

STATE OF WISCONSIN : CIRCUIT COURT : DANE COUNTY
BRANCH 15

In the Matter of the Liquidation of:

Case No. 2019-CV-1209

Northwestern National Insurance Company of
Milwaukee, Wisconsin
c/o: Office of the Commissioner of Insurance
125 South Webster Street
Madison, WI 53703

Case Code: 30703

**NOTICE OF MOTION AND MOTION FOR APPROVAL OF SHARE PURCHASE
AGREEMENT AND SALE OF COMPASS INSURANCE COMPANY**

TO: All Interested Parties

NOTICE

PLEASE TAKE NOTICE that the Commissioner of Insurance of the State of Wisconsin, Nathan Houdek, as Liquidator of Northwestern National Insurance Company of Milwaukee, Wisconsin (the “Commissioner” or the “Liquidator”), brings this Motion for Approval of the Sale of Compass Insurance Company (the “Motion”) for hearing, if necessary, before the Circuit Court for Dane County, in the Dane County Courthouse, 215 S. Hamilton Street, Madison, WI 53703-3285, on a date and at a time to be determined by the Court. Objections to the Motion, along with supporting documentation, shall be filed with the Court and served on the Commissioner, by his attorneys, James A. Friedman and Zachary P. Bemis of Godfrey & Kahn, S.C., and any other party who has filed an appearance in this action, within 14 days of the filing of the Motion.

MOTION

Nathan Houdek, Commissioner of Insurance of the State of Wisconsin, as Liquidator of Northwestern National Insurance Company of Milwaukee, Wisconsin (the “Commissioner” or the “Liquidator”), hereby moves the Court, pursuant to Wis. Stat. §645.46(7), and chapter 645, in general, to enter an Order approving the December 22, 2022 Share Purchase Agreement (the “Share Purchase Agreement” or the “SPA”) among SOBC Gamma Holding Company Ltd., a Connecticut corporation (“SOBC”), Northwestern National Insurance Company of Milwaukee, Wisconsin, a Wisconsin corporation (“NNIC”), Compass Insurance Company, a company incorporated in the State of New York (“Compass”), and Avid Insurance, LLC, a New York limited liability company (“Avid”). As grounds for this Motion, the Commissioner states as follows:

1. As referenced in the Liquidator’s Annual Report of the Liquidation of Northwestern National Insurance Company of Milwaukee dated April 24, 2020, executives of SOBC—the direct parent of NNIC and indirect parent of Compass--have engaged in discussions regarding the sale of Compass. Compass discontinued writing new and renewal business in June 1984, and subject to the provisions of Section 1203 of New York Insurance Law, must obtain approval of the New York Superintendent of Insurance before it can resume doing any insurance business.

2. Avid now wishes to purchase from NNIC, and NNIC wishes to sell to Avid, the Purchased Shares, subject to the terms and conditions set forth in the SPA, the approval of the Court, and the approval of the Form A (Application for Approval of Acquisition of Control) by the New York Department of Financial Services (“NYDFS”) (the “New York Form A”).

3. NNIC, which is wholly owned by SOBC, owns one hundred percent (100%) of the issued and outstanding capital stock of Compass, which constitutes of 52,790 shares of common stock (the “Stock”).

4. NNIC is in liquidation and under the supervision and regulatory authority of the Liquidator and the Court, pursuant to the May 2, 2019 Liquidation Order.

5. Pursuant to Wis. Stat. § 645.46 and the Liquidation Order, the Liquidator has exclusive possession and control of and is vested with all right, title, and interest in, of, and to the property of NNIC, including, without limitation, all of NNIC’s assets, contracts, and securities. Further, pursuant to Wis. Stat. § 645.46(7), and subject to the Court’s approval, the Liquidator may conduct private sales of the property of the insurer in the manner prescribed by the Court.

6. The Liquidator has determined that the SPA is in the best interests of the policyholders and creditors of NNIC and the public. Under the terms of the SPA, Avid will purchase from NNIC all of Compass’ issued and outstanding shares. Upon closing the SPA, NNIC, as the direct parent and current owner of the Stock, will receive proceeds in the amount of \$100,000.00. Avid will pay to NNIC a \$50,000 break-up fee in the event Avid terminates the SPA prior to closing because (i) Avid withdraws the New York Form A filing or (ii) the New York Form A is rejected by the NYDFS.

7. Approval of the SPA transaction will allow NNIC to monetize the Stock, an otherwise wasting and illiquid asset, to further cover the administrative costs of the Liquidation and potentially the claims of NNIC’s policyholders and creditors.

NOW, THEREFORE, for the reasons stated above and based on the entire record in this action, the Liquidator asks the Court to enter an order approving the Share Purchase Agreement and all of the transactions contemplated hereby and thereby.

Dated this 5th day of January 2023.

Respectfully submitted,

GODFREY & KAHN, S.C.

By: *Electronically signed by James A. Friedman*

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SHARE PURCHASE AGREEMENT

AMONG

**SOBC GAMMA HOLDING COMPANY LTD.,
A CONNECTICUT CORPORATION AND
INDIRECT PARENT OF COMPASS INSURANCE COMPANY,**

**NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE,
A WISCONSIN CORPORATION IN LIQUIDATION AND
DIRECT PARENT OF COMPASS INSURANCE COMPANY,**

**COMPASS INSURANCE COMPANY,
A COMPANY INCORPORATED IN THE STATE OF NEW YORK**

AND

**AVID INSURANCE, LLC,
A LIMITED LIABILITY COMPANY**

DATED AS OF DECEMBER 22, 2022

SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this “**Agreement**”), dated as of December 22, 2022, is entered into by and among Compass Insurance Company, a company incorporated in the state of New York (“**Compass**” or the “**Company**”), Northwestern National Insurance Company of Milwaukee, a Wisconsin Corporation in liquidation and direct parent of the Company (“**Northwestern**” or “**Seller**”), SOBC Gamma Holding Co. Ltd., a Connecticut stock corporation, immediate parent of Northwestern and indirect parent of the Company (“**SOBC**”), and Avid Insurance, LLC, a limited liability company in the state of New York (“**Buyer**”, together with the Company, Seller and SOBC, each a “**Party**” and together the “**Parties**”). All capitalized terms used herein but not otherwise defined herein shall have the meaning assigned to such terms in **Article I**.

RECITALS

WHEREAS, Seller, which is wholly owned by SOBC, owns one hundred percent (100%) of the issued and outstanding capital stock of the Company which constitutes of 52,790 shares of common stock (the “**Purchased Shares**”); and

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Purchased Shares, subject to the terms and conditions set forth herein; and

WHEREAS, the Company discontinued writing new and renewal business in June 1984, and subject to the provisions of Section 1203 of the New York Insurance Law, must obtain prior approval of the Superintendent of Insurance before it can resume doing any insurance business; and

WHEREAS, the Seller is in liquidation in Wisconsin, and under the supervision and regulatory authority of the Wisconsin Office of the Commissioner of Insurance pursuant to the Liquidation Order (the “**Liquidator**”), and prior to the Closing, the Liquidator must obtain the approval of the Office of the Commissioner of Insurance for the State of Wisconsin and on appropriate notice and opportunity for a hearing, will seek the entry of a written Governmental Order by the Honorable Stephen E. Ehlke of the Dane County Circuit Court, State of Wisconsin (the “**Supervising Court**”), substantially in the form attached hereto as Exhibit A, among other things, approving this Agreement and all of the transactions contemplated hereby and thereby (the “**Approval Order**”).

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

The following terms have the meanings specified or referred to in this **Article I**:

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Affiliated Group**” has the meaning set forth in Section 1504 of the Code and any analogous combined, consolidated or unitary or similar group defined under state, local or foreign Law.

“**Agreement**” has the meaning set forth in the preamble.

“**Approval Order**” has the meaning set forth in the recitals.

“**Book Value**” has the meaning set forth in **Section 2.02(b)**.

“**Break-up Fee**” has the meaning set forth in **Section 8.03**.

“**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in the state of New York are authorized or required by Law to be closed for business.

“**Buyer**” has the meaning set forth in the preamble.

“**Buyer Indemnitees**” has the meaning set forth in **Section 5.12**.

“**Closing**” has the meaning set forth in **Section 2.04**.

“**Closing Date**” has the meaning set forth in **Section 2.04**.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Company**” has the meaning set forth in the preamble.

“**Compass**” has the meaning set forth in the preamble.

“**Confidentiality Agreement**” means that certain Confidentiality and Non-Disclosure Agreement entered into on or about May 1, 2021 by and between Avid Insurance, LLC and SOBC Corp.

“**Controlling Party**” has the meaning set forth in **Section 5.10(c)(iv)**.

“**Dollars**” or “**\$**” means the lawful currency of the United States.

“**Encumbrance**” means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance.

“**Financial Statements**” has the meaning set forth in **Section 3.05**.

“**Governmental Authority**” means the and any federal, state, local or foreign government or political subdivision thereof (including, without limitation, the United States), or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“**Income Tax**” means any federal, state, local or foreign Tax measured by or imposed on net income, including any interest, fines, penalties or additions thereto.

“**Income Tax Return**” means any Tax Return relating to Income Taxes.

“**Law**” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“**Liquidation**” means the liquidation of Northwestern pursuant to the Liquidation Order.

“**Liquidation Order**” means that certain Liquidation Order issued by the Wisconsin Office of the Commissioner of Insurance, dated May 2, 2019.

“**Liquidator**” has the meaning set forth in the preamble.

“**Losses**” means actual out-of-pocket losses, damages, liabilities, Taxes, costs or expenses, including reasonable attorneys’ fees.

“**Material Adverse Effect**” shall mean any event, effect, change or development, that, individually or in the aggregate, with other such events, effects, changes or developments, would be, or would reasonably be expected to be materially adverse to the financial condition or results of operations of the Company that causes the value or surplus of the Company to be reduced by \$200,000 or more”

“**Non-Controlling Party**” has the meaning set forth in **Section 5.10(c)(iv)**.

“**Northwestern**” has the meaning set forth in the preamble.

“**Party**” has the meaning set forth in the preamble.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, and consents required to be obtained from Governmental Authorities.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Post-Closing Tax Period**” means each taxable period beginning after the Closing

Date.

“**Pre-Closing Tax Period**” means each taxable period ending on or before the Closing Date.

“**Purchase Price**” has the meaning set forth in **Section 2.02(a)**.

“**Purchased Shares**” has the meaning set forth in the recitals.

“**Quarterly Financial Statements**” has the meaning set forth in **Section 3.05**.

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Seller**” has the meaning set forth in the preamble.

“**Seller Fundamentals**” shall mean the representations and warranties of Seller set forth in Sections 3.01, 3.02, 3.03, and 3.04.

“**Shares**” has the meaning set forth in **Section 3.03(a)**.

“**SOBC**” has the meaning set forth in the preamble.

“**Statutory Accounting Principles**” or “**SAP**” are a set of accounting regulations prescribed by the National Association of Insurance Commissioners (NAIC) for the preparation of an insurance firm’s financial statements.

“**Statutory Book Value**” of any asset or liability means the carrying value of the subject asset or liability on the books of the insurer for statutory statement purposes determined in accordance with the statutory accounting principles and practices prescribed by the insurer’s state of domicile, and by treating all outstanding or otherwise accrued but unpaid Taxes (including estimates for any Straddle Period (determined in accordance with the principles of Section 5.10(a)(iii)) as liabilities for such determination.

“**Straddle Contest**” means as defined in **Section 5.10(c)(ii)**.

“**Straddle Period**” means any taxable period on or before but ending after the Closing Date.

“**Supervising Court**” has the meaning set forth in the recitals.

“**Tax**” means (i) any federal, state, provincial, local or foreign income, alternative, minimum, accumulated earnings, personal holding company, franchise, capital stock, profits, windfall profits, gross receipts, gross revenue, sales, use, value added, transfer, registration, stamp, premium, excise, customs duties, severance, environmental, real property, personal property, ad valorem, occupancy, license, occupation, employment, payroll, social security, disability, unemployment, workers’ compensation, premium, insurance, withholding, estimated or other similar tax, duty, fee, assessment or other governmental charge or deficiencies thereof (together with all interest and penalties thereon and additions thereto), in each case, whether or not disputed, and (ii) any liability for or obligation in respect of the items

described in clause (i) of any other Person under IRS Regulations section 1.1502-6 (or any similar provision of state, local, or foreign Law) as a transferee or successor, by contract (whether written, oral, or implied) or other agreement, or otherwise.

“**Tax Contest**” means any written notice from any Governmental Authority of any audit, claim, dispute, proceeding (whether judicial or administrative) or controversy relating to Taxes.

“**Tax Return**” means any report, return, declaration, claim for refund, or information return or statement related to Taxes which is supplied or required to be supplied to any Governmental Authority, including any schedule or attachment thereto, and including any amendment thereof.

ARTICLE II

PURCHASE AND SALE

Section II.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the right, title and interest to the Purchased Shares, free and clear of all Encumbrances, for the consideration specified in **Section 2.02**.

Section II.02 Purchase Price.

(a) The aggregate purchase price for the Purchased Shares shall be One Hundred Thousand and 00/100 DOLLARS (\$100,000.00) (the “**Purchase Price**”).

Section II.03 Transactions to be Effected at the Closing.

(a) At the Closing, Buyer shall deliver:

(i) To Seller, Purchase Price by wire transfer by wired transfer of immediately available funds to such account or accounts as the Liquidator may designate in writing at least three (3) Business Days prior to the Closing; and

(ii) To Seller and SOBC, all agreements, documents, instruments or certificates required to be delivered by Buyer at or prior to the Closing pursuant to **Section 6.03** of this Agreement.

(b) At the Closing, SOBC, on behalf of Seller, shall deliver to Buyer:

(i) Through Company, all of the books and records of the Company, including, without limitation, all minute books and other corporate records, employment records, financial and accounting records and other files of the Company;

(ii) Evidence that the books and records of the Company have been updated to reflect the transfer of the Purchased Shares to Buyer as of the Closing Date;

- (iii) A duly executed (by Seller) and completed IRS Form W-9; and
- (iv) All other agreements, documents, instruments or certificates required to be delivered by Seller at or prior to the Closing pursuant to **Section 6.02** of this Agreement.

Section II.04 Closing. Subject to the terms and conditions of this Agreement, unless another date or time is mutually agreed upon by the Parties in writing, the purchase and sale of the Purchased Shares contemplated hereby (the “**Closing**”) will occur electronically via the exchange of signature pages at 10:00 a.m. Eastern Time on the third Business Day following the date as of which the conditions to each Party’s obligations (as set forth in **Article III** hereof) have been satisfied or waived (if permissible), other than the conditions with respect to actions the respective Parties will take at the Closing itself, but subject to the satisfaction or waiver (if permissible) of such conditions (the date on which the Closing occurs, the “**Closing Date**”).

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

BUYER HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT TO THE EXTENT SPECIFICALLY SET FORTH IN ARTICLE III, THE BUYER IS ACQUIRING THE PURCHASED SHARES ON AN “AS IS, WHERE IS” BASIS. THE DISCLOSURE OF ANY MATTER OR ITEM IN ANY SCHEDULE HERETO SHALL NOT BE DEEMED TO CONSTITUTE AN ACKNOWLEDGEMENT THAT ANY SUCH MATTER IS REQUIRED TO BE DISCLOSED.

SOBC, on behalf of Seller, represents and warrants to Buyer that, to the best of its knowledge, the statements contained in this **Article III** are true and correct as of the date hereof and as of the Closing Date. Within this **Article III**, references to “Seller” refer to SOBC on behalf of Seller.

Section III.01 Organization and Authority of Seller. Northwestern is a corporation duly organized, validly existing and in good standing under the Laws of the state of Wisconsin (except to the extent the foregoing is affected by the Liquidation). Seller has all necessary corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby (except to the extent the foregoing is affected by the Liquidation). The execution and delivery by Seller of this Agreement, subject to receipt of the Approval Order and the consent provided by the Liquidator set forth in **Sections VI.02(j)** and **VI.03(d)**, the performance by Seller of its obligations hereunder and the consummation by Seller of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by the Liquidator for the sole and limited purpose of providing its consent pursuant to **Sections VI.02(j)** and **VI.03(d)** hereof in its sole

and limited capacity as the Liquidator, and (assuming due authorization, execution and delivery by Buyer and receipt of the Approval Order and the consent provided by the Liquidator set forth in **Sections VI.02(j)** and **VI.03(d)**) this Agreement constitutes a legal, valid and binding obligation of Seller.

Section III.02 Organization, Authority and Qualification of the Company. The Company is an insurance company duly organized, validly existing and in good standing under the laws of the state of New York. The Company has not written any new and renewal business since June 1984, and subject to the provisions of Section 1203 of the New York Insurance Law, must obtain prior approval of the Superintendent of Insurance before it can resume doing any insurance business. Subject to the Approval Order, Seller, or SOBC on behalf of Seller, has obtained all necessary authorizations, approvals and consents from its respective directors, equity holders, managers and other Persons, as applicable, required in connection with the transactions contemplated in this Agreement and the agreements entered into in connection with this Agreement.

Section III.03 Capitalization; Title to Shares.

(a) The authorized capital stock of the Company consists of 52,790 shares of common stock, par value \$10 per share, and 52,790 shares of common stock are issued and outstanding (the “**Shares**”). All of the shares of the Company’s stock outstanding are duly authorized and validly issued, fully paid and nonassessable, and were issued in compliance with all applicable federal and state securities Laws and any preemptive rights, rights of first refusal, options or similar rights of any Person.

(b) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the capital stock of the Company or obligating Seller or the Company to issue or sell any shares of capital stock of, or any other interest in, the Company.

(c) The Company has no outstanding, and has not authorized, any stock appreciation, phantom stock, profit participation or similar rights.

(d) There are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

(e) All of the Purchased Shares are owned of record and beneficially by Seller, free and clear of all Encumbrances. The delivery by SOBC, on behalf of Seller, of certificates evidencing the Purchased Shares duly endorsed for transfer or accompanied by transfer powers duly endorsed in blank will transfer valid title (subject to registration requirement imposed by Law) to all of the Purchased Shares to Buyer, free and clear of all Encumbrances.

(f) The Company does not have subsidiaries. The Company does not own, directly or indirectly, any capital stock of, or other equity or voting interests in, any Person or

any options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the equity of any Person.

Section III.04 No Conflicts; Consents.

(a) The execution and delivery of this Agreement by Seller does not, and the consummation of the transactions contemplated hereby will not, (a) conflict with or violate any provision of the organizational documents of Seller or the Company, or (b) result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel any material contract.

(b) Upon entry of the Approval Order, no consents, approvals, authorizations, waivers or permits of or filings with or notifications to, any Governmental Authority are required to be made or obtained at or prior to the Closing by Seller in connection with the execution, delivery or performance of this Agreement by Seller or to consummate the transactions contemplated hereby, except for (a) consents, approvals, authorizations, waivers, permits, filings and notifications set forth in Schedule 3.04.

Section III.05 Financial Statements. Copies of the Company's audited financial statements consisting of the balance sheet of the Company as of December 31, 2020 and the related statements of income, cash flow and equity for the years then ended (the "**Financial Statements**") have been made available to Buyer. The Financial Statements were prepared from the books and records of the Company and present fairly in all material respects the financial condition of the Company as of the date specified therein. The Financial Statements have been prepared in accordance with Statutory Accounting Principles applied on a consistent basis throughout the period involved, subject to any variations accepted by the New York Department of Financial Services. The Company does not have any liabilities or obligations of a type required to be reflected in the Financial Statements in accordance with Statutory Accounting Principles other than those set forth in the Financial Statements. The Company's internally prepared unaudited balance sheet and income statement as of March 31, 2021 (the "**Quarterly Financial Statements**") have been made available to the Buyer. The Quarterly Financial Statements were prepared from the books and records of the Company and present fairly in all material respects the financial condition of the Company as of the date specified therein. The Quarterly Financial Statements are subject to normal and recurring year-end adjustments.

Section III.06 Material Contracts. Attached hereto as Schedule 3.06 is a list of each agreement of the Company involving aggregate consideration in excess of \$10,000 annually, whether as a payable or receivable. Each contract or agreement set forth on Schedule 3.06 is valid, binding and in full force and effect, and no party to any such contract or agreement is in breach or default.

Section III.07 Litigation. Other than as set forth on Schedule 3.07, there are no suits, claims, demands, actions, proceedings, arbitrations, charges or investigations pending or, to

the knowledge of the Company's President after reasonable investigation, threatened against the Company or any assets, properties or rights of the Company.

Section III.08 No Other Express Representations and Warranties. Except for the representations and warranties contained in this **Article III**, none of Seller, the Company or any other Person has made or makes any other express representation or warranty, either written or oral, on behalf of Seller or the Company, including any express representation or warranty as to the accuracy or completeness of any information regarding the Company furnished or made available to Buyer and its Representatives or as to the future revenue, profitability or success of the Company.

Section III.09 Taxes.

(a) To the best of Seller's knowledge, all Income Tax Returns and other material Tax Returns required by applicable Laws to be filed by or with respect to the Company have been timely filed, and each such Tax Return and all other Tax Returns filed by or with respect to the Company are true, correct and complete in all material respects and prepared in accordance with applicable Laws. All Taxes required to have been paid by or with respect to the Company (whether or not such Taxes were reflected as due or owing on any Tax Return) have been paid. All Taxes that are or were required by Law (including under Code Sections 1441, 1445 or 1446) to be withheld or collected by the Company have been properly withheld or collected and, to the extent required by applicable Law, have been paid over to the proper Governmental Authority. The Company has complied with all Tax-related information reporting and record maintenance required under applicable Laws or otherwise.

(b) To the best of Seller's knowledge, no federal, state, local or foreign Tax-related audits, examinations, investigations, proceeding or other Tax Contest is pending or threatened with respect to the Company, and the Company (and no other Person on the Company's behalf) has waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency, which waiver or extension of time is currently outstanding. Neither the Seller nor the Company has received any written notice from any Governmental Authority in a jurisdiction where the Company does not file a Tax Return that the Company or any of its Affiliates may be subject to Taxes by that jurisdiction. Within the past three (3) years, none of the Tax Returns of the Company has been audited by any Governmental Authority.

(c) The Company is not a party to any agreement, contract, arrangement or plan (whether written or unwritten) covering any Person that, individually or in the aggregate, has resulted or could result in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of state, local or non-U.S. Tax-related Law), and no Person has any agreement, contract, arrangement or plan (whether written or unwritten) with the Company that would entitle such Person to any gross-up of any Taxes imposed by Section 4999 of the Code.

(d) The Company will not be required to (and neither Buyer or any of its Affiliates

will be required as a result of owning any Purchased Shares to) include any item of income or exclude any item of deduction from taxable income for any taxable period (or portion thereof) beginning after the Closing Date (or, in the case of clause (vi) below, make any payment of a deferred Tax) as a result of any (i) change in method of tax accounting made or initiated prior to the Closing or use of an improper method of accounting for a taxable period or portion thereof prior to the Closing Date, (ii) closing or similar agreement entered into with a Governmental Authority prior to the Closing, (iii) installment sale or open transaction disposition made prior to the Closing, (iv) prepaid, deposit or similar amount received prior to the Closing, (v) election under Section 108(i) of the Code (or any corresponding or similar provision of the state, local or foreign Tax Law) made prior to the Closing, (vi) excess loss account or deferred intercompany gains or income amounts or (vii) deferral of a payment obligation or advance of a credit with respect to Taxes, including the delay of payment of employment Taxes under Section 2302 Section 2302 of the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116-136), and any rules, regulations, and interpretive guidance issued in connection therewith (collectively, the “**CARES Act**”) (or any corresponding or similar provision of federal, state, local or foreign Tax-related Law), pursuant to IRS Notice 2020-65 or any similar notice or Law or the advance refunding of credits under Section 3606 of the CARES Act (or any corresponding or similar provision of federal, state, local or foreign Tax-related Law) and any delay in the payment of estimated Taxes (collectively, (i) through (vii), the “**Tax Accrual Amounts**”). The Company has not received, applied for or requested any loan, borrowing, grant or similar assistance under the CARES Act or any similar Law relating to economic recovery or which is a COVID-19 assistance program.

(e) The Company has not owned (during any period of its current taxable year or any of its past three (3) taxable years) and currently does not own, (in each case) directly or indirectly, any stock, shares, options, warrants, membership interest, partnership interests, ownership or other equity (for tax purposes) interests in a Person.

(f) The amount of the U.S. federal net operating loss carryforward of the Company at the end of its taxable year ending on December 31, 2020 was no less than \$2,500,000, there has been no material change in such carryforwards since such date, and no U.S. federal net operating loss of the Company is subject to any limitation under Section 382 of the Code (or any corresponding or similar provision of state, local or foreign Law) (other than as the result an “ownership change” resulting from the transactions contemplated by this Agreement).

(g) To the best of Seller’s knowledge, the Company and Seller (with respect to the Company and its operations and income) have each complied with all Tax payment and Tax Return filing obligations relating to any (and have paid all Taxes that are due or payable in respect of) gross premiums received (or projected to be received) from insureds in a state in which the Company holds or held any insurance license.

Section III.10 Permits and Licenses. Schedule 3.10 sets forth a list of all of the Permits, including certificates of authority issued by state departments or commissioners of insurance, held by the Company or used in connection with the business or operations of the Company. To the best of SOBC’s knowledge, the Permits set forth on Schedule 3.10 are in

full force and effect and no action, demand, proceeding or investigation is pending or threatened with respect to any such Permit. All such Permits shall be in full force immediately after the Closing of the transactions contemplated by this Agreement.

Section III.11 Labor Matters. To the best of SOBC's knowledge, the Company is in compliance with all applicable Laws governing employment or labor. The Company does not have any employees and has not had any employees since 2014. All Persons who have provided services to the Company as independent contractors, consultants or non-employees have been properly classified as independent contractors, rather than employees, of the Company, for purposes of all applicable Laws, and the Company does not have any liability as a result of any individual's being improperly classified as either an independent contractor or other non-employee status.

Section III.12 Compliance with Laws. To the best of SOBC's knowledge, the Company and its operations are, and have been since January 2018, in compliance with all applicable Laws. Since January 2018, neither the Seller, the Company nor any of their respective Affiliates have received any written or oral communication regarding any actual or suspected violation of any Law by Company or any Person acting on the Company's behalf.

Section III.13 Real Estate. The Company does not own, and does not lease, any interests in real property.

Section III.14 Liquidator. The Liquidator is signing this Agreement, on behalf of Seller, in its sole and limited capacity as liquidator for Northwestern for the sole and limited purpose of providing its consent pursuant to **Sections VI.02(j)** and Error! Reference source not found. hereof in accordance with the Liquidation Order and the Liquidator cannot and is not responsible for any of the Seller's obligations under this Agreement, including, without limitation, Seller's representations, warranties, covenants and indemnities.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this **Article IV** are true and correct as of the date hereof and as of the Closing Date. Within this **Article IV**, references to "Seller" refer to Seller or SOBC on behalf of Seller.

Section IV.01 Organization and Authority of Buyer. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the state of New York. Buyer has all necessary limited liability company power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement, the performance by Buyer of its obligations hereunder and the consummation by Buyer of the

transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section IV.02 No Conflicts; Consents.

(a) The execution and delivery of this Agreement by Buyer does not, and the consummation of the transactions contemplated hereby will not conflict with or violate any provision of the organizational documents of Buyer.

(b) No consents, approvals, authorizations, waivers or permits of or filings with or notifications to, any Governmental Authority are required to be made or obtained at or prior to the Closing by Seller in connection with the execution, delivery or performance of this Agreement by Seller or to consummate the transactions contemplated hereby, except for (a) consents, approvals, authorizations, waivers, permits, filings and notifications set forth in Schedule 4.03.

Section IV.03 Investment Purpose. Buyer is acquiring the Purchased Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Purchased Shares are not registered under the United States Securities Act of 1933, as amended, or any other applicable securities laws, and that the Purchased Shares may not be transferred or sold except pursuant to the registration provisions of the United States Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to other applicable securities laws and regulations. Buyer is able to bear the economic risk of holding the Purchased Shares for an indefinite period (including total loss of its investment), and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

Section IV.04 Accredited Investor. The Buyer is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the United States Securities Act of 1933.

Section IV.05 Independent Investigation. The Buyer has conducted its own independent investigation, review and analysis of the history, business results of operations, prospects, condition (financial or otherwise) and assets of the Company, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company for such purpose. Buyer has had reasonable and satisfactory opportunity to ask questions of and receive information and answers from a Person or Persons acting on behalf of Seller concerning the acquisition of the

Purchased Shares and, as the Buyer may deem necessary, to verify the information, and all such questions have been answered and all such information has been provided to the full satisfaction of the Buyer. The Buyer has relied upon the advice of its own financial, tax and other advisors, counsel and accountants as to the legal, tax, business, economic, and related matters concerning the acquisition of the Purchased Shares.

Section IV.06 Liquidator. The Liquidator is signing this Agreement, on behalf of Seller, in its sole and limited capacity as liquidator for Northwestern for the sole and limited purpose of providing its consent pursuant to **Sections VI.02(j)** and Error! Reference source not found. hereof in accordance with the Liquidation Order and the Liquidator cannot and is not responsible for any of the Seller's obligations under this Agreement, including, without limitation, Seller's representations, warranties, covenants and indemnities.

ARTICLE V

COVENANTS

Section V.01 Conduct of Business Prior to the Closing. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Company shall, to (to the extent reasonable and possible due to the Company being dormant and subject to the oversight and regulatory authority of the New York Superintendent of Insurance and the Liquidation): (a) conduct the business of the Company in the ordinary course of business; and (b) use commercially reasonable efforts to maintain and preserve intact the current organization, business of the Company and to preserve the rights, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having business relationships with the Company, it being acknowledged by the Parties that the Company is not currently writing any insurance business.

Section V.02 Access to Information. From the date hereof until the Closing, SOBC shall, and shall cause the Company to: (a) afford Buyer and its Representatives reasonable access to and the right to inspect all of the properties, assets, premises, books and records, contracts, agreements and other documents and data related to the Company; (b) furnish Buyer and its Representatives with such financial, operating and other data and information related to the Company as Buyer or any of its Representatives may reasonably request; and (c) instruct the Representatives of Seller and the Company to cooperate with Buyer in its investigation of the Company; *provided, however*, that any such investigation shall be conducted during normal business hours upon reasonable advance notice to Seller, under the supervision of Seller's personnel and in such a manner as not to interfere with the normal operations of Seller. Prior to the Closing, without the prior written consent of SOBC, which shall not be unreasonably withheld, conditioned or delayed for any reason, Buyer shall not contact any suppliers to, or customers of, the Company. Buyer shall, and shall cause its Representatives to, abide by the

terms of the Confidentiality Agreement with respect to any access or information provided pursuant to this **Section 5.02**.

Section V.03 Director and Officer Indemnification. Buyer agrees that all rights to indemnification, advancement of expenses and exculpation by the Company now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Closing Date, an officer or director of the Company, as provided in the article of association, by-laws or similar documentation of the Company shall remain in effect, in each case as in effect on the date of this Agreement, subject to the applicable law of the state of New York.

Section V.04 Confidentiality. Buyer agrees to keep confidential information provided to Buyer pursuant to this Agreement in accordance with the terms of the Confidentiality Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the provisions of this **Section 5.04** shall nonetheless continue in full force and effect.

Section V.05 Governmental Approvals and Other Third-party Consents.

(a) Upon the terms and subject to the conditions set forth in this Agreement, between the date of this Agreement and the Closing Date, each party hereto shall, as promptly as possible, use its reasonable best efforts to (i) take, or to cause to be taken, all commercially reasonable actions, and do, or cause to be done, and provide reasonable assistance and cooperation to the other Party in doing all things reasonably necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement (including satisfying all Closing conditions), in each case, as applicable to such Party; and (ii) obtain from any Governmental Authority any actions, non-actions, clearances, waivers, consents, approvals, Permits or Governmental Orders required to be obtained by such Party or any of their respective Affiliates in connection with the authorization, execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby, including the Approval Order and such other approvals set forth on Schedule 3.04 and Schedule 3.04.

(b) Between the date of this Agreement and the Closing Date, Seller and Buyer shall each (and Seller shall cause the Company to) (x) promptly and diligently respond to any requests of any Governmental Authority for further information or documentation in connection with review and approval of any application required to be made prior to the Closing Date, and all consents and approvals required to be obtained prior to the Closing Date, in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby and (y) shall keep one another reasonably informed of developments relating to their efforts to obtain such consents and approvals. If any Governmental Authority requires that a hearing be held in connection with any such application, consent or approval, each Party shall use reasonable best efforts to arrange for such hearing to be held promptly after the notice that such hearing is required has been received by such Party.

Section V.06 Notifications. During the period from the date of this Agreement until the Closing or earlier termination of this Agreement pursuant to its terms, the Parties shall promptly advise each other upon receiving any communication (whether oral or written) from any Governmental Authority, or third party whose consent is required for consummation of the transactions contemplated by this Agreement that causes the Buyer to believe that there is a reasonable likelihood that one or more of the conditions precedent to Closing will not be satisfied.

Section V.07 Exclusivity. During the period from the date of this Agreement through the Closing or the earlier termination of this Agreement pursuant to Article VIII of this Agreement, neither Party shall, nor shall they permit any of their respective Affiliates (not under the control of a Governmental Authority) or Representatives to, with any third party, other than applicable Governmental Authority, the Supervising Court or other Person contemplated by this Agreement, initiate, solicit, negotiate, discuss, enter into any agreement with respect to, or provide any written or oral information (including material disclosed pursuant to the non-disclosure agreement) with respect to, the transactions contemplated by this Agreement or provide any written or oral information to any third party in connection with any such potential transaction. None of the Parties nor any of their respective Affiliates or Representatives shall disclose to any third party (excluding their retained professional advisors) the existence of, or any of the terms contained in, this Agreement. Each Party acknowledges and agrees that it shall be responsible (on a joint and several basis) for any breach of, or non-compliance with, any of the foregoing provisions by any of them or any of their respective Affiliates (not under the control of a Governmental Authority) or Representatives.

Section V.08 Further Assurances. Following the Closing, SOBC, on behalf of Seller, and Buyer shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section V.09 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement (including any real property transfer Tax and any other similar Tax), if any, shall be borne and paid by Seller when due. SOBC shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

Section V.10

(a) Payments to Governmental Authorities.

- (i) Seller's Responsibility. Tax filings by Seller are consolidated at the SOBC parent company level. SOBC shall pay or cause to be paid to the applicable Governmental Authority all Taxes relating to the Company or the operations of the Company on or prior to the Closing, which shall include, but not limited to (A) Taxes of the Company for all Pre-Closing Tax Periods, (B) Taxes of the Company for the portion of any Straddle Period ending on or before the Closing Date (as determined in accordance with Section 5.10(a)(iii) below), (C) Taxes attributable to any non-Company Affiliate, (D) Taxes of any other Person relating to any taxable period (or portion thereof) ending on or before the Closing Date and imposed on the Company pursuant to Treasury Regulation §1.1502-6 or any analogous or similar state, local, or foreign law or regulation or as a transferee or successor, by contract or otherwise in connection with a transaction consummated on or prior to the Closing Date, (E) all other Taxes described as the responsibility of SOBC in this **Section 5.10** or Section 5.09 (collectively, "**Seller Taxes**"); provided that Seller Taxes shall not include any Taxes that are expressly described as being the responsibility of Buyer in this **Section 5.10**.
- (ii) Buyer's Responsibility. Buyer shall pay or cause to be paid to the applicable Governmental Authority all Taxes of the Company payable with respect to the Post-Closing Tax Period to the extent such Taxes are not described as being the responsibility of Seller in this **Section 5.10** and (for the avoidance of doubt) do not otherwise arise from or relate to a breach of any representation, warranty or covenant by Seller or any of its Affiliates.
- (iii) Straddle Periods. In the case of any Straddle Period, (x) the amount of any Income Taxes of the Company for the portion of such period ending on the Closing Date will be determined based on an interim closing of the books as of the close of business on the Closing Date, and (y) the amount of Taxes other than Income Taxes attributable to the portion of a Straddle Period ending on the Closing Date will be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the portion of such Straddle Period ending on (and including) the Closing Date and the denominator of which is the total number of days in such Straddle Period, provided that any premium Taxes or similar Taxes that are based on gross receipts or volume of business activity shall instead be allocated between the period ending on the Closing Date or the period beginning the day following the Closing Date pro rata based on the relative amounts of such premiums, gross receipts or business activity that are attributable to each period, as determined in good faith by Buyer with respect to each such Tax. If Buyer is responsible pursuant to Section 5.10(b)(ii) for filing a Tax Return with respect to the Company for a Straddle Period, such Tax Return shall be prepared in a manner consistent with the past practice of the Company to the extent such practice is consistent with applicable Laws and following such practice is

not reasonably likely to result in the imposition of any penalty on any Person, and, in the case of such a Tax Return that is an Income Tax Return or which reflects a material amount of Seller Taxes, Buyer shall deliver to Seller, no later than (x) in the case of any Income Tax Return, fifteen (15) Business Days prior to the due date (including any extension thereof) for the filing of such Tax Return or (y) in the case of any other Tax Return required to be delivered to Seller in accordance with the foregoing, as soon as reasonably practicable prior to such Tax Return's due date (including any extension thereof), a copy of such Tax Return and a statement setting forth the amount of Tax allocable to Seller. Seller shall have the right to review and comment on any such Tax Return, and any dispute between Buyer and Seller shall be resolved by a public accounting firm of national reputation mutually agreed by the parties. If any such dispute with respect to a Tax Return has not been resolved by the due date (including any extension thereof) for the filing of such Tax Return, Buyer shall file such Tax Return by its due date (as permissibly extended) and upon resolution of such dispute, Seller shall promptly pay to Buyer an amount equal to the amount determined to be allocable to Seller upon resolution of such dispute plus interest thereon (computed from the date of the Tax payment by Buyer through the date of such payment by Seller) at a rate equal to the overpayment rate (within the meaning of Section 6621 of the Code) applicable to corporations as of the date of Seller's payment. The foregoing provisions of this Section 5.10(a)(iii) are not intended and will not be interpreted as altering or otherwise affecting any liability for any Taxes arising from any breach of a representation, warranty or covenant in this Agreement or any responsibility for the payment of any Tax to the extent expressly provided herein, including Section 5.09 above.

(b) Return Filing.

- (i) Seller's Responsibility. Seller shall permit and otherwise cause the Company, to the extent permitted by Law, to join, for all taxable periods ending on or before the Closing Date, in the filing of Income Tax Returns as a member of Seller's Affiliated Group (i.e., to file such Tax Returns as an Affiliated Group that includes the Company); provided that, with respect to any filing of a non-federal Income Tax Return, Seller shall be required to cause the Company join such filing only if (x) the Company joined in the filing of such a Tax Return for the most recent taxable period for which a Tax Return had been filed prior to the date hereof and may join in the filing of such a Tax Return for subsequent taxable periods, or (y) is required by the applicable Governmental Authority or Law to join in the filing of such a Tax Return; provided that, with respect to any such non-federal Income Tax Return, Seller must first provide Buyer with written notice of its decision not to include the Company in any such Income Tax Return or otherwise as a member of the applicable Affiliated Group. To the maximum extent permitted by Law, the profits, income, gains, items of recapture and

recapture of credits, and each item thereof, including any deferred items includible in income by pursuant to Treasury regulations section 1.1502-13 or any excess loss account taken into income pursuant to Treasury regulations section 1.1502-19, of the Company for all taxable periods or portions thereof ending on or before the Closing Date shall be included in the Income Tax Returns of Seller's Affiliated Group (whether for federal, state or local Tax filing purposes). In accordance with, and subject to, the foregoing provisions of this Section 5.10(b)(i), with respect to such Income Tax Returns filed on or before the Closing Date, Seller shall cause, and with respect to such Tax Returns filed after the Closing Date, Buyer shall cause the Company to join in the filing of such Tax Returns with respect to the period prior to the Closing Date. Seller shall prepare or cause to be prepared and file or cause to be filed all federal and state Income Tax Returns described in the first sentence of this Section 5.10(b)(i), and shall provide Buyer with a reasonable opportunity review and comment on each such Tax Return prior to its filing and shall accept and revise each such Tax Return for any reasonable comments provided by Buyer prior to its filing date (with it being understood that Seller shall not file any such Tax Return unless and until Buyer has provided its comments and approval). Seller shall (1) file, or shall cause the Company to file, all other Tax Returns relating to the business, assets or capital stock of the Company required to be filed on or prior to the Closing Date, (2) shall cause each such Tax Return to be prepared in a manner consistent with the Company's past practices so long as such past practices are permitted by applicable Laws and not reasonably likely to result in the imposition of any penalties on any Person if followed, (3) shall provide Buyer with a reasonable opportunity review and comment on each such Tax Return prior to its filing and (4) shall accept and revise each such Tax Return for any reasonable comments provided by Buyer prior to its filing date (with it being understood that Seller shall not file any such Tax Return unless and until Buyer has provide its comments or approval). The foregoing provisions of this Section 5.10(b)(i) shall be subject to the provisions of Section 5.10(b)(iii) below.

(ii) Buyer's Responsibility. Following the Closing, Buyer shall prepare or cause to be prepared and file or cause to be filed all Tax Returns with respect to the Company except as otherwise expressly provided in this Section 5.10(b) or 5.09.

(iii) Additional Covenants.

- i. Seller shall not elect to retain any net operating loss carryovers or capital loss carryovers of the Company.
- ii. Buyer and Seller shall have the right to determine to make a (or cause the making of any) joint election under Section 338(h)(10) or 336(e) of the Code and the related Treasury Regulations with respect to Buyer's

acquisition of the Company. Seller will join (and, when applicable, will cause its Affiliates to join) in any such election as may be requested by Buyer and will not make any such or similar election (whether for federal, state or local Tax purposes) unless Buyer consents thereto in writing in advance, which consent can be withheld in Buyer's sole discretion.

- iii. Unless directed by Buyer in writing, Seller shall not make an election under the so-called "unified loss rules" (or any similar rules) which results in a reduction of the Tax attributes of the Company.

(c) Contests.

- (i) Subject to the other provisions of this Section 5.10(c), Seller, at its sole cost and expense, shall have the right to represent the interests of the Company in any Tax Contest if and only to the extent that the Tax Contest relates solely to an Income Tax for a taxable period ending on or before the Closing Date.
- (ii) If a Tax Contest involves both a Pre-Closing Tax Period and a Post-Closing Tax Period (a "**Straddle Contest**"), the parties shall use commercially reasonable efforts (and reasonable cooperation to) endeavor to cause the Tax Contest to be separated into two or more separate proceedings, each of which involves exclusively Pre-Closing Tax Periods and Post-Closing Tax Periods. In the event that such separation cannot, after commercially reasonable efforts, be achieved, the parties shall jointly control the Straddle Contest.
- (iii) Subject to Section 5.10(c)(ii), Buyer shall have the right to represent the interests of the Company in any Tax Contest not otherwise described in Section 5.10(c)(i) or (ii).
- (iv) If Buyer, Seller or any of their respective Affiliates receives any written communication proposing any Tax Contest or other Tax adjustment with respect to the assets or activities of the Company prior to the Closing Date or that could otherwise give rise to a claim for indemnification hereunder, Buyer or Seller, as applicable, shall, within ten (10) days following such receipt, provide the other party with notice of such proposed Tax adjustment together with copies of any documentation received by the applicable Governmental Authority in respect of such Tax Contest; provided that the failure to provide such notice shall not affect any right to indemnification hereunder except to the extent that such failure results in a failure of actual notice and the party not receiving notice is materially prejudiced in respect of such Tax Contest as a result thereof. If the resolution of any Tax Contest (or portion thereof) would be grounds for indemnification hereunder by the party not in control of the conduct of such Tax Contest (or portion thereof) (the "**Non-Controlling Party**") or otherwise would adversely affect the

Tax liability of the Non-Controlling Party, (A) the party in control of such Tax Contest (or portion thereof) (the “**Controlling Party**”) shall keep the Non-Controlling Party reasonably informed of any material proceedings, events and developments relating to or in connection with such Tax Contest (or portion thereof); (B) the Non-Controlling Party shall be entitled to receive copies of all material correspondence and documents relating to such Tax Contest (or portion thereof); (C) with respect to any Tax Contest or other matter for which Seller is or has the right to be the Controlling Party, Seller will (x) notwithstanding anything to the contrary in this Agreement, prior to taking control over such Tax Contest and within five (5) days of receiving any notice of such Tax Contest or other matter, provide a written statement to Buyer of Seller’s (1) intent to control the defense of such Tax Contest or other matter, (2) acknowledgement that Seller is responsible for any and all resulting costs, damages and Taxes arising or relating to the outcome of such Tax Contest, and (3) certification (along with such other documentation) reasonably satisfactory to Buyer that Seller has the financial assets and capability to pay all such resulting costs, damages and Taxes and (y) diligently, in good faith and by appropriate proceedings and venue, contest and defend the Company and its (post-Closing) Affiliates from any and all Taxes, liabilities or other costs or damages that could result from such Tax Contest or other matter; and (D) at its own cost and expense, the Non-Controlling Party shall have the right to participate in (but not control) the conduct of such Tax Contest (or portion thereof). Notwithstanding any such control (1) Buyer shall not, and shall not permit the Company to, enter into any settlement or resolution with respect to any Tax Contest (or portion thereof) which Buyer controls if such settlement or resolution could give rise to a claim for indemnification hereunder without Seller’s express written prior consent, which consent shall not be unreasonably withheld, conditioned or delayed and (2) Seller shall not enter into any settlement or resolution with respect to any Tax Contest that could adversely affect, or result in any Tax of, Buyer, the Company or either of their respective Affiliates after the Closing Date without Buyer’s express written prior consent, which consent (in either case) shall not be unreasonably withheld, conditioned or delayed.

(d) Refunds.

- (i) Seller shall be entitled to retain, or Seller shall be entitled to receive prompt payment from Buyer, any cash refund of Taxes, plus any interest received with respect thereto from the applicable Governmental Authority, for Taxes of the Company that were paid prior to the Closing Date in regard to Tax liabilities arising after the Closing Date.
- (ii) Notwithstanding the foregoing or anything else to the contrary in this Agreement, (i) Buyer shall have the right to offset reasonable out of pocket costs, Taxes and expenses incurred (by it or any of its Affiliates) in

connection with the receipt, accrual or payment of such refund or otherwise in connection with the filing of any related Tax Returns or claims for refunds, (ii) Seller shall not have the right to (and the foregoing payment obligation shall not apply with respect to) any refund that (1) was taken into account as a current asset in for purposes of determining Book Value or was otherwise a reduction for Tax amount included in determining Book Value, (2) resulted from a carryback of any Tax asset or attribute arising in a taxable period or portion thereof beginning after the Closing Date, (3) arose from a Tax (or portion thereof) economically borne by Buyer or any of its Affiliates (including the Company but only after the Closing), or (4) is received by Buyer or its applicable Affiliate after the second (2nd) anniversary of the Closing Date unless the applicable claim for refund was duly filed prior to such anniversary, (iii) in the event that any Tax refund that gave rise to any payment under this Section 5.10(d) is subsequently reduced or denied (in each case, in whole or in part) by a Governmental Authority, Seller shall promptly return any such disallowed or reduced amounts (plus any interest in respect of such disallowed or reduced amounts imposed by the relevant Governmental Authority), and (iv) neither Buyer nor any of its Affiliates (including the Company post-Closing) shall have any affirmative obligation or duty to separately seek, preserve or file any claim for Tax refunds or credits or pay any amounts under this Section 5.10(d) to the extent there is any outstanding or unresolved claim for indemnity by any Buyer Indemnitee against Seller.

Section V.11 Cooperation and Indemnification for Tax Matters; Exclusivity.

Buyer and Seller recognize that Seller and Buyer and their respective Affiliates may need access, from time to time after the Closing Date, to certain accounting and tax records and information relating to the Company to the extent such records and information pertain to events occurring prior to the Closing Date. Accordingly, Buyer and Seller agree that, from and after the Closing Date, and at the sole cost and expense of the requesting party, SOBC shall and shall cause their respective Affiliates and successors to, and Buyer shall cause the Company and its Affiliates to, (i) use commercially reasonable efforts to retain and maintain such records for the full period of the applicable statute of limitations with respect to such Taxes, including any extensions thereof, and to abide by all record retention agreements entered into with any Governmental Authority, and (ii) allow Buyer and Seller and their respective agents and representatives (and agents or representatives of any of their respective Affiliates), reasonable access to such records during Buyer's or (as applicable) Seller's normal business hours and on reasonable prior notice as such party may deem necessary or appropriate from time to time.

Section V.12 Tax Indemnification by Seller. SOBC covenants and agrees, from and after the Closing Date, to defend, indemnify and hold harmless Buyer and each of its Affiliates and the Company and their respective officers, employees, agents, representatives and assigns (collectively, the "**Buyer Indemnitees**") from and against, and pay or reimburse

Buyer Indemnitees for, any and all Losses incurred or sustained by any Buyer Indemnitee arising from or attributable to any and all Taxes (or the nonpayment thereof) payable by Company under Section 5.10 (including any Company Taxes), any breach by Company of any covenant contained in Section 5.09, 5.10, 5.11 or 5.13 or from a breach of any of the representations and warranties contained in Section 3.09.

Section V.13 Tax Sharing Agreements and PoAs. SOBC shall (or shall cause) the termination of all Tax sharing, indemnification, reimbursement and similar agreements, contracts or arrangements with respect to or involving the Company on or before the Closing Date and, in terminating or causing such termination shall ensure that, after the Closing Date, the Company shall not be bound by any such agreement, contract or arrangement or have any liability thereunder. Unless otherwise consented to by Buyer in writing, prior to the Closing, SOBC shall (or shall cause) all currently effective powers of attorney in respect of Tax matters of the Company (including any IRS Form 2848) to be terminated, rescinded and otherwise no longer effect as of the Closing.

ARTICLE VI

CONDITIONS TO CLOSING

Section VI.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) No actions shall have been filed seeking to challenge or appeal the Approval Order.

(c) All approvals required by applicable Governmental Authorities shall have been received.

(d) The Buyer and Seller shall have received from the Company a copy of the financial statement filed with the State of New York setting forth the Book Value of the Company as of the end of the most recent quarter ending at least 10 days prior to the Closing Date based on a reviewed balance sheet of the Company as of such quarter end, prepared in accordance with Statutory Accounting Principles applied on a consistent basis through the period involved, and such Book Value shall be equal to or greater than \$2,700,000.

Section VI.02 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the

fulfillment, or Buyer's waiver, at or prior to the Closing, of each of the conditions set forth below. Within this **Section VI.02**, references to "Seller" refer to SOBC on behalf of Seller.

(a) The representations and warranties of Seller contained in Article III shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (except for such representations and warranties that are made as of a specific date, which representations and warranties shall be deemed made on and as of such date).

(b) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Seller shall have caused the Company to update its books and records to reflect ownership of the Purchased Shares by Buyer.

(d) Seller shall have delivered to Buyer stock certificates representing the Purchased Shares, together with any stock transfer powers or other instruments, properly endorsed and executed by the Seller, as may be necessary to transfer, convey and assign the Purchased Shares to Buyer.

(e) Seller shall have delivered, or caused to be delivered, to Buyer resolutions of the respective Board of Directors of the Company and the Seller approving the transactions contemplated hereby and directing that the Buyer be entered into the register of shareholders of the Company reflecting its ownership of the Purchased Shares.

(f) Seller shall have delivered, or caused to be delivered, to Buyer written resignations, effective as of the Closing Date, of each the officers and directors of the Company.

(g) Seller shall have delivered to Buyer a certificate duly executed by authorized officers of the Company confirming that the Permits set forth on Schedule 3.10 are current, valid and in good standing, with no change in the status thereof as compared to the date hereof.

(h) Since the date of this Agreement, there shall not have occurred any Material Adverse Effect as to the Company and no event shall have occurred or circumstance shall exist that, in combination with any other events or circumstances, could reasonably be expected to have a Material Adverse Effect as to the Company.

(i) Buyer shall have obtained from the Superintendent of the New York Department of Financial Services all approvals and authorizations required by applicable Law for the Buyer to own and operate the Company as of and after the Closing, including, without limitation, the approval of Buyer's Form A (Application for Approval of Acquisition of Control) application filed with the New York Department of Financial Services and approval of the New York Department of Financial Services for the Company to resume doing insurance business.

(j) The Liquidator shall have either delivered to the Buyer a copy of the approval or a counterpart signature to this Agreement (which shall constitute the Liquidator's consent) to the acquisition of the Company by Buyer and Approval Order, which shall be final and non-appealable.

(k) Seller shall have delivered to Buyer the items required pursuant to Section 2.03(b).

Section VI.03 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, or Seller's waiver, at or prior to the Closing, of each of the following conditions set forth below. Within this **Section VI.03**, references to "Seller" refer to SOBC on behalf of Seller.

(a) The representations and warranties of Buyer contained in Article IV shall be true and correct (without regard to any materiality qualifiers set forth therein) in all material respects as of the date of this Agreement and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (except for such representations and warranties that are made as of a specific date, which representations and warranties shall be deemed made on and as of such date).

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Buyer shall have delivered to Seller the items required pursuant to Section 2.03(a).

(d) The Liquidator shall have either delivered to the Buyer a copy of the approval or a counterpart signature to this Agreement (which shall constitute the Liquidator's consent) to the acquisition of the Company by Buyer and Approval Order, which shall be final and non-appealable.

ARTICLE VII

SURVIVAL

Section VII.01 Survival.

(a) The representations and warranties of SOBC on behalf of Seller, contained in this Agreement shall survive for a period of one (1) year after the Closing Date; provided that the representations and warranties contained in Section 3.09 shall survive until the expiration of the applicable statute of limitation periods plus sixty (60) days.

(b) Any covenants or agreements of SOBC on behalf of Seller contained in this Agreement to be performed after the Closing Date, shall survive until fully performed (including the indemnification obligations of Section 5.12).

(c) The representations and warranties of the Buyer contained in this Agreement shall survive the Closing hereunder for a period of one (1) year.

(d) Any covenants or agreements of the Buyer contained in this Agreement to be performed after the Closing Date, shall survive until fully performed.

Section VII.02 Limitation on Damages. Except as otherwise provided in Sections 5.09 through 5.13, the exclusive remedies for both parties related to a breach of a representation, warranty, agreement or covenant shall be (a) termination of this Agreement as set forth herein, (b) damages resulting directly from a breach of a representation or warranty of Seller or Buyer which is either not disputed by the Seller and Buyer or finally adjudicated by a court of competent jurisdiction, or (c) an action for specific performance of a party's obligations under Section 9.11 herein. The foregoing remedies shall be cumulative, and either party may pursue any or all such remedies as may be required to redress the breach of the other party. If the Closing occurs, the parties specifically and completely release, remit, discharge, disclaim and waive any other rights or remedies, whether at law or equity, known or unknown, they may have against each other for any damages, or causes of action related to this Agreement, whether accruing before or after Closing, excluding, however, those rights set forth in this Section 7.02.

ARTICLE VIII

TERMINATION

Section VIII.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) By Buyer, on the one hand, and Seller, on the other hand, if the Closing shall not have occurred by the close of business on one hundred eighty (180) days from the date of execution of this Agreement; provided that such date shall be extended by an additional sixty (60) days if (i) all other conditions to Closing in this Agreement (other than conditions to be satisfied at Closing) have been satisfied or waived other than conditions related to regulatory approvals, and (ii) the applicable party is continuing to diligently pursue the satisfaction of such conditions;

(b) By the mutual written consent of Seller and Buyer;

(c) By Buyer by written notice to Seller if Buyer is not then in material breach of any provision of this Agreement and (i) there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article VI** and any such breach has not been cured within ten (10) Business Days following receipt of written notice from the Buyer regarding such breach; or

(d) By Seller by written notice to Buyer if Seller is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article VI** and any such breach has not been cured within ten (10) Business Days following receipt of written notice from the Seller regarding such breach; or

(e) By Buyer or Seller in the event that:

(i) There shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or

(ii) Any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable; or

(f) By Seller, if (i) the Buyer withdraws its application for approval of the acquisition of the Company filed with the New York Department of Financial Services, or (ii) its application for approval of the acquisition of the Company filed with the New York Department of Financial Services is rejected.

Section VIII.02 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except as otherwise expressly set forth herein; provided, however, (x) termination will not relieve any Party from liability for any material breach of this Agreement prior to such termination and (y) the provisions as set forth in Sections 5.04, 9.01, and 9.10 shall survive such termination.

Section VIII.03 Break-up Fee. In the event Seller terminates this Agreement pursuant to Section 8.01(f), the Buyer will pay to Seller a fee of \$50,000 (“**Break-up Fee**”) to reimburse the Seller for time, expense and lost opportunity.

Section VIII.04 Sole Remedy. Notwithstanding anything to the contrary in this Agreement or any other transaction document or any other agreement referenced herein or therein or otherwise, if Buyer is required to pay the Break-up Fee, then Seller’s right to receive payment of the Break-up Fee from Buyer pursuant to Section 8.03, shall be the sole and exclusive remedy (whether at Law, in equity, in contract, in tort or otherwise) of the Company, Seller, and their respective Affiliates and any of their respective stockholders, beneficiaries, directors, officers, employees, attorneys, accountants, and other advisors or representatives (and of any other Person who directly or indirectly asserts any claim on behalf of or through any of the foregoing) against the Buyer in respect of this Agreement and the transactions contemplated hereby and/or for any breach, liability, loss or damage suffered as a result thereof or in connection therewith, and upon payment of the Break-up Fee as and if due in accordance with the terms hereof, none of Buyer or any Affiliate of Buyer shall have any liability or obligation relating to or arising out of this Agreement or any other agreement referenced herein

or the transactions contemplated hereby or thereby, including any liability or obligation for multiple, consequential, indirect, special, statutory, exemplary or punitive damages, relating to or arising out of this Agreement or any documents referenced herein or the transactions contemplated hereby or thereby or the failure of any such transactions to be consummated, or in respect of any representations made or alleged to be made in connection herewith or therewith, whether in equity or at Law, in contract or in tort.

ARTICLE IX

MISCELLANEOUS

Section IX.01 Expenses. Except as otherwise expressly provided herein (including **Section 5.09** hereof), all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section IX.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 9.02**):

If to Seller:

Northwestern National Insurance Company of
Milwaukee c/o Office of the Commissioner of
Insurance

Attn: Amy J. Malm

Special Deputy Liquidator for Northwestern
National Insurance Company of Milwaukee

with a copy to:

Compass Insurance Company

Attn: Thomas F. X. Hodson

If to Buyer:

Avid Insurance, LLC
14 East 33rd St. #7s
New York, NY 10016

Attn: Craig Berger

Section IX.03 Interpretation. For purposes of this Agreement: (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

Section IX.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section IX.05 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section IX.06 Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter.

Section IX.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section IX.08 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any

legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section IX.09 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section IX.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement and any controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the state of New York as to all matters, without regard to conflict of law principles that would result in the application of any law other than the law of the State of New York.

(b) Any and all disputes between the Parties arising from, or related to, this Agreement shall be subject to the sole jurisdiction of the Supervising Court, without right of removal, and solely for purposes of such disputes, the Parties consent to the personal jurisdiction of such Supervising Court.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10(C).

Section IX.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section IX.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

NORTHWESTERN NATIONAL
INSURANCE COMPANY OF
MILWAUKEE

By: Wisconsin Office of the Commissioner
of Insurance, its liquidator

By: _____

Name: Amy J. Malm

Title: Special Deputy Liquidator for
Northwestern National Insurance Company
of Milwaukee

SOBC GAMMA HOLDING COMPANY
LTD.

By:  _____

Name: Brian Johnston

Title: CFO

COMPANY:

COMPASS INSURANCE COMPANY

By: _____

Name: _____

Title: _____

BUYER:

AVID INSURANCE, LLC

By:  _____

Name: Craig Berger

Title: Chairman / CEO

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

NORTHWESTERN NATIONAL
INSURANCE COMPANY OF
MILWAUKEE

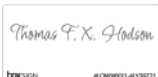
By: Wisconsin Office of the Commissioner
of Insurance, its liquidator

By: *Amy J. Malm*
Name: Amy J. Malm
Title: Special Deputy Liquidator for
Northwestern National Insurance Company
of Milwaukee
SOBC GAMMA HOLDING COMPANY
LTD.

By: _____
Name: _____
Title: _____

COMPANY:

COMPASS INSURANCE COMPANY

By: 
Name: Thomas F. X. Hodson
Title: Director and General Counsel

BUYER:

AVID INSURANCE, LLC

By: _____
Name: Craig Berger
Title: Chairman / CEO

Schedule 3.04

CONSENTS

1. Approval Order.

New York

Schedule 3.06

MATERIAL CONTRACTS

Professional Services Agreement dated January 1, 2021 between Compass Insurance Company and GLS Services Company

Schedule 3.07

LITIGATION

None.

Schedule 3.10

PERMITS

<u>STATE</u>	<u>VALID</u>	<u>SUSPENDED</u>	<u>NOT LICENSED</u>	
ALABAMA	X			
ALASKA			X	Suspended 12/02 - Expired 3/08
ARIZONA		X		Suspended 3/85
ARKANSAS	X			
CALIFORNIA		X		Suspended 2/85
COLORADO		X		Suspended 12/85
CONNECTICUT			X	Never Licensed
DELAWARE *	X			
DISTRICT OF COL.			X	Suspended 1995 - Revoked
FLORIDA			X	Surrendered 1/96
GEORGIA	X			
HAWAII			X	Never Licensed
IDAHO			X	Revoked 11/87
ILLINOIS			X	Revoked 12/84
INDIANA			X	Revoked 4/85 - COA Returned 1/07
IOWA	X			
KANSAS			X	Never Licensed
KENTUCKY			X	Revoked 3/86
LOUISIANA	X			
MAINE			X	Never Licensed
MARYLAND			X	Suspended 5/85 - Revoked 1985
MASSACHUSETTS			X	Revoked 12/84
MICHIGAN			X	Revoked 3/93
MINNESOTA	X			
MISSISSIPPI			X	Suspended 4/85 - Revoked 1985
MISSOURI		X		Suspended 1985
MONTANA			X	Surrendered 4/2005
NEBRASKA	X			
NEVADA	X			
NEW HAMPSHIRE	X			
NEW JERSEY			X	Never Licensed
NEW MEXICO			X	Revoked 1/95
NEW YORK *	X			
NORTH CAROLINA			X	Never Licensed
NORTH DAKOTA	X			
OHIO	X			
OKLAHOMA			X	Revoked 2/2005
OREGON	X			
PENNSYLVANIA	X			
RHODE ISLAND*			X	Never Licensed
SOUTH CAROLINA	X			

SOUTH DAKOTA	X		
TENNESSEE	X		
TEXAS	X		
UTAH			X Suspended 4/98 Surrendered 4/2013
VERMONT	X		
VIRGINIA		X	Suspended 6/21
WASHINGTON			X Revoked 3/85
WEST VIRGINIA	X		
WISCONSIN	X		
WYOMING			X Revoked 3/85

Schedule 4.03

CONSENTS

1. New York Form A (Application for Approval of Acquisition of Control) and approval thereof.