rockledge	FIAG II	Hourly	\$	CSR (sales & service)
36 TANYA ONETO	Rockledge	FIAG II	Hourly	\$	CSR (sales & service)
37 VIVIAN STANTON	Rockledge	FIAG II	Hourly	\$	CSR (sales & service)
38 AMANDA CARTER CAME	Sarasota	MRB & A II	Hourly	\$	CSR (sales & service)
39 ANNETTE M. BOGUSZ	Sarasota	MRB & A II	Salaried	\$	Manager (prior owner)
40 BRADLEY BBSHORE	Sarasota	MRB & A II	Draw/Com		Health Sales
41 PATRICIA PAVONCELLO	Sarasota	MRB & A II	Hourly	\$	CSR (commercial)
42 SAMANTHA HAWKINS	Sarasota	MRB & A II	Hourly	\$	CSR (sales & service)
43 SHERRIE SARTORE	Sarasota	MRB & A II	Hourly	\$	Health CSR
44 TERESA BONTRAGER	Sarasota	MRB & A II	Hourly	\$	CSR (sales & service)
45 HEATHER CHECK	Vero Beach	FIAG	Hourly	\$	CSR (sales & service)
46 JULIE TORRES	Vero Beach	FIAG	Hourly	\$	CSR (sales & service)
47 KRISTY SANDERS	Vero Beach	FIAG II	Hourly	\$	Mike's assistant/bookkeeper
48 MARGARET DOUGHER	Vero Beach	FIAG	Hourly	\$	CSR (service)
49 SAMANTHA MILNE	Vero Beach	FIAG	Hourly	\$	CSR (service)
50 YANELLY GONZALEZ	Vero Beach	FIAG	Hourly	\$	CSR (sales & service)
51 EWING, BLACKWELDER & DUCE	Winter Haven	MRB & A II	1099/Com.		Brokering thru Desoto

EXHIBIT

F

REDACTED

-----Original Message-----

From: Andrew Rich

Sent: Tuesday, May 24, 2016 4:14 PM

To: Doris Gonzalez <DGonzalez@QQSolutions.com>; Raymond F. Buza <rбуза@pbiag.com>; Mike Buza <mbuza@pbiag.com>

Subject: Re: Qq010611

That looks perfect. Also just want to make sure we are only mirroring the data from 10611 to the master account and leaving 10611 exactly the same with the exception of removing the PBIAG book of business.

Ray please see below and expect to receive the DocuSign email.

Thank you so much Doris you are great !!!

Sincerely,
Andrew Rich
561-215-5249

On May 24, 2016, at 4:07 PM, Doris Gonzalez <DGonzalez@QQSolutions.com> wrote:

Hello Andrew,

Here is a recap of my understanding based on our phone call with Mike Buza;

- Create a new account - QQ Catalyst- QQ max with two locations

Main location called - Palm Beach Insurance Advisory Group, Inc.

Second location called - Master account

- Professional Service work



We will move QQ13051 and remove it from QQ10611 and move it to the main location of the new account

We will move all of the data, from the entire 10611 account and move it to the Master account location of the new account.

Let me know that I completely understand and this is correct.

If so, here are the next steps-

- Within 24 hours Raymond Buza will receive a DocuSign document via email. He needs to sign it electronically. There will be a payment form included in that DocuSign packet. Simply print, fill out payment and fax it in.

Once our team has both the signed document and faxed payment form, the account will be created.

Shortly after that we will begin moving the data.

Here are the costs-

Monthly-

449.00 for the main location

115.00 for the additional location

A one time discounted cost of 600.00 to merge all of the data requested to the new account.

Thanks,

Doris

-----Original Message-----

From: Andrew Rich [<mailto:andrew@moultonagency.com>]

Sent: Tuesday, May 24, 2016 3:42 PM

To: Doris Gonzalez <DGonzalez@QQSolutions.com>

Subject: RE: Qq010611

Wait one moment. Please call me 561-215-5249

-----Original Message-----

From: Doris Gonzalez [<mailto:DGonzalez@QQSolutions.com>]

Sent: Tuesday, May 24, 2016 3:41 PM

To: Andrew Rich <andrew@moultonagency.com>

Subject: RE: Qq010611

Andrew, I scrolled down and saw what you needed.

Thanks

-----Original Message-----

From: Andrew Rich [<mailto:andrew@moultonagency.com>]

Sent: Tuesday, May 24, 2016 3:28 PM

To: Doris Gonzalez <DGonzalez@QQSolutions.com>

Subject: FW: Qq010611

Hi Doris,

Please see below. Also please only discuss this with me nothing to Kristy in regards to this one :)

-----Original Message-----

From: Amanda Petrillo [mailto:APetrillo@QQSolutions.com]

Sent: Tuesday, May 24, 2016 3:27 PM

To: Andrew Rich <andrew@moultonagency.com>; Jennifer Rosario
<JRosario@QQSolutions.com>

Subject: RE: Qq010611

Hello Andrew,

We are able to do database splits, however you will need to go through your sales rep first to create the order before we can process the split on the Professional Services side.

It looks like your sales rep is Doris Gonzalez. Please feel free to reach out to her directly at dgonzalez@qqsolutions.com or 1-800-940-6600 ext. 198

Thank you,

Amanda

Amanda Petrillo

Project Manager | Professional Services

T: 800.940.6600 EXT.117

Good morning ladies,

I was wondering what I need to do to separate the below locations in QQ.

Florida palm beach insurance/ heard insurance

Can we separate these as they are two separate books of business and have no relation.

Palm beach insurance is our health divisions and heard insurance is a P&C book

Sincerely,

Andrew Rich

561-215-5249



Palm Beach Insurance Advisory

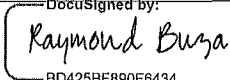
214 E Lakewood Road
West Palm Beach, FL 33405
Customer #3035409

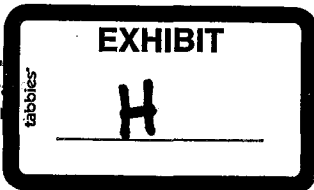
Vertafore Professional Services Statement of Work

QQ Merges

Prepared by:
Kirsten Clark

01-June-2016

Palm Beach Insurance Advisory	
<small>DocuSigned by:</small>  <small>BD425BF890F6434...</small>	
AUTHORIZED SIGNATURE	
6/2/2016	
DATE SIGNED	
Raymond Buza	
PRINTED NAME	
Pres	
TITLE	





Background

Palm Beach Insurance Advisory, hereafter referred to as the Customer, has requested the assistance of Vertafore in performing the Services detailed in this Request. The Customer is an existing QQSolutions Evolution user that has requested two (2) merges.

The following will be merged: QQ13051 to QQ15809; QQ10611 into QQ15810.

Statement of Work

Vertafore Professional Services will provide the following services to the Customer.

1. Vertafore will provide the Customer with the criteria needed for a release letter from the acquired agency.
2. Vertafore will assist the Customer with performing of two (2) QQSolutions database merges. A QQSolutions to QQSolutions merge is the combining of two (2) QQSolutions databases or Excel Files into one (1).
3. Vertafore will provide the Customer with documentation that needs to be filled out relating to the merge as well as instructions on the merge process.
4. Before a QQSolutions database can be merged into another QQSolutions database, the setup information from the two (2) databases must be mapped. Mapping is done at a workstation with a software program especially designed for this purpose. Vertafore will provide the mapping utility and instructions to the Customer.
5. Upon the Customer completing all setup mapping, Vertafore will perform the merge.
6. The Customer understands the merges may not happen simultaneously.

Assumptions

General

1. Services provided off hours will require coordination with Vertafore and an additional fee.
2. Unless stated otherwise in this Statement of Work all services, such as project management will be performed remotely.
3. Timeframe for deliverable is subject to Vertafore resource availability.
4. The Customer's workstations and network meet the Vertafore minimum recommendations as discussed.
5. The Customer understands that any changes or revisions to this project are beyond the scope of this Statement of Work and will require a new signed and completed contract.
6. All services must be delivered within the terms set forth in the Order for Licenses and Services. If a 'Go Live' date is not specified within the Order for Licenses and Services, then all services must be delivered within twelve (12) months. Services not delivered within the specified timeframe will be forfeited by the Customer.
7. Vertafore Professional Services will contact the Customer within ten (10) business days of the executed contract with the assigned Implementation Start date. Scheduling is subject to resource availability.
8. The Customer is responsible for completing tasks within the timeframe provided by Vertafore. If tasks are not completed within the established timeframe, a signed and completed Change Request will be required for additional work needed to complete the project. The Customer will be billed for any additional hours required.
9. Vertafore will work with the Customer to obtain a copy of the acquired agency's QQSolutions database and perform the merges.



PS10-68345

Contact Information *Information in the table below is required

Live Date Request	06/02/2016
Address 1 (shipping)	214 East Lakewood Road
City, State, Zip	West Palm Beach FL 33405-3316
Telephone Number	561-802-3131
Primary Contact	Raymond Buza
Email Address	rbuza@pbiag.com

Fixed Fee Contract Items

Vertafore Service Item	Description	Quantity
QQC9222823	QQSolutions Conversion Services	6 Hours

From: Ronald Lohman <RLohman@MercuryInsurance.com>
Sent: Wednesday, July 13, 2016 3:07 PM
To: Andrew Rich
Cc: Jackie Hart at Kim Ellis Ins (jackie.hart@kimellisagency.com)
Subject: RE: Agency purchase of Kim Ellis Insurance

<image002.gif>

I just wanted to let you two know that I have a whole team of people looking into this code issue. I believe it's related to the old temp code being closed. The changes have been made but I'm confirming whether they will take effect immediately or overnight. I will let you know asap when I find out more info. I'm so sorry about the mixup.

Sincerely,

Ron Lohman | Mercury Insurance
Marketing Representative
Cell: 407.375.8460 | Fax: 877.397.9957
rlohman@mercuryinsurance.com

<image003.png>

From: Andrew Rich [<mailto:andrew@moultonagency.com>]
Sent: Tuesday, July 12, 2016 3:47 PM
To: Ronald Lohman <RLohman@MercuryInsurance.com>
Subject: Agency purchase of Kim Ellis Insurance

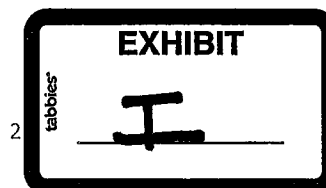
Hi Ron,
I have recently purchased Kim Ellis insurance agency and would like to move the appointment and book over. Is that something you can help me with? Thank you so much and have a great day!

Thank you,
Andrew Rich

KE Insurance Agency
990 US 1, Sebastian, FL. 32958
772-589-1800 (Office)
561-215-5249 (cell)
772-388-2067 (fax)

NOTE: You cannot bind, alter or cancel coverage without speaking to an authorized representative of the agency. You cannot assume that coverage is bound without confirmation from an authorized representative of the agency.

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: Andrew Rich
Sent: Tuesday, July 12, 2016 3:24 PM
To: Mike Buza
Subject: Fwd: AGENT OF RECORD TRANSFER NOTICE, INSURANCE ADVISORS OF SOUTH FLORIDA LLC

Sent from my iPhone
Michael Buza
561-282-7071

Begin forwarded message:

From: <Agents@Citizensfla.com>
Date: July 12, 2016 at 8:43:35 AM EDT
To: <ANDREW@MOULTONAGENCY.COM>
Subject: AGENT OF RECORD TRANSFER NOTICE, INSURANCE ADVISORS OF SOUTH FLORIDA LLC

July 12, 2016



AGENT OF RECORD TRANSFER NOTICE

INSURANCE ADVISORS OF SOUTH FLORIDA LLC

Attn: Andrew Rich, Agent

DFS License Number: W004254

Citizens Property Insurance Corporation has received a request to change the Agent of Record (AOR) for:

Policyholder: MASSIMILIANO GALEAZZI

Policy Number: 00907629

This transfer has been processed effective 7/12/16.

If the policyholder would like to return to your agency, please complete the [Agent of Record Transfer Form](#), which must be signed by the policyholder and agent, and submit it to AOR@Citizensfla.com.

If you have any questions regarding this notice, send an email to Agents@CitizensFla.com.

Thank you,

Agent Administration

Citizens Property Insurance Corporation

P.O. Box 17008

Jacksonville, FL 32245-7008

Agents@CitizensFla.com

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