

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
19 CVS 008664-910

RECEIVER'S QUARTERLY REPORT

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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 13th day of November, 2025.

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Attorney for Petitioner,

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SOUTHLAND NATIONAL INSURANCE CORPORATION
NORTH CAROLINA COMMISSIONER OF INSURANCE AS RECEIVER
AS OF MARCH 31, 2025,
A BALANCE SHEET
AS OF MARCH 31, 2025
A SUMMARY OF OPERATIONS
THROUGH MARCH 31, 2025
AND
A SCHEDULE OF LINDBERG AFFILIATED INVESTMENTS
AS OF MARCH 31, 2025

INTRODUCTION

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, “Rehabilitation Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator. On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter “Moratorium”). On May 2, 2023, the Court entered an Order of Liquidation (hereinafter, “Liquidation Order”) Against Southland National Insurance Corporation and Order for Injunctive Relief and appointed the Commissioner of Insurance for the State of North Carolina as Liquidator. The Commissioner of Insurance for the State of North Carolina, in his capacity as Rehabilitator and Liquidator of SNIC, is hereinafter referred to as the “Receiver”. The effective date of the Order was May 2, 2023.

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”), though Lindberg has transferred a significant portion of his interest in Global Growth to the Special Master overseeing the restitution process in his federal criminal cases.

PURPOSE OF THIS REPORT

The purpose of this report in liquidation is to provide a quarterly update to the Court, as required by the Liquidation Order, on the work that the Receiver and his staff carried out from the issuance of the Liquidation Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of Lindberg affiliated investments as of March 31, 2025, and a summary of operations through March 31, 2025.

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 Rehabilitation Order and now continuing under the 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

COMPANY PROPERTY

- The Receiver has exercised all available rights to take possession of all known assets and property of the Company in accordance with the Rehabilitation Order and Liquidation Order and will continue to seek additional recoveries by exercising any additional rights to property as they become available.

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, discussed more fully below. The Court issued a Judgment and Order in the MOU litigation on May 18, 2022, which was amended on May 26, 2022 to correct minor clerical errors. The Court found Defendants breached the MOU for failing to restructure the affiliated companies and ordered specific performance of the global restructuring. The Court also found that Defendants committed fraud related to the MOU’s representations and warranties, but did not award monetary damages for that fraud. Finally, the Court found that Article III of the MOU requiring a global loan modification was unenforceable. Defendants filed a notice of appeal of the judgment. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the judgment requiring Defendants to specifically perform the MOU restructuring and remanded for the Court to determine Plaintiffs’ damages for fraud. The North Carolina Supreme Court then granted discretionary review solely on the issue of Plaintiffs’ reliance on Defendants’ misrepresentation related to the fraud claim. On June 28, 2024, the Supreme Court granted the parties’ joint motion for limited remand to allow enforcement of the judgment requiring specific performance of the MOU restructuring. In August 2024, Defendants began assigning and contributing some of the affiliated companies to the new holding company (“NHC”). NHC is currently operating and managing some of the affiliated companies. However, Defendants have not yet transferred all of the affiliated companies, and the Receiver is monitoring those ongoing issues. 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 March 31, 2025.
- 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.

EXPENSE REDUCTIONS

The Receiver has reduced expenses to only those directed to administering the estate and achieving the purposes of liquidation.

LITIGATION

This section includes a summary of the status of the litigation as of January 1, 2025 and provides detailed updates for events after January 1, 2025. For detailed information about the litigation events prior to January 1, 2025, please review the previously filed Receiver's Quarterly Reports filed with the Court. The Receiver's Quarterly Report through December 31, 2024, filed in this matter on June 16, 2025, includes a detailed history of each matter from inception through December 31, 2024.

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**

Summary: 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.

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.

In January 2023, the JPLs filed a Complaint seeking to have the MOU and IALA declared invalid and for compensation from CBL, BLIC, and SNIC based on claims of breach of contract, breach

of fiduciary duty, and fraud. The NC Insurance Companies filed a Motion to Stay the lawsuit because it was filed in violation of the anti-suit injunction provision of the Rehabilitation Order. In February 2022, the Bankruptcy Court granted the Motion to Stay, found that the McCarran-Ferguson Act applied and required the Bankruptcy Court to give the Rehabilitation Court's injunction force and effect, and found that the JPLs' violated the injunction by filing this suit against the Insurance Companies without the Rehabilitation Court's prior permission. The Bankruptcy Court stayed the claims against the Insurance Companies until the JPLs obtained permission to proceed. The District Court ultimately affirmed this order.

On February 1, 2024, the Bankruptcy Court entered an order holding the JPLs and their counsel of Stevens & Lee in contempt of court for filing an Amended Complaint bringing new claims against the Insurance Companies 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 JPLs were also required to file a restated amended complaint that removed all new allegations and causes of action against the insurance companies. The JPLs and their counsel appealed this order to the District Court. The JPLs later dismissed their appeal of the contempt order. The JPLs' counsel later sought dismissal of their own appeal.

2025

On April 28, 2025, Robinson and Koenecke filed a motion pursuant to Federal Rule of Civil Procedure Rule 60 seeking to amend the Court's prior contempt findings related to the filing of an amended complaint with claims against the NC Insurance Companies.

On May 6, 2025, Robinson, Koenecke, and Kajon filed a letter with the Bankruptcy Court objecting to the Insurance Companies' discovery requests related to the Rule 60 motion. The Insurance Companies filed a letter in response on May 9, 2025.

On May 12, 2025, the Bankruptcy Court held a case conference on the Insurance Companies' request for discovery and determined that the Insurance Companies were entitled to take some limited discovery on the subject of the Rule 60 motion.

On June 6, 2025, Robinson and Koenecke filed a Notice of Withdrawal formally withdrawing their Rule 60 motion *with prejudice*.

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

Summary: 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.

In April 2023, the Bankruptcy Court stayed the declaratory judgment action until the JPLs obtained permission from this Court to proceed with its counterclaims brought in this litigation. This Court denied the JPLs' request in July 2023.

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

Summary: This case was filed on May 8, 2019, appealing a denied accidental death claim and petitioned for payment of insurance proceeds. This action was stayed in March 2020 pursuant to the anti-suit injunction in the Rehabilitation Order.

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

Summary: 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 disputed service of the action. On January 19, 2024, the plaintiff filed a motion to dismiss the action pursuant to the anti-suit injunction in the Liquidation Order. That motion remains pending.

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

Summary: On June 27, 2022, ULICO and TMI filed a complaint seeking an order declaring the 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.

In September 2022, the Court determined that the lawsuit violated the anti-suit injunction but permitted the portion of the Amended Complaint seeking a declaratory judgment invalidating the IALA to proceed. CBL, SNIC, and BLIC moved to dismiss the Amended Complaint on October 3, 2022. No party has sought to have that motion heard.

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.

Summary: The Insurance Companies filed this action in October 2019 seeking specific performance of the MOU and damages for the fraudulent statements Lindberg and AAI made in connection with the MOU. At the start of the litigation, the Court entered a TRO restricting Lindberg and AAI's ability to transfer or sell certain of their assets. Due to the Defendants' violations of the TRO, the Court imposed a limited receiver over the Defendants' assets to ensure compliance with the TRO. Over the course of the litigation, the terms of the TRO were expanded to prohibit Lindberg or AAI from transferring more than \$5,000 without the receiver's approval. The Defendants appealed some of the Court's expansions of the TRO's restrictions on Defendants.

Following a trial on the merits, the Court found that Defendants breached the MOU by failing to restructure the Specified Affiliated Companies ("SACs") as required by the MOU. The Court also found the Defendants made fraudulent misstatements to Plaintiffs in the representations and warranties included in the MOU but did not award damages for the fraud at the time.

Plaintiffs filed a motion for sanctions against Defendants and their counsel related to the Defendants' post-judgment filings and litigation tactics. That motion remains pending while the fraud portion of the judgment remains pending.

The fraud portion of the judgment is currently on appeal before the North Carolina Supreme Court. Plaintiffs contend that the Court should immediately award the monetary damages of approximately \$77 million, plus punitive damages, caused by Defendants' fraudulent misstatements. Defendants contend that Plaintiffs cannot be awarded specific performance and fraud damages. The NC Supreme Court held oral argument in October 2024 and the appeal remains pending.

Following appeals of the Court's judgment, the specific performance portion of the judgment was affirmed. In 2024, the Defendants executed documents to transfer some of the SACs to NHC as required by the MOU and the judgment. The parties continue to disagree about whether Defendants have fulfilled their obligations where certain SACs held in trust have not been transferred to NHC. The Court also appointed a special master to oversee NHC implementation.

In August 2024, the Court entered an 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. The Defendants appealed this contempt order. The receiver has filed various motions for sanctions/contempt and to permit the recovery of Defendants' assets transferred in violation of the TRO and other violations of the TRO.

2025

On February 13, 2025, Receiver filed an Amended Motion for Order to Show Cause as to Defendant Greg Lindberg and Robert Gaddy related to their violations of the TRO, including continued transfers in excess of \$5,000, an attempt to transfer certain assets in violation of the TRO, and filing a lawsuit against the Receiver. The hearing on this motion has not yet occurred.

On February 14, 2025, the Defendants filed the record on appeal for their appeal of the order expanding the receiver's powers. The appeal remains pending.

On February 19, 2025, Brian Kilpatrick of Condon Tobin, one of the Defendants' attorneys, moved to withdraw as counsel because he is leaving Condon Tobin. The Court granted that motion on February 27, 2025.

On February 21, 2025, the Defendants filed the record on appeal for their appeal of the order finding Lindberg and GGHI in contempt of the TRO order. The appeal remains pending.

On March 17, 2025, Defendants-Appellants' filed their brief in support of their 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. Defendants also filed a motion for judicial notice of (1) the Motion to Dissolve the Temporary Restraining Order and Motion to Discharge Limited Receiver and Special Master, and (2) the December 31, 2024 Order granting in part and denying in part the Limited Receiver's Motion for Authority. Plaintiffs filed a response in opposition on March 31, 2025. The motion was referred to the NC Court of Appeals panel that will ultimately hear the underlying appeal.

On March 24, 2025, Defendants-Appellants' filed their brief in support of their appeal of the Order holding Lindberg and GGHI in contempt of court for violations of the TRO. Defendants also filed a motion requesting that the Court of Appeals take judicial notice of the Motion to Dissolve the TRO and Motion to Discharge Limited Receiver and Special Master." Plaintiffs filed a response in opposition. The motion was referred to the NC Court of Appeals panel that will ultimately hear the underlying appeal.

On March 25, 2025, non-party Bob Alban filed his Notice of Appeal from the December 31, 2024 Order on Receiver's Motion for Show Cause. Non-party Robert Gaddy filed a notice of appeal of the same order on April 9, 2025.

On March 31, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed a response in opposition to Defendants-Appellants' motion for judicial notice, stating that neither of the filings submitted satisfy the standard for taking judicial notice.

On May 21, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed their appellee brief in response to Defendants' appeal of the order modifying the TRO and the Receiver's powers.

On May 28, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed their appellee brief in response to Defendants' appeal of the order holding Lindberg and GGHI in contempt for violations of the TRO.

On June 6, 2025, Defendants filed their reply brief in support of their appeal of the order modifying the TRO and Receiver's powers.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce a claim for collateral as to the Pledgor Defendant. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce the collateral pledged by the Pledgor Defendant. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 19, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on March 3, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 6, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 5, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce a claim for collateral against Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiffs' motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiffs' motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In January 2023, CBL filed this action for the Defendant Borrower's breach of the IALA. In June 2024, the court entered an order staying this action until the Court's resolution of the motion for summary judgment in the other consolidated federal IALA cases discussed above. This matter remains stayed.

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

Summary: In January 2023, SNIC filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 6, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

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

Summary: In January 2023, CBL filed this action for the Defendant Borrower's breach of the IALA. In June 2024, the court entered an order staying this action until the Court's resolution of the motion for summary judgment in the other consolidated federal IALA cases discussed above. This matter remains stayed.

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

Summary, In June 2023, 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 filed this action for 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.

In August 2024, the Court entered an order granting in part and denying in part the Lindberg-related Defendants' partial 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.

2025

On January 16, 2025, the SAC defendants filed an unopposed motion to stay the proceedings as to those entities. That motion was granted on January 17, 2025.

On April 25, 2025, Plaintiffs filed a consent motion to stay the action as to all defendants. On April 28, 2025, the Court granted that motion to stay the matter against all defendants as follows: (1) the case is stayed against the SAC Defendants until relief from the stay is sought by Plaintiffs; and (2) the case is stayed against the Lindberg Defendants until Defendant Lindberg is sentenced in connection with the Bribery Conviction, Fraud Conviction, and when the court enters a disgorgement order in the SEC Action, at which point the Plaintiffs and Lindberg Defendants shall, within 30 days of the later of these actions, notify this Court of the conclusion of those proceedings and propose a briefing schedule to address the preclusive impact of those proceedings on this case.

Closed Matters

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.

Summary: In February 2015, Plaintiffs filed this action alleging claims against SNIC and other Lindberg-affiliated entities breach of contract, wage and hour violations, retaliatory discharge, tortious retaliation, fraudulent transfer, unfair and deceptive trade practices, alter ego liability, and civil conspiracy related to the discharge of executives at Medflow, Inc. SNIC, prior to Rehabilitation and while under Lindberg's control, participated in this litigation until June 27, 2019. In May 2020, this Court lifted the anti-suit injunction to permit Plaintiffs' claims to proceed against SNIC to final judgment or other disposition but stayed any execution of a judgment for money owed by SNIC. The 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.

In September 2021, Plaintiffs Ehmann and Schiffli voluntarily dismissed their claims against all defendants pursuant to the parties' settlement agreement.

In October 2022, the SDRs filed a Motion for Re-Issuance of Stay in Wake County asking the Court to stay the 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.

In August 2023, the SDRs filed a motion for Plaintiff Throneburg to show cause as to why the litigation should not be dismissed pursuant to N.C. Gen. Stat. § 58-30-130(a), which was incorporated by reference into the SNIC liquidation order. The Court heard argument on the 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 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, thereby resolving the Order to Show Cause.

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 pursuant to the anti-suit injunction in the Rehabilitation Order. 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.

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.

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:

- \$5,106 to Consilio for legal support services
- \$2,430 to EDM Research for consulting services
- \$89,718 to Noble Consulting Services, Inc. for rehabilitation services
- \$2,224 to Norton Rose Fullbright for legal services
- \$1,572 to Squire Patton Boggs for legal services
- \$245 to J.S. Held, LLC (f/k/a Veris Consulting) for forensic accounting services
- \$58,805 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 continues to monitor these phone and email contacts on a daily basis during liquidation. The staff members of the receivership team, and the SDRs, have personally responded to over 6,000 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 regarding inquiries as to the Company or the Guaranty Associations (defined below). In addition, the SDRs and receivership team respond in writing to every policyholder letter directed to the Company. 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 liquidation.

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

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.¹

¹ 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.

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.

INTRODUCTION TO SOUTHLAND NATIONAL INSURANCE CORPORATION
FINANCIAL STATEMENTS
AS OF MARCH 31, 2025

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 Liquidator. 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 March 31, 2025. The financial statements have been prepared using the liquidation basis of accounting.

Interest on affiliated loans is not being recognized as income until the interest is received.

Southland National Insurance Company
Balance Sheet
March 31, 2025

Assets		
	Current Statement Date	December 31 Prior Year
Cash and Cash Equivalents - Unrestricted	\$ 9,891,755	10,209,277
Cash and Cash Equivalents - Restricted	4,663,546	4,190,137
Statutory and Special Deposits - Restricted	3,284,923	3,267,834
Bonds	11,942,527	11,571,760
Common Stocks	271	271
Mortgage Loans	529,549	560,736
Investment Income Due and Accrued	113,502	121,986
Early Access Distribution	13,670,994	13,670,994
Receivables For Securities	-	-
Total Assets	\$ 44,097,067	43,592,995
Liabilities		
	Current Statement Date	December 31 Prior Year
Class 1 and 2 Liabilities		
Administrative Expenses Payable	\$ 60,471	53,377
Intercompany Payable	90,854	86,305
Interest Income Held As Agent	4,663,546	4,190,137
Claims Against the Estate-Policyholders	43,874	43,874
Claims Against the Estate-Guaranty Associations	132,299,351	132,299,351
Claims Against the Estate-GA Administrative Expense	4,000,000	4,000,000
Claims Against the Estate-NCM	50,334,877	50,334,877
Payables For Securities	625	625
Class 5 Liabilities		
Unclaimed Property	208,614	208,614
Total Liabilities	191,702,213	191,217,160
Excess of Liabilities o	\$ (147,605,145)	(147,624,165)

Southland National Insurance Company
Summary of Operations
As of March 31, 2025

	Current Year to Date	Prior Year Ended December 31
Income		
Net Investment Income	204,235	875,852
Total Income	204,235	875,852
Expense		
General Insurance Expenses	228,630	1,191,927
Ins Taxes, Licenses & Fees	1,881	10,299
Total Expense	230,512	1,202,226
Net Ordinary Income	(26,276)	(326,374)
Other Income		
Net Realized Capital G/L	5,174	4,596
Total Other Income	5,174	4,596
Net Other Income	5,174	4,596
Net Income	\$ (21,102)	\$ (321,778)

SOUTHLAND NATIONAL INSURANCE CORPORATION
SCHEDULE OF AFFILIATED INVESTMENTS
DECEMBER 31, 2024 AND MARCH 31, 2025 COMPARISON

Pledged	CUSIP Identification	Description	Actual Cost	Book/ Adjusted Carrying Value December 31, 2024	Book/ Adjusted Carrying Value March 31, 2025	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	99467UA5	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 MARCH 31, 2025,
A BALANCE SHEET
AS OF MARCH 31, 2025,
AND
A SUMMARY OF OPERATIONS
THROUGH MARCH 31, 2025

INTRODUCTION

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, “Rehabilitation 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”), though Lindberg has transferred a significant portion of his interest in Global Growth to the Special Master overseeing the restitution process in his federal criminal cases.

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 Rehabilitation Order, on the work that the Rehabilitator and his staff have carried out since the issuance of the Rehabilitation Order, to set out the present situation of the Company, and to provide a balance sheet and a summary of operations through March 31, 2025.

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

COMPANY PROPERTY

- The Receiver has exercised all available rights to take possession of all known assets and property of the Company in accordance with the Rehabilitation Order and will continue to seek additional recoveries by exercising any additional rights to property as they become available.

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, discussed more fully below. The Company has no affiliated loans and, therefore, the MOU and IALA have minimal impact on the Company. The Court issued a Judgment and Order in the MOU litigation on May 18, 2022, which was amended on May 26, 2022 to correct minor clerical errors. The Court found Defendants breached the MOU for failing to restructure the affiliated companies and ordered specific performance of the global restructuring. The Court also found that Defendants committed fraud related to the MOU’s representations and warranties, but did not award monetary damages for that fraud. Finally, the Court found that Article III of the MOU requiring a global loan modification was unenforceable. Defendants filed a notice of appeal of the judgment. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the judgment requiring Defendants to specifically perform the MOU restructuring and remanded for the Court to determine Plaintiffs’ damages for fraud. The North Carolina Supreme Court then granted discretionary review solely on the issue of Plaintiffs’ reliance on Defendants’ misrepresentation related to the fraud claim. On June 28, 2024, the Supreme Court granted the parties’ joint motion for limited remand to allow enforcement of the judgment requiring specific performance of the MOU restructuring. In August 2024, Defendants began assigning and contributing some of the affiliated companies to the new holding company (“NHC”). NHC is currently operating and managing some of the affiliated companies. However, Defendants have not yet transferred all of the affiliated companies, and the Receiver is monitoring those ongoing issues. See the Litigation section for more information.

LITIGATION

This section includes a summary of the status of the litigation as of January 1, 2025 and provides detailed updates for events after January 1, 2025. For detailed information about the litigation events prior to January 1, 2025, please review the previously filed Receiver’s Quarterly Reports filed with the Court. The Receiver’s Quarterly Report through December 31, 2024, filed in this matter on June 16, 2025, includes a detailed history of each matter from inception through December 31, 2024.

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**

Summary: 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.

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.

In January 2023, the JPLs filed a Complaint seeking to have the MOU and IALA declared invalid and for compensation from CBL, BLIC, and SNIC based on claims of breach of contract, breach of fiduciary duty, and fraud. The NC Insurance Companies filed a Motion to Stay the lawsuit because it was filed in violation of the anti-suit injunction provision of the Rehabilitation Order. In February 2022, the Bankruptcy Court granted the Motion to Stay, found that that the McCarran-Ferguson Act applied and required the Bankruptcy Court to give the Rehabilitation Court’s injunction force and effect, and found that the JPLs’ violated the injunction by filing this suit against the Insurance Companies without the Rehabilitation Court’s prior permission. The Bankruptcy Court stayed the claims against the Insurance Companies until the JPLs obtained permission to proceed. The District Court ultimately affirmed this order.

On February 1, 2024, the Bankruptcy Court entered an order holding the JPLs and their counsel of Stevens & Lee in contempt of court for filing an Amended Complaint bringing new claims against the Insurance Companies 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 JPLs were also required to file a restated amended complaint that removed all new allegations and causes of action against the insurance companies. The JPLs and their counsel appealed this order to the District Court. The JPLs later dismissed their appeal of the contempt order. The JPLs’ counsel later sought dismissal of their own appeal.

2025

On April 28, 2025, Robinson and Koenecke filed a motion pursuant to Federal Rule of Civil Procedure Rule 60 seeking to amend the Court’s prior contempt findings related to the filing of an amended complaint with claims against the NC Insurance Companies.

On May 6, 2025, Robinson, Koenecke, and Kajon filed a letter with the Bankruptcy Court objecting to the Insurance Companies’ discovery requests related to the Rule 60 motion. The Insurance Companies filed a letter in response on May 9, 2025.

On May 12, 2025, the Bankruptcy Court held a case conference on the Insurance Companies' request for discovery and determined that the Insurance Companies were entitled to take some limited discovery on the subject of the Rule 60 motion.

On June 6, 2025, Robinson and Koenecke filed a Notice of Withdrawal formally withdrawing their Rule 60 motion *with prejudice*.

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

Summary: 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.

In 2023, the Bankruptcy Court stayed the declaratory judgment action until the JPLs obtained permission from this Court to proceed with its counterclaims brought in this litigation. This Court denied the JPLs' request in July 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.

Summary: The Insurance Companies filed this action in October 2019 seeking specific performance of the MOU and damages for the fraudulent statements Lindberg and AAI made in connection with the MOU. At the start of the litigation, the Court entered a TRO restricting Lindberg and AAI's ability to transfer or sell certain of their assets. Due to the Defendants' violations of the TRO, the Court imposed a limited receiver over the Defendants' assets to ensure compliance with the TRO. Over the course of the litigation, the terms of the TRO were expanded to prohibit Lindberg or AAI from transferring more than \$5,000 without the receiver's approval. The Defendants appealed some of the Court's expansions of the TRO's restrictions on Defendants.

Following a trial on the merits, the Court found that Defendants breached the MOU by failing to restructure the Specified Affiliated Companies ("SACs") as required by the MOU. The Court also found the Defendants made fraudulent misstatements to Plaintiffs in the representations and warranties included in the MOU but did not award damages for the fraud at the time.

Plaintiffs filed a motion for sanctions against Defendants and their counsel related to the Defendants' post-judgment filings and litigation tactics. That motion remains pending while the fraud portion of the judgment remains pending.

The fraud portion of the judgment is currently on appeal before the North Carolina Supreme Court. Plaintiffs contend that the Court should immediately award the monetary damages of approximately \$77 million, plus punitive damages, caused by Defendants' fraudulent misstatements. Defendants contend that Plaintiffs cannot be awarded specific performance and fraud damages. The NC Supreme Court held oral argument in October 2024 and the appeal remains pending.

Following appeals of the Court's judgment, the specific performance portion of the judgment was affirmed. In 2024, the Defendants executed documents to transfer some of the SACs to NHC as required by the MOU and the judgment. The parties continue to disagree about whether Defendants have fulfilled their obligations where certain SACs held in trust have not been transferred to NHC. The Court also appointed a special master to oversee NHC implementation.

In August 2024, the Court entered an 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. The Defendants appealed this contempt order. The receiver has filed various motions for sanctions/contempt and to permit the recovery of Defendants' assets transferred in violation of the TRO and other violations of the TRO.

2025

On February 13, 2025, Receiver filed an Amended Motion for Order to Show Cause as to Defendant Greg Lindberg and Robert Gaddy related to their violations of the TRO, including continued transfers in excess of \$5,000, an attempt to transfer certain assets in violation of the TRO, and filing a lawsuit against the Receiver. The hearing on this motion has not yet occurred.

On February 14, 2025, the Defendants filed the record on appeal for their appeal of the order expanding the receiver's powers. The appeal remains pending.

On February 19, 2025, Brian Kilpatrick of Condon Tobin, one of the Defendants' attorneys, moved to withdraw as counsel because he is leaving Condon Tobin. The Court granted that motion on February 27, 2025.

On February 21, 2025, the Defendants filed the record on appeal for their appeal of the order finding Lindberg and GGHI in contempt of the TRO order. The appeal remains pending.

On March 17, 2025, Defendants-Appellants' filed their brief in support of their 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. Defendants also filed a motion for judicial notice of (1) the Motion to Dissolve the Temporary Restraining Order and Motion to Discharge Limited Receiver and Special Master, and (2) the December 31, 2024 Order granting in part and denying in part the Limited Receiver's Motion for Authority. Plaintiffs filed a response in opposition on March 31, 2025. The motion was referred to the NC Court of Appeals panel that will ultimately hear the underlying appeal.

On March 24, 2025, Defendants-Appellants' filed their brief in support of their appeal of the Order holding Lindberg and GGHI in contempt of court for violations of the TRO. Defendants also filed a motion requesting that the Court of Appeals take judicial notice of the Motion to Dissolve the TRO and Motion to Discharge Limited Receiver and Special Master." Plaintiffs filed a response in opposition. The motion was referred to the NC Court of Appeals panel that will ultimately hear the underlying appeal.

On March 25, 2025, non-party Bob Alban filed his Notice of Appeal from the December 31, 2024 Order on Receiver's Motion for Show Cause. Non-party Robert Gaddy filed a notice of appeal of the same order on April 9, 2025.

On March 31, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed a response in opposition to Defendants-Appellants' motion for judicial notice, stating that neither of the filings submitted satisfy the standard for taking judicial notice.

On May 21, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed their appellee brief in response to Defendants' appeal of the order modifying the TRO and the Receiver's powers.

On May 28, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed their appellee brief in response to Defendants' appeal of the order holding Lindberg and GGHI in contempt for violations of the TRO.

On June 6, 2025, Defendants filed their reply brief in support of their appeal of the order modifying the TRO and Receiver's powers.

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.

Summary: In May 2022 CBL and SNRC filed this action alleging breach of the Tax Sharing Agreement and other claims. 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.

Defendant GBIG Holdings, LLC filed a partial motion to dismiss the conversion, embezzlement, and unfair and deceptive trade practices claims, which was granted.

2025

On February 7, 2025, Plaintiffs filed a consent motion to extend time to complete discovery. That motion was granted on February 11, 2025.

On May 29, 2025, Plaintiffs filed a motion for extension of time to complete discovery. That motion was granted on June 2, 2025.

OTHER MATTERS

- 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.

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 MARCH 31, 2025**

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 March 31, 2025. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles.

Southland National Reinsurance Corporation
Balance Sheet
March 31, 2025

Assets		
	Current	December 31
	Statement Date	Prior Year
Cash and Cash Equivalents - Unrestricted	\$ 219,570	218,368
Total Assets	\$ 219,570	218,368
Liabilities		
	Current	December 31
	Statement Date	Prior Year
Class 1 and 2 Liabilities		
Administrative Expenses Payable	\$ -	-
Total Liabilities	\$ -	-
Excess of Liabilities over Assets	\$ 219,570	218,368

Southland National Reinsurance Corporation
Summary of Operations
As of March 31, 2025

		Current Year to Date	Prior Year Ended December 31
Income			
	Net Investment Income	\$ 1,203	4,899
Total Income		\$ 1,203	4,899
Expense			
	General Insurance Expenses	\$ -	4,299
Total Expense		\$ -	4,299
Net Income		\$ 1,203	600

BANKERS LIFE INSURANCE COMPANY
NORTH CAROLINA COMMISSIONER OF INSURANCE AS RECEIVER
AS OF MARCH 31, 2025,
A BALANCE SHEET
AS OF MARCH 31, 2025
A SUMMARY OF OPERATIONS
THROUGH MARCH 31, 2025
AND
A SCHEDULE OF LINDBERG AFFILIATED INVESTMENTS
AS OF MARCH 31, 2025

INTRODUCTION

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, “Rehabilitation Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator. On December 30, 2022, the Court entered an Order of Liquidation (hereinafter, “Liquidation Order”) Against Bankers Life Insurance Company and Colorado Bankers Life Insurance Company and Order for Injunctive Relief and appointed the Commissioner of Insurance for the State of North Carolina as Liquidator. The Commissioner of Insurance for the State of North Carolina, in his capacity as Rehabilitator or Liquidator of BLIC, is hereinafter referred to as the “Receiver.” The effective date of the Liquidation Order was November 30, 2024. On November 21, 2024, the Court also entered an Order Granting Joint Motion for Moratorium on Uncovered Policy Obligations During Liquidation and to Establish a Method of Fixing Class Two Claims (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”), though Lindberg has transferred a significant portion of his interest in Global Growth to the Special Master overseeing the restitution process in his federal criminal cases.

PURPOSE OF THIS REPORT

The purpose of this report in liquidation is to provide a quarterly update to the Court, as required by the Liquidation Order, on the work that the Receiver and his staff have carried out since the effective date of the Liquidation Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of Lindberg affiliated investments as of December 31, 2024, and a summary of operations through March 31, 2025.

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 Rehabilitation Order and now continuing under the 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

COMPANY PROPERTY

- The Receiver has exercised all available rights to take possession of all known assets and property of the Company. in accordance with the Rehabilitation Order and Liquidation Order and will continue to seek additional recoveries by exercising any additional rights to property as they become available.

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, discussed more fully below. The Court issued a Judgment and Order in the MOU litigation on May 18, 2022, which was amended on May 26, 2022 to correct minor clerical errors. The Court found Defendants breached the MOU for failing to restructure the affiliated companies and ordered specific performance of the global restructuring. The Court also found that Defendants committed fraud related to the MOU’s representations and warranties, but did not award monetary damages for that fraud. Finally, the Court found that Article III of the MOU requiring a global loan modification was unenforceable. Defendants filed a notice of appeal. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the judgment requiring Defendants to specifically perform the MOU restructuring and remanded for the Court to determine Plaintiffs’ damages for fraud. The North Carolina Supreme Court then granted discretionary review solely on the issue of Plaintiffs’ reliance on Defendants’ misrepresentation related to the fraud claim. On June 28, 2024, the Supreme Court granted the parties’ joint motion for limited remand to allow enforcement of the judgment requiring specific performance of the MOU restructuring. In August 2024, Defendants began assigning and contributing some of the affiliated companies to the new holding company (“NHC”). NHC is currently operating and managing some of the affiliated companies. However, Defendants have not yet transferred all of the affiliated companies, and the Receiver is monitoring those ongoing issues. 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 December 31, 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.

EXPENSE REDUCTIONS

The Receiver has reduced expenses to those directed to administering the estate and achieving the purposes of liquidation.

LITIGATION

This section includes a summary of the status of the litigation as of January 1, 2025 and provides detailed updates for events after January 1, 2025. For detailed information about the litigation events prior to January 1, 2025, please review the previously filed Receiver's Quarterly Reports filed with the Court. The Receiver's Quarterly Report through December 31, 2024, filed in this matter on June 16, 2025, includes a detailed history of each matter from inception through December 31, 2024.

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**

Summary: 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.

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. In January 2023, the JPLs filed a Complaint seeking to have the MOU and IALA declared invalid and for compensation from CBL, BLIC, and SNIC based on claims of breach of contract, breach of fiduciary duty, and fraud. The NC Insurance Companies filed a Motion to Stay the lawsuit because it was filed in violation of the anti-suit injunction provision of the Rehabilitation Order. In February 2022, the Bankruptcy Court granted the Motion to Stay, found that that the McCarran-Ferguson Act applied and required the Bankruptcy Court to give the Rehabilitation Court's injunction force and effect, and found that the JPLs' violated the injunction by filing this suit against the Insurance Companies without the Rehabilitation Court's prior permission. The Bankruptcy Court stayed the claims against the Insurance Companies until the JPLs obtained permission to proceed. The District Court ultimately affirmed this order.

On February 1, 2024, the Bankruptcy Court entered an order holding the JPLs and their counsel of Stevens & Lee in contempt of court for filing an Amended Complaint bringing new claims against the Insurance Companies 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 JPLs were also required to file a restated amended complaint that removed all new allegations and causes of action against the insurance companies. The JPLs and

their counsel appealed this order to the District Court. The JPLs later dismissed their appeal of the contempt order. The JPLs' counsel later sought dismissal of their own appeal.

2025

On February 24, 2025, the District Court dismissed the appeal *with prejudice* as to Kajon, Pourakis, and Stevens & Lee. The appeal is dismissed *without prejudice* as to Robinson and Koenecke because the court concluded we would not suffer plain legal prejudice if the appeal was dismissed without prejudice. On April 28, 2025, Robinson and Koenecke filed a motion pursuant to Federal Rule of Civil Procedure Rule 60 seeking to amend the Court's prior contempt findings related to the filing of an amended complaint with claims against the NC Insurance Companies.

On May 6, 2025, Robinson, Koenecke, and Kajon filed a letter with the Bankruptcy Court objecting to the Insurance Companies' discovery requests related to the Rule 60 motion. The Insurance Companies filed a letter in response on May 9, 2025.

On May 12, 2025, the Bankruptcy Court held a case conference on the Insurance Companies' request for discovery and determined that the Insurance Companies were entitled to take some limited discovery on the subject of the Rule 60 motion.

On June 6, 2025, Robinson and Koenecke filed a Notice of Withdrawal formally withdrawing their Rule 60 motion *with prejudice*.

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

Summary: 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.

In April 2023, the Bankruptcy Court stayed the declaratory judgment action until the JPLs obtained permission from this Court to proceed with its counterclaims brought in this litigation. This Court denied the JPLs' request in July 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.

Summary: On June 27, 2022, ULICO and TMI filed a complaint seeking an order declaring the 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.

In September 2022, this Court determined that the lawsuit violated the anti-suit 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. CBL, SNIC, and BLIC moved to dismiss the Amended Complaint on October 3, 2022. No party has sought to have that motion heard.

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.

Summary: The Insurance Companies filed this action in October 2019 seeking specific performance of the MOU and damages for the fraudulent statements Lindberg and AAI made in connection with the MOU. At the start of the litigation, the Court entered a TRO restricting Lindberg and AAI's ability to transfer or sell certain of their assets. Due to the Defendants' violations of the TRO, the Court imposed a limited receiver over the Defendants' assets to ensure compliance with the TRO. Over the course of the litigation, the terms of the TRO were expanded to prohibit Lindberg or AAI from transferring more than \$5,000 without the receiver's approval. The Defendants appealed some of the Court's expansions of the TRO's restrictions on Defendants.

Following a trial on the merits, the Court found that Defendants breached the MOU by failing to restructure the Specified Affiliated Companies ("SACs") as required by the MOU. The Court also found the Defendants made fraudulent misstatements to Plaintiffs in the representations and warranties included in the MOU but did not award damages for the fraud at the time.

Plaintiffs filed a motion for sanctions against Defendants and their counsel related to the Defendants' post-judgment filings and litigation tactics. That motion remains pending while the fraud portion of the judgment remains pending.

The fraud portion of the judgment is currently on appeal before the North Carolina Supreme Court. Plaintiffs contend that the Court should immediately award the monetary damages of approximately \$77 million, plus punitive damages, caused by Defendants' fraudulent misstatements. Defendants contend that Plaintiffs cannot be awarded specific performance and fraud damages. The NC Supreme Court held oral argument in October 2024 and the appeal remains pending.

Following appeals of the Court's judgment, the specific performance portion of the judgment was affirmed. In 2024, the Defendants executed documents to transfer some of the SACs to NHC as required by the MOU and the judgment. The parties continue to disagree about whether Defendants have fulfilled their obligations where certain SACs held in trust have not been transferred to NHC. The Court also appointed a special master to oversee NHC implementation.

In August 2024, the Court entered an 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. The Defendants appealed this contempt order. The receiver has filed various motions for sanctions/contempt and to permit the recovery of Defendants' assets transferred in violation of the TRO and other violations of the TRO.

2025

On February 13, 2025, Receiver filed an Amended Motion for Order to Show Cause as to Defendant Greg Lindberg and Robert Gaddy related to their violations of the TRO, including continued transfers in excess of \$5,000, an attempt to transfer certain assets in violation of the TRO, and filing a lawsuit against the Receiver. The hearing on this motion has not yet occurred.

On February 14, 2025, the Defendants filed the record on appeal for their appeal of the order expanding the receiver's powers. The appeal remains pending.

On February 19, 2025, Brian Kilpatrick of Condon Tobin, one of the Defendants' attorneys, moved to withdraw as counsel because he is leaving Condon Tobin. The Court granted that motion on February 27, 2025.

On February 21, 2025, the Defendants filed the record on appeal for their appeal of the order finding Lindberg and GGHI in contempt of the TRO order. The appeal remains pending.

On March 17, 2025, Defendants-Appellants filed their brief in support of their 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. Defendants also filed a motion for judicial notice of (1) the Motion to Dissolve the Temporary Restraining Order and Motion to Discharge Limited Receiver and Special Master, and (2) the December 31, 2024 Order granting in part and denying in part the Limited Receiver's Motion for Authority. Plaintiffs filed a response in opposition on March 31, 2025. The motion was referred to the NC Court of Appeals panel that will ultimately hear the underlying appeal.

On March 24, 2025, Defendants-Appellants' filed their brief in support of their appeal of the Order holding Lindberg and GGHI in contempt of court for violations of the TRO. Defendants also filed a motion requesting that the Court of Appeals take judicial notice of the Motion to Dissolve the TRO and Motion to Discharge Limited Receiver and Special Master." Plaintiffs filed a response in opposition. The motion was referred to the NC Court of Appeals panel that will ultimately hear the underlying appeal.

On March 25, 2025, non-party Bob Alban filed his Notice of Appeal from the December 31, 2024 Order on Receiver's Motion for Show Cause. Non-party Robert Gaddy filed a notice of appeal of the same order on April 9, 2025.

On March 31, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed a response in opposition to Defendants-Appellants' motion for judicial notice, stating that neither of the filings submitted satisfy the standard for taking judicial notice.

On May 21, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed their appellee brief in response to Defendants' appeal of the order modifying the TRO and the Receiver's powers.

On May 28, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed their appellee brief in response to Defendants' appeal of the order holding Lindberg and GGHI in contempt for violations of the TRO.

On June 6, 2025, Defendants filed their reply brief in support of their appeal of the order modifying the TRO and Receiver's powers.

Colorado Bankers Life Insurance Company v. Hampton Asset Management, LLC, Case No. 5:20-CV-369-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Jackson Asset Management, LLC, Case No. 5:20-CV-370-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other

IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 5, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 6, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

Colorado Bankers Life Insurance Company v. Capital Assets Fund I, LLC, Case No. 5:20-CV-450-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce a claim for collateral against Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiffs' motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiffs' motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiffs' motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In January 2023, CBL filed this action for the Defendant Borrower's breach of the IALA. In June 2024, the court entered an order staying this action until the Court's resolution of the motion for summary judgment in the other consolidated federal IALA cases discussed above. This matter remains stayed.

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

Summary: In January 2023, SNIC filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 6, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

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

Summary: In June 2023, 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 filed this action for 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.

In August 2024, the Court entered an order granting in part and denying in part the Lindberg-related Defendants' partial 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.

2025

On January 16, 2025, the SAC defendants filed an unopposed motion to stay the proceedings as to those entities. That motion was granted on January 17, 2025.

On April 25, 2025, Plaintiffs filed a consent motion to stay the action as to all defendants. On April 28, 2025, the Court granted that motion to stay the matter against all defendants as follows: (1) the case is stayed against the SAC Defendants until relief from the stay is sought by Plaintiffs; and (2) the case is stayed against the Lindberg Defendants until Defendant Lindberg is sentenced in connection with the Bribery Conviction, Fraud Conviction, and when the court enters a disgorgement order in the SEC Action, at which point the Plaintiffs and Lindberg Defendants shall, within 30 days of the later of these actions, notify this Court of the conclusion of those proceedings and propose a briefing schedule to address the preclusive impact of those proceedings on this case.

MORATORIUM ORDER

- Pursuant to the Court's order granting a moratorium in liquidation, the Receiver imposed a moratorium on cash surrenders, transfers, annuitizations, interest payments, maturity payments, death benefits, required minimum distributions on IRAs, financial hardship payments, health claims, policy loans and any other payments or satisfaction of policy obligations of the Company not covered by state life and health guaranty associations ("Guaranty Associations") until such time as the Court approves lifting this moratorium or granting exceptions thereto.

IN-FORCE BUSINESS

The Receiver is currently working in conjunction with applicable Guaranty Associations regarding the Company's in-force business and reinsurance programs.

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:

- \$52,638 to Actuarial Management Resources for third party administration services
- \$436 to Consilio for legal support services
- \$810 to EDM Research for consulting services
- \$2,614 to Kroll Restructuring Administration for policyholder services
- \$29,906 to Noble Consulting Services, Inc. for rehabilitation services
- \$741 to Norton Rose Fullbright for legal services
- \$524 to Squire Patton Boggs for legal services
- \$82 to J.S. Held, LLC (f/k/a Veris Consulting) for forensic accounting services
- \$19,602 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 continues to monitor these phone and email contacts on a daily basis during liquidation. The staff members of the receivership team, and the SDRs, have personally responded to over 6,000 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 regarding inquiries as to the Company or the Guaranty Associations. 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 liquidation.

LIQUIDATION

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 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 of BLIC in excess of Guaranty Association coverage limits are now covered up to those limits. Those policyholders who are owed obligations in excess of Guaranty Association coverage limits will have a prorata claim for the remaining policy obligations up to policy limits, as allowed in liquidation, 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 has 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.¹

¹ 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

Now that the Guaranty Associations have been triggered by a final liquidation order and a finding of insolvency, they will 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). The Liquidator will continue to provide administration of account values that are in excess of Guaranty Association coverage limits.

There is a Court ordered moratorium in liquidation that applies to all obligations of the Company that are not covered by Guaranty Association coverage limits. There is not a moratorium on Guaranty Association payments.

Payments of policy benefits in excess of Guaranty Association limits will be paid if and when sufficient funds are recovered by the Company to make prorata distributions pursuant to Court order.

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 TO BANKERS LIFE INSURANCE COMPANY
FINANCIAL STATEMENTS
AS OF MARCH 31, 2025**

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 effective on November 30, 2024 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 Liquidator. It is the Receiver's responsibility to take possession of the assets of the Company in liquidation 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 March 31, 2025. The financial statements have been prepared using the liquidation basis of accounting.

Accrued Interest on affiliated loans is not being recognized as income until the interest is received.

Bankers Life Insurance Company
Balance Sheet
March 31, 2025

Assets		
		Current Statement Date
Cash and Cash Equivalents - Unrestricted	\$	183,629,619
Cash and Cash Equivalents - Restricted		97,021
Statutory and Special Deposits - Restricted		9,145,387
Funds Held Under Reinsurance - Restricted		1,474,598
Bonds		46,443,107
Common Stocks		1,405,793
Investment Income Due and Accrued		1,406,404
Receivables For Securities		1,015,000
Other Invested Assets		4,291,583
Total Assets	\$	248,908,512
Liabilities		
		Current Year
Class 1 and 2 Liabilities		
Administrative Expenses Payable	\$	18,497
Intercompany Payable		30,199
Interest Income Held As Agent		97,021
Claims Against the Estate-Policyholders		34,938,003
Claims Against the Estate-Guaranty Associations		447,888,444
Claims Against the Estate-GA Administrative Expense		2,600,000
Payables For Securities		176
Class 5 Liabilities		
Unclaimed Property		372,602
Total Liabilities		485,944,943
Excess of Liabilities over Assets	\$	(237,036,431)

Bankers Life Insurance Company
Summary of Operations
As of March 31, 2025

	Current Year to Date
Income	
Net Investment Income	2,090,273
Miscellaneous Income	202
Total Income	<u>2,090,475</u>
Expense	
General Insurance Expenses	474,894
Ins Taxes, Licenses & Fees	(353)
Total Expense	<u>474,541</u>
Net Ordinary Income	<u>1,615,934</u>
Other Income	
Net Realized Capital G/L	(2,766,588)
Total Other Income	<u>(2,766,588)</u>
Net Other Income	<u>(2,766,588)</u>
Net Income	<u><u>\$ (1,150,654)</u></u>

BANKERS LIFE INSURANCE COMPANY
SCHEDULE OF AFFILIATED INVESTMENTS
DECEMBER 31, 2024 AND MARCH 31, 2025 COMPARISON

CUSIP Identification	Description	Actual Cost	Book/ Adjusted Carrying Value December 31, 2024	Book/ Adjusted Carrying Value March 31, 2025	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 RECEIVER
AS OF MARCH 31, 2025,
A BALANCE SHEET
AS OF MARCH 31, 2025
A SUMMARY OF OPERATIONS
THROUGH MARCH 31, 2025
AND
A SCHEDULE OF LINDBERG AFFILIATED INVESTMENTS
AS OF MARCH 31, 2025

INTRODUCTION

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, “Rehabilitation Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator. On December 30, 2022, the Court entered an Order of Liquidation (hereinafter, “Liquidation Order”) Against Bankers Life Insurance Company and Colorado Bankers Life Insurance Company and Order for Injunctive Relief and appointed the Commissioner of Insurance for the State of North Carolina as Liquidator. The Commissioner of Insurance for the State of North Carolina, in his capacity as Rehabilitator or Liquidator of CBL, is hereinafter referred to as the “Receiver.” The effective date of the Liquidation Order was November 30, 2024. On November 21, 2024, the Court also entered an Order Granting Joint Motion for Moratorium on Uncovered Policy Obligations During Liquidation and to Establish a Method of Fixing Class Two Claims (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”), though Lindberg has transferred a significant portion of his interest in Global Growth to the Special Master overseeing the restitution process in his federal criminal cases.

PURPOSE OF THIS REPORT

The purpose of this report in liquidation is to provide a quarterly update to the Court, as required by the Liquidation Order, on the work that the Receiver and his staff have carried out since the effective date of the Liquidation Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of Lindberg affiliated investments as of March 31, 2025, and a summary of operations through March 31, 2025.

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 Rehabilitation Order and now continuing under the 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

COMPANY PROPERTY

The Receiver has exercised all available rights to take possession of all known assets and property of the Company in accordance with the Rehabilitation Order and Liquidation Order and will continue to seek additional recoveries by exercising any additional rights to property as they become available.

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, discussed more fully below. The Court issued a Judgment and Order in the MOU litigation on May 18, 2022, which was amended on May 26, 2022 to correct minor clerical errors. The Court found Defendants breached the MOU for failing to restructure the affiliated companies and ordered specific performance of the global restructuring. The Court also found that Defendants committed fraud related to the MOU’s representations and warranties, but did not award monetary damages for that fraud. Finally, the Court found that Article III of the MOU requiring a global loan modification was unenforceable. Defendants filed a notice of appeal of the judgment. The North Carolina Court of Appeals entered its decision on June 20, 2023, affirming the judgment requiring Defendants to specifically perform the MOU restructuring and remanded for the Court to determine Plaintiffs’ damages for fraud. The North Carolina Supreme Court then granted discretionary review solely on the issue of Plaintiffs’ reliance on Defendants’ misrepresentation related to the fraud claim. On June 28, 2024, the Supreme Court granted the parties’ joint motion for limited remand to allow enforcement of the judgment requiring specific performance of the MOU restructuring. In August 2024, Defendants began assigning and contributing some of the affiliated companies to the new holding company (“NHC”). NHC is currently operating and managing some of the affiliated companies. However, Defendants have not yet transferred all of the affiliated companies, and the Receiver is monitoring those ongoing issues. 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 December 31, 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 December 31, 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. No interest is currently being paid on this LOC.

CBL was awarded a money judgment for the full amount of the outstanding balance in January 2022. 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.

EXPENSE REDUCTIONS

The Receiver has reduced expenses to those directed to administering the estate and achieving the purposes of liquidation.

LITIGATION

This section includes a summary of the status of the litigation as of January 1, 2025 and provides detailed updates for events after January 1, 2025. For detailed information about the litigation events prior to January 1, 2025, please review the previously filed Receiver's Quarterly Reports filed with the Court. The Receiver's Quarterly Report through December 31, 2024, filed in this matter on June 16, 2025, includes a detailed history of each matter from inception through December 31, 2024.

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**

Summary: 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. 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.

In January 2023, the JPLs filed a Complaint seeking to have the MOU and IALA declared invalid and for compensation from CBL, BLIC, and SNIC based on claims of breach of contract, breach of fiduciary duty, and fraud. The NC Insurance Companies filed a Motion to Stay the lawsuit because it was filed in violation of the anti-suit injunction provision of the Rehabilitation Order. In February 2022, the Bankruptcy Court granted the Motion to Stay, found that the McCarran-Ferguson Act applied and required the Bankruptcy Court to give the Rehabilitation Court's injunction force and effect, and found that the JPLs' violated the injunction by filing this suit

against the Insurance Companies without the Rehabilitation Court's prior permission. The Bankruptcy Court stayed the claims against the Insurance Companies until the JPLs obtained permission to proceed. The District Court ultimately affirmed this order.

On February 1, 2024, the Bankruptcy Court entered an order holding the JPLs and their counsel of Stevens & Lee in contempt of court for filing an Amended Complaint bringing new claims against the Insurance Companies 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 JPLs were also required to file a restated amended complaint that removed all new allegations and causes of action against the insurance companies. The JPLs and their counsel appealed this order to the District Court. The JPLs later dismissed their appeal of the contempt order. The JPLs' counsel later sought dismissal of their own appeal.

2025

On February 24, 2025, the District Court dismissed the appeal *with prejudice* as to Kajon, Pourakis, and Stevens & Lee. The appeal is dismissed *without prejudice* as to Robinson and Koenecke because the court concluded we would not suffer plain legal prejudice if the appeal was dismissed without prejudice.

On April 28, 2025, Robinson and Koenecke filed a motion pursuant to Federal Rule of Civil Procedure Rule 60 seeking to amend the Court's prior contempt findings related to the filing of an amended complaint with claims against the NC Insurance Companies.

On May 6, 2025, Robinson, Koenecke, and Kajon filed a letter with the Bankruptcy Court objecting to the Insurance Companies' discovery requests related to the Rule 60 motion. The Insurance Companies filed a letter in response on May 9, 2025.

On May 12, 2025, the Bankruptcy Court held a case conference on the Insurance Companies' request for discovery and determined that the Insurance Companies were entitled to take some limited discovery on the subject of the Rule 60 motion.

On June 6, 2025, Robinson and Koenecke filed a Notice of Withdrawal formally withdrawing their Rule 60 motion *with prejudice*.

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

Summary: 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.

In April 2023, the Bankruptcy Court stayed the declaratory judgment action until the JPLs obtained permission from this Court to proceed with its counterclaims brought in this litigation. This Court denied the JPLs' request in July 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.

Summary: In October 2018, CBL sued Avalon by the Sea AC, LLC ("Avalon"), alleging default on a credit facility provided by CBL to the mental health and drug/alcohol rehabilitation facilities in Southern California and seeking appointment of a Receiver. The Receiver operated the facility from October 2018 to May 2025 to maximize value to ultimately sell the assets and repay CBL. In May 2024, the court approved the sale of the business and the Receiver worked with the buyer to transition the business and regulatory licenses to the buyer.

2025

On April 15, 2025, the Receiver filed a motion seeking an order approving the Receiver's final accounting and authorize the Receiver to distribute the final funds to CBL as the secured creditor and close the receivership.

On May 20, 2025, the court overseeing the receivership granted the Receiver's motion approving the final accounting, closing the receivership, and authorizing the final distribution to CBL at the close of the applicable statute of limitations on certain claims.

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

Summary: On June 27, 2022, ULICO and TMI filed a complaint seeking an order declaring the 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.

In September 2022, this Court determined that the lawsuit violated the anti-suit 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. CBL, SNIC, and BLIC moved to dismiss the Amended Complaint on October 3, 2022. No party has sought to have that motion heard.

Jaleshia Caldwell v. Colorado Bankers Life Insurance Company, Case No. CV-2023-900021, Circuit Court of Bullock County, Alabama

Summary: 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.

Summary: The Insurance Companies filed this action in October 2019 seeking specific performance of the MOU and damages for the fraudulent statements Lindberg and AAI made in connection with the MOU. At the start of the litigation, the Court entered a TRO restricting Lindberg and AAI's ability to transfer or sell certain of their assets. Due to the Defendants' violations of the TRO, the Court imposed a limited receiver over the Defendants' assets to ensure compliance with the TRO. Over the course of the litigation, the terms of the TRO were expanded to prohibit Lindberg or AAI from transferring more than \$5,000 without the receiver's approval. The Defendants appealed some of the Court's expansions of the TRO's restrictions on Defendants.

Following a trial on the merits, the Court found that Defendants breached the MOU by failing to restructure the Specified Affiliated Companies ("SACs") as required by the MOU. The Court also found the Defendants made fraudulent misstatements to Plaintiffs in the representations and warranties included in the MOU but did not award damages for the fraud at the time.

Plaintiffs filed a motion for sanctions against Defendants and their counsel related to the Defendants' post-judgment filings and litigation tactics. That motion remains pending while the fraud portion of the judgment remains pending.

The fraud portion of the judgment is currently on appeal before the North Carolina Supreme Court. Plaintiffs contend that the Court should immediately award the monetary damages of approximately \$77 million, plus punitive damages, caused by Defendants' fraudulent misstatements. Defendants contend that Plaintiffs cannot be awarded specific performance and fraud damages. The NC Supreme Court held oral argument in October 2024 and the appeal remains pending.

Following appeals of the Court's judgment, the specific performance portion of the judgment was affirmed. In 2024, the Defendants executed documents to transfer some of the SACs to NHC as required by the MOU and the judgment. The parties continue to disagree about whether Defendants have fulfilled their obligations where certain SACs held in trust have not been transferred to NHC. The Court also appointed a special master to oversee NHC implementation.

In August 2024, the Court entered an 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. The Defendants appealed this contempt order. The receiver has filed various motions for sanctions/contempt and to permit the recovery of Defendants' assets transferred in violation of the TRO and other violations of the TRO.

2025

On February 13, 2025, Receiver filed an Amended Motion for Order to Show Cause as to Defendant Greg Lindberg and Robert Gaddy related to their violations of the TRO, including continued transfers in excess of \$5,000, an attempt to transfer certain assets in violation of the TRO, and filing a lawsuit against the Receiver. The hearing on this motion has not yet occurred.

On February 14, 2025, the Defendants filed the record on appeal for their appeal of the order expanding the receiver's powers. The appeal remains pending.

On February 19, 2025, Brian Kilpatrick of Condon Tobin, one of the Defendants' attorneys, moved to withdraw as counsel because he is leaving Condon Tobin. The Court granted that motion on February 27, 2025.

On February 21, 2025, the Defendants filed the record on appeal for their appeal of the order finding Lindberg and GGHI in contempt of the TRO order. The appeal remains pending.

On March 17, 2025, Defendants-Appellants' filed their brief in support of their 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. Defendants also filed a motion for judicial notice of (1) the Motion to Dissolve the Temporary Restraining Order and Motion to Discharge Limited Receiver and Special Master, and (2) the December 31, 2024 Order granting in part and denying in part the Limited Receiver's Motion for Authority. Plaintiffs filed a response in opposition on March 31, 2025. The motion was referred to the NC Court of Appeals panel that will ultimately hear the underlying appeal.

On March 24, 2025, Defendants-Appellants' filed their brief in support of their appeal of the Order holding Lindberg and GGHI in contempt of court for violations of the TRO. Defendants also filed a motion requesting that the Court of Appeals take judicial notice of the Motion to Dissolve the TRO and Motion to Discharge Limited Receiver and Special Master." Plaintiffs filed a response in opposition. The motion was referred to the NC Court of Appeals panel that will ultimately hear the underlying appeal.

On March 25, 2025, non-party Bob Alban filed his Notice of Appeal from the December 31, 2024 Order on Receiver's Motion for Show Cause. Non-party Robert Gaddy filed a notice of appeal of the same order on April 9, 2025.

On March 31, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed a response in opposition to Defendants-Appellants' motion for judicial notice, stating that neither of the filings submitted satisfy the standard for taking judicial notice.

On May 21, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed their appellee brief in response to Defendants' appeal of the order modifying the TRO and the Receiver's powers.

On May 28, 2025, the Insurance Companies (as Plaintiffs-Appellees) filed their appellee brief in response to Defendants' appeal of the order holding Lindberg and GGHI in contempt for violations of the TRO.

On June 6, 2025, Defendants filed their reply brief in support of their appeal of the order modifying the TRO and Receiver's powers.

Colorado Bankers Life Insurance Company v. AR Purchasing Solutions 2, LLC, Case No. 5:20-CV-366-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In mid-2020, SNIC filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce a claim for collateral as to the Pledgor Defendant. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Hampton Asset Management, LLC, Case No. 5:20-CV-369-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Jackson Asset Management, LLC, Case No. 5:20-CV-370-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Kite Asset Management, LLC, Case No. 5:20-CV-371-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Marshall Asset Management, LLC, Case No. 5:20-CV-372-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Paradise Asset Management, LLC, Case No. 5:20-CV-373-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Rockdale Asset Management, LLC, Case No. 5:20-CV-374-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending

in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court

consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce claim for collateral as to the Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Intralan Investments Limited, Case No. 5:20-CV-401-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Lilly Asset Management, LLC, 5:20-CV-405-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 5, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 6, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

Colorado Bankers Life Insurance Company v. Capital Assets Management III, LLC, Case No. 20 CVS 6476, Wake County, North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In February 2024, CBL Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 5, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on February 17, 2025.

Colorado Bankers Life Insurance Company v. ComplySmart, LLC, ComplySmart Holdings, LLC, Case No. 20 CVS 6477, Wake County, North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce the collateral pledged by the Pledgor Defendant. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 6, 2025, Defendants filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 17, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce the collateral pledged by the Pledgor Defendant. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On February 19, 2025, Defendant filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on March 3, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA and to enforce a claim for collateral against Pledgor Defendants. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District

of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Capital Assets Fund I, LLC, Case No. 5:20-CV-450-D, Eastern District of North Carolina.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiffs' motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiffs' motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, Plaintiffs filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiffs' motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

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.

Summary: In mid-2020, CBL filed this action for the Defendant Borrower's breach of the IALA. In May 2023, the Court consolidated this matter with 23 other IALA enforcement actions pending in the Eastern District of North Carolina. In August 2024, the Court granted Plaintiff's motion for summary judgment and found the Defendant Borrower had breached the IALA.

2025

On February 4, 2025, the Defendant Borrower filed an Unopposed Motion to Stay Proceeding due to the NHC Board's governance over Defendant Borrower. The Court granted the Motion to Stay on February 6, 2025.

Colorado Bankers Life Insurance Company v. Academy Financial Assets, LLC, Case No. 5:23-CV-181, Eastern District of North Carolina.

Summary: In January 2023, CBL filed this action for the Defendant Borrower's breach of the IALA. In June 2024, the court entered an order staying this action until the Court's resolution of the motion for summary judgment in the other consolidated federal IALA cases discussed above. This matter remains stayed.

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

Summary: In January 2023, CBL filed this action for the Defendant Borrower's breach of the IALA. In June 2024, the court entered an order staying this action until the Court's resolution of the motion for summary judgment in the other consolidated federal IALA cases discussed above. This matter remains stayed.

Colorado Bankers Life Insurance Company v. Fiasco Fine Wine, LLC, Case No. 23 CVS 1432, Wake County, North Carolina.

Summary: In January 2023, CBL filed this action for the Defendant Borrower's breach of the IALA. In February 2024, the Wake County Superior Court consolidated this action with 6 other IALA enforcement actions pending in state court. The actions are consolidated for trial on liability and damages.

2025

On March 3, 2025, Defendant filed a Consent Motion to Stay Proceeding due to the NHC Board's governance over Defendant. The Court granted the Motion to Stay on March 6, 2025

Colorado Bankers Life Insurance Company v. Standard Malta Holdings Limited, Case No. 5:23-CV-184, Eastern District of North Carolina.

Summary: In January 2023, CBL filed this action for the Defendant Borrower's breach of the IALA. In June 2024, the court entered an order staying this action until the Court's resolution of the motion for summary judgment in the other consolidated federal IALA cases discussed above. This matter remains stayed.

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

Summary: In January 2023, CBL filed this action for the Defendant Borrower's breach of the IALA. In June 2024, the court entered an order staying this action until the Court's resolution of the motion for summary judgment in the other consolidated federal IALA cases discussed above. This matter remains stayed.

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.

Summary: In May 2022 CBL and SNRC filed this action alleging breach of the Tax Sharing Agreement and other claims. 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. Defendant GBIG Holdings, LLC filed a partial motion to dismiss the conversion, embezzlement, and unfair and deceptive trade practices claims, which was granted.

2025

On February 7, 2025, Plaintiffs filed a consent motion to extend time to complete discovery. That motion was granted on February 11, 2025.

On May 29, 2025, Plaintiffs filed a motion for extension of time to complete discovery. That motion was granted on June 2, 2025.

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

Summary: In June 2023, 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 filed this action for 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.

In August 2024, the Court entered an order granting in part and denying in part the Lindberg-related Defendants' partial 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.

2025

On January 16, 2025, the SAC defendants filed an unopposed motion to stay the proceedings as to those entities. That motion was granted on January 17, 2025.

On April 25, 2025, Plaintiffs filed a consent motion to stay the action as to all defendants. On April 28, 2025, the Court granted that motion to stay the matter against all defendants as follows: (1) the case is stayed against the SAC Defendants until relief from the stay is sought by Plaintiffs; and (2) the case is stayed against the Lindberg Defendants until Defendant Lindberg is sentenced in connection with the Bribery Conviction, Fraud Conviction, and when the court enters a disgorgement order in the SEC Action, at which point the Plaintiffs and Lindberg Defendants shall, within 30 days of the later of these actions, notify this Court of the conclusion of those proceedings and propose a briefing schedule to address the preclusive impact of those proceedings on this case.

Closed Matters

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.

In May 2019, the petitioner in a divorce proceeding alleged an interest in CBL's policies of Respondent/Husband, a policyholder of CBL. Counsel for Petitioner has been advised she joined the wrong party. No further action taken.

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 in September 2021 related to a disputed portion of a death benefit payable under an Annuity Policy. The Court entered an order in December 2021 allowing CBL to deposit the funds with the Clerk of Court, dismissing CBL from the lawsuit, and discharging CBL of any liability related to the funds.

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").

CBL filed this case in April 2020 alleging a breach of a Revolving Credit Agreement and seeking repayment of an approximately \$40MM credit facility extended to Defendant. In January 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. Following an appeal to the Fourth Circuit, which affirmed the judgment, CBL has been attempting to execute on this judgment and engaging in post-judgment proceedings to facilitate execution.

***Colorado Bankers Life Insurance Company v. Nederlandsche Algemeene Maatschappij Van Levensversicherung Conservatrix N.V., et al.,* Case No. 19 CVS 17191, Wake County, North Carolina**

In December 2019, the Rehabilitator advised Nederlandsche Algemeene Maatschappij Van Levensversicherung Conservatrix N.V. (“Conservatrix”) that he was disavowing a 2017 reinsurance agreement and related trust agreement between Conservatrix and CBL. Conservatrix then presented its arbitration demand to the Rehabilitator. The Rehabilitator applied for and obtained a Temporary Restraining Order (“Conservatrix TRO”) from the Wake County Superior Court restraining Conservatrix and the trustee for the trust account 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. 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.

MORATORIUM ORDER

Pursuant to the Court’s order granting a moratorium in liquidation, the Receiver imposed a moratorium on cash surrenders, transfers, annuitizations, interest payments, maturity payments, death benefits, required minimum distributions on IRAs, financial hardship payments, health claims, policy loans and any other payments or satisfaction of policy obligations of Respondents not covered by state life and health guaranty associations (“Guaranty Associations”) until such time as the Court approves lifting this moratorium or granting exceptions thereto.

IN-FORCE BUSINESS

The Receiver is currently working in conjunction with applicable Guaranty Associations regarding the Company’s in-force business and reinsurance programs.

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:

- \$170,424 to Actuarial Management Resources for third party administration services
- \$26,586 to Consilio for legal support services
- \$23,760 to EDM Research for consulting services
- \$49,665 to Kroll Restructuring Administration for policyholder services
- \$877,247 to Noble Consulting Services, Inc. for rehabilitation services
- \$21,743 to Norton Rose Fullbright for legal services
- \$15,370 to Squire Patton Boggs for legal services
- \$2,400 to J.S. Held, LLC (f/k/a Veris Consulting) for forensic accounting services

- \$576,449 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 continues to monitor these phone and email contacts on a daily basis during liquidation. The staff members of the receivership team, and the SDRs, have personally responded to over 6,000 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 regarding inquiries as to the Company or the Guaranty Associations. In addition, the SDRs and receivership team respond in writing to every policyholder letter directed to the Company. 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 liquidation.

LIQUIDATION

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 the 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 of CBL in excess of Guaranty Association coverage limits are now covered up to those limits. Those policyholders who are owed obligations in excess of Guaranty Association coverage limits will have a prorata claim for the remaining policy obligations up to policy limits, as allowed in liquidation, 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 has 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.¹

Now that Guaranty Associations have been triggered by a final liquidation order and a finding of insolvency, they will 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). The Liquidator will continue to provide administration of account values that are in excess of Guaranty Association coverage limits.

There is a Court ordered moratorium in liquidation that applies to all obligations of the Company that are not covered by Guaranty Association coverage limits. There is not a moratorium on Guaranty Association payments.

Payments of policy benefits in excess of Guaranty Association limits will be paid if and when sufficient funds are recovered by the Company to make prorata distributions pursuant to Court order.

¹ 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 TO COLORADO BANKERS LIFE INSURANCE COMPANY
FINANCIAL STATEMENTS
AS OF MARCH 31, 2025**

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 effective on November 30, 2024 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 Liquidator. It is the Receiver's responsibility to take possession of the assets of the Company in liquidation 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 March 31, 2025. The financial statements have been prepared using the liquidation basis of accounting.

Interest on affiliated loans is not being recognized as income until the interest is received.

Colorado Bankers Life Insurance Company
Balance Sheet
March 31, 2025

Assets		
		Current Statement Date
Cash and Cash Equivalents - Unrestricted	\$	181,549,049
Cash and Cash Equivalents - Restricted		18,924,013
Statutory and Special Deposits - Restricted		4,782,002
Bonds		348,014,560
Common Stocks		626,700
Investment Income Due and Accrued		2,882,068
Receivables For Securities		10,000
Intercompany Receivable		121,973
Other Invested Assets		28,657,364
Other Assets		1,577,692
Total Assets	\$	587,145,422
Liabilities		
		Current Statement Date
Class 1 and 2 Liabilities		
Administrative Expenses Payable	\$	1,193,165
Interest Income Held As Agent		19,050,013
Claims Against the Estate-Policyholders		118,772,730
Claims Against the Estate-Guaranty Associations		1,270,591,872
Claims Against the Estate-GA Administrative Expense		7,400,000
Claims Against the Estate-BLIC		131,929,298
Payables For Securities		47
Premium Suspense		1,196,644
Partial Payment Suspense		8,344,120
Claim Suspense		898,562
Class 5 Liabilities		
Commissions Payable		28,480,177
Reinsurance Payable		3,377,227
Unclaimed Property		2,460,382
Total Liabilities		1,593,694,237
Excess of Liabilities over Assets	\$	(1,006,548,815)

Colorado Bankers Life Insurance Company
Summary of Operations
As of March 31, 2025

	<u>Current Year to Date</u>
Income	
Net Investment Income	4,862,758
Miscellaneous Income	-
Total Income	<u>4,862,758</u>
Expense	
General Insurance Expenses	2,165,671
Ins Taxes, Licenses & Fees	(2,992)
Agg Write-Ins For Deductions	75
Total Expense	<u>2,162,754</u>
Net Ordinary Income	<u>2,700,004</u>
Other Income	
Net Realized Capital G/L	1,540,908
Total Other Income	<u>1,540,908</u>
Net Income	<u><u>\$ 4,240,912</u></u>

COLORADO BANKERS LIFE INSURANCE COMPANY
SCHEDULE OF AFFILIATED INVESTMENTS
DECEMBER 31, 2024 AND MARCH 31, 2025 COMPARISON

CUSIP Identification	Description	Actual Cost	Book/Adjusted Carrying Value December 31, 2024	Book/Adjusted Carrying Value March 31, 2025	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	-
99467UAAS	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	\$ -

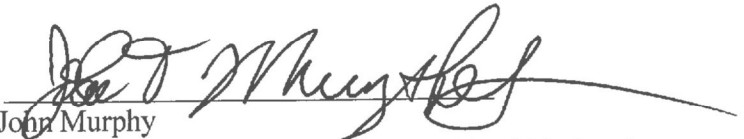
INDIANA

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 March 31, 2025 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 24th day of October, 2025.


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

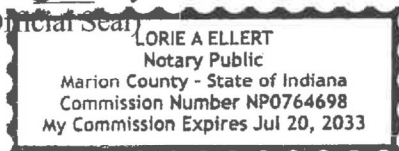
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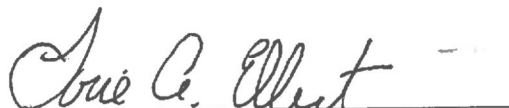
MARION COUNTY

Sworn to and subscribed before me:

This 24th day of October, 2025.

(Official Seal)




Notary Public

My Commission Expires: July 20, 2033

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 Rehabilitators for Southland National Reinsurance Corporation, and Special Deputy Liquidators for Bankers Life Insurance Company, Colorado Bankers Life Insurance Company and Southland National Insurance Corporation; 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 March 31, 2025 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 17 day of October, 2025.

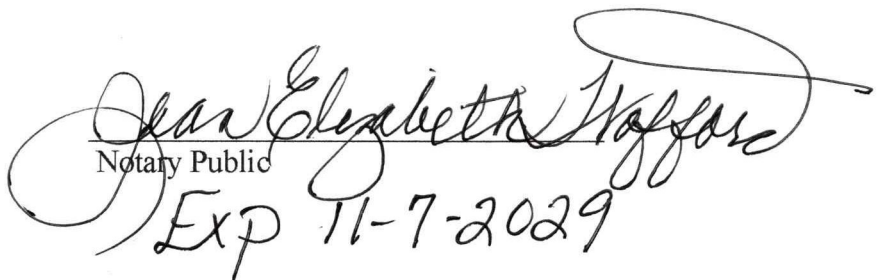

Barry Armstrong

SOUTH CAROLINA

HORRY COUNTY

Sworn to and subscribed before me:

This 17 day of October, 2025.
(Official Seal)


Notary Public
Exp 11-7-2029

My Commission Expires:

11-7-2029

