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## **PRIVILEGED AND CONFIDENTIAL**

July 30, 2020

Aaron Tobin, Esq.  
Condon Tobin Sladek Thornton PLLC  
808 Park Lane, #700  
Dallas, Texas 75231

Dear Mr. Tobin:

Pursuant to an agreement dated December 2, 2019, Berkeley Research Group, LLC (“BRG”) has been engaged by Condon Tobin Sladek Thornton PLLC to provide certain consulting services and, at your request, below are written summaries and updates of a few of the work streams. I want to emphasize that the observations below are still preliminary and subject to change as we receive additional information and update our work.

### Damages

BRG has identified damages in excess of \$400 million as a result of the alleged actions of the North Carolina Commissioner of Insurance. BRG has been asked to create a model reflecting the damages caused to selected Lindberg companies. The analysis reviews 2017 and 2019 valuations, the performance of the subject companies as well as the performance of comparable public companies and their industries. Although BRG’s analysis is still ongoing, the companies already reviewed by BRG are:

- Colorado Bankers Life Insurance Company
- Private Bankers Life and Annuity Co, Ltd.
- Pavonia Life Insurance Company of Michigan
- Bankers Life Insurance Company
- Southland National Reinsurance Corporation
- Southland National Insurance Corporation
- Standard Advisory Services Limited

### Personal Net Worth/Solvency

Mr. Lindberg directly and indirectly owns companies (the “Affiliated Companies”) that have borrowed from insurance companies also indirectly owned by Mr. Lindberg. He personally guarantees this affiliated debt. BRG was engaged to review the solvency of the Affiliated Companies and estimate



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Mr. Lindberg's personal net worth. Although work is ongoing, BRG's valuation of the Affiliated Companies indicates that the aggregate value of the Affiliated Companies exceeds their debt and other obligations. Furthermore, BRG estimates that Mr. Lindberg's personal net worth is between \$860 million and \$1.46 billion, net of liabilities of between \$2.6 billion and \$2.7 billion including the debts of the Affiliated Companies.

Capital Contributions

BRG has been asked to identify and compile the amount of capital contributions and other financial support made by Mr. Greg Lindberg to certain insurance companies. The support for the insurance companies was typically made directly by GBIG Holdings Inc, an investment company owned 100% by Mr. Lindberg. Although its work is ongoing, BRG has estimated that capital contributions, consisting of cash infusions, foregone dividends and certain non-cash transactions, amount to at least \$377 million.

Furthermore, BRG's review of the respective financial information of the insurance companies did not find uncover payment of any dividends to Mr. Lindberg, GBIG or any Lindberg-affiliated companies. The insurance companies subject to BRG's work were:

- Bankers Life Insurance Company
- Global Bankers Insurance Group, LLC (f/k/a Colorado Benefits Administrators, LLC)
- Cincinnati Equitable
- Colorado Bankers Life Insurance Company
- Pavonia Life Insurance of Michigan
- Preferred Financial Corporation LLC
- SN Group Development, LLC
- Southland National Reinsurance Corporation
- Southland National Insurance Corporation

Let me know if you have any questions. I will update you as we continue with our work.

Best Regards,

A handwritten signature in black ink, appearing to read "William Epstein", with a long horizontal flourish extending to the right.

William Epstein  
Managing Director