UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	**Chapter 11**
	§	
TM36, LLC, et al.,	§	**Case No. 26-90386 (ARP)**
	§	
Debtors.[1]	§	**(Jointly Administered)**
	§	

INSURED ADVOCACY GROUP, LLC'S RESPONSE TO OBJECTION TO CLAIM AND REQUEST FOR ARBITRATION

Insured Advocacy Group, LLC ("IAG"), by and through undersigned counsel, hereby submits this response ("Response") to the *Objection to Proof of Claim of Insured Advocacy Group, LLC* [ECF Doc. 264] ("Objection") filed by TM36, LLC, StopLoss Specialists, LLC, StopLoss, LLC, StopLoss Response Services, LLC, and StopLoss Logistics, LLC (collectively, the "Debtors" or "StopLoss") and request for arbitration. In support thereof, IAG respectfully states as follows:

I. PRELIMINARY STATEMENT

1. Disputes between IAG and the Debtors (specifically SLS) are subject to the Arbitration provision of the First Party Claims Non-Recourse Sale and Assignment Agreement included in Claim 9-1 filed by IAG. The requirements for arbitration are met as the parties agreed to arbitrate, the dispute falls within the scope of that agreement, and the Objection neither derives exclusively from the Bankruptcy Code nor conflicts with any provision or purpose of the Code. Therefore, IAG seeks to have the Objection resolved through arbitration.[2]

[1] The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification number, are TM36, LLC (5051), StopLoss Specialists, LLC (3801), StopLoss, LLC (8840), StopLoss Response Services, LLC (3350), and StopLoss Logistics, LLC (3569). The Debtors' service address is: 716 S. Frio Street, Suite 110, San Antonio, TX 78207.
[2] IAG reserves the right to substantively respond to the Objection if this Court is to hear the Objection.

II. Background Facts

2. On or about August 16, 2023, StopLoss Specialists, LLC ("SLS") entered into a First Party Claims Non-Recourse Sale and Assignment Agreement ("Agreement") with IAG, which is attached as Exhibit A. SLS subsequently sold multiple invoices to IAG and IAG II to fund remediation and repairs of damaged properties. Through the sale, funds were paid to SLS by IAG and IAG II. The sale granted to IAG and IAG II all of SLS' rights to collect the purchased claims and the right to act in SLS' name and stead.

3. Included in the Agreement are multiple representations and warranties of SLS as Seller that are applicable to IAG's claim.

4. Pursuant to Article 3.1.11 of the Agreement, SLS represented and warranted that none of the Accounts set forth in any of the Addendums was subject to any defense "which will preclude [IAG] from collecting" any of the Accounts set forth in the Addendums.

> 3.1.11 The Accounts, Account Balances, and the related AOCs are not subject to any claimed defense not previously disclosed to Seller or not actually known by Seller prior to the date of this Agreement, including but not limited to any defense or declination of coverage due to lack of insurance coverage, exhaustion of benefits, application of deductibles, violation of any releases or settlements, or any other similar defense which will preclude Buyer from collecting the Accounts and Account Balances.

5. Through Article 3.1.12 of the Agreement, SLS represented and warranted that the accounts sold to IAG were not subject to obligations to third parties, unless specifically disclosed.

> 3.1.12 None of the Accounts, Account Balances or related AOCs sold to Buyer are subject to any obligations or fees of any kind owed to any third parties, unless otherwise disclosed to Buyer herein.

6. Pursuant to Article 3.1.16 of the Agreement, SLS represented and warranted that the "due diligence information supplied by [SLS] to [IAG] . . . concerning the Accounts [sold to IAG] is true, complete and accurate and does not and will not omit to state a material fact necessary to make the statements contained therein not misleading."

> 3.1.16 The due diligence information supplied to Buyer by Seller (or Seller's agent or Broker) concerning the Accounts and Account Balances to be sold to Buyer hereunder, including but not limited to Account Listings, Account Documents, and balances due on the Accounts, Account Balances being sold, and the existence of AOCs, is true, complete, and accurate and does not and will not omit to state a material fact necessary to make the statements contained therein not misleading.

7. Through Article 3.1.24, SLS represented and warranted that all services rendered by SLS were performed, completed, and were not subject to any defense of fraud or misrepresentation.

> 3.1.24 Seller hereby declares that it has performed, rendered, and completed provision of all Services reflected in the Account Balances, and that such Services are not subject to any defense of fraud or misrepresentation committed by Seller, alone or in conjunction with others.

8. The Agreement also provided that in the event SLS is in breach of any warranty or representation related to any Selected Account,[3] IAG has the right to require SLS to repurchase the Selected Account.

> 7.1 Seller's Obligation to Repurchase. In the event that Seller is in breach of any *warranty or representation and warranty* as set forth herein relating to any Selected Account, Account, Account Balance or AOC, Buyer shall have the right, at its discretion, to: (a) provide notice to Seller of such breach and afford the Seller five (5) business days within which to cure such breach, including the right to replace any such Selected Account with a new one, failing which Seller shall be obligated to repurchase from Buyer any Selected Account affected by such breach or as to which such breach applies; or (b) require, with no opportunity or right to cure, that Seller repurchase any Selected Account, Account or Account Balance from Buyer for the Purchase Price.

9. By virtue of Purchase Addendum 4-A to the Agreement, attached hereto as Exhibit B (the "Arbitration Amendment"), which SLS entered into on August 13, 2024, SLS and IAG amended the Agreement to include arbitration of all disputes arising under the Agreement. The Arbitration Amendment provides in pertinent part as follows:

> 13. In consideration of Buyer purchasing this Portfolio from Seller and Buyer agreeing to continue to purchase additional portfolios from Seller, and other good and valuable consideration, the receipt and sufficiency of which is hereby

[3] Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

acknowledged by Seller, the Agreement is hereby amended to include the following provisions:

a. In the event that the litigation relating to the collection of any Account Balance results in an appeal, Buyer's Factor Fee shall increase by an additional 5% (the "Appeal Fee").

b. Section 9.1.3 shall incorporate the following language after the last sentence:

"Notwithstanding the above, in lieu of litigation in a state or federal court located in New York, New York, Buyer, in its sole and absolute discretion, may elect to have any dispute, controversy or claim arising out of, relating to, in connection with or in respect of this Agreement resolved by arbitration under the Commercial Arbitration Rules of the American Arbitration Association, which Rules are deemed to be incorporated by reference into this Section 9.1.4. The tribunal shall consist of one arbitrator. The seat of the arbitration shall be New York, New York. The language of the arbitration shall be English. The arbitrator's decision shall be final and binding and judgment may be entered thereon in any court having jurisdiction thereof. The prevailing party in any litigation or arbitration arising out of, relating to, in connection with or in respect of this Agreement parties shall be entitled to an award of its expenses, costs (including but not limited to arbitration fees) and reasonable attorney's fees.

(emphasis added)

10. On December 27, 2024, IAG sent a letter to SLS, John Lewis, and Scott Butaud claiming SLS breached the Agreement and demanding that SLS repurchase the Selected Accounts of Suburban Extended Stay ("Suburban"), Lee Ho Village Townhome Association ("Lee Ho"), and Fortune Property Management, LLC ("Fortune") in accordance with Section 7.1 of the Agreement.

11. Thereafter, pursuant to the Agreement, IAG commenced an arbitration proceeding ("Arbitration") against SLS and the former owners of the Debtors, John Lewis and Scott Butaud on August 4, 2025. IAG asserted breach of contract claims against SLS in connection with invoices IAG purchased from SLS for services provided to Suburban, Lee Ho, and Fortune. Through the Arbitration, IAG demanded SLS repurchase the accounts of Suburban

($7,272,290.33), Lee Ho ($1,029,271.13), and Fortune ($1,463,717.71), totaling $10,925,279.20.

12. The Arbitration did not proceed past the initial stages due to SLS' refusal to pay the required arbitration fees and was closed.

13. On or about March 5, 2026 (the "Petition Date"), Debtors filed voluntary petitions for relief under Chapter 11 of the United States Code, Sections 101 et seq., as amended (the "Bankruptcy Code").

14. An unsecured creditors committee (the "Committee") was appointed on April 24, 2026.

15. IAG filed Proof of Claim #9 on May 4, 2026 ("IAG Claim"), with the amount listed as unknown.

16. On June 10, 2026, the Debtors filed the Objection.

III. LAW AND ARGUMENT

17. The Debtors have raised factual disputes as the basis for the Objection. Because the requirements for arbitration are satisfied, governing law requires the Court to compel arbitration to resolve the Objection.

18. In deciding whether to compel arbitration, courts in the Fifth Circuit apply "two analytical steps." *Kubala v. Supreme Prod. Servs., Inc.*, 830 F.3d 199, 201–02 (5th Cir. 2016); *see also Webb v. Investacorp, Inc.*, 89 F.3d 252, 257–58 (5th Cir. 1996). First, courts ask "whether the parties entered into *any arbitration agreement at all*," and then, second, "whether the dispute in question falls within the scope of [the] arbitration agreement." *Id.*

19. When determining the arbitrability of a claim pending in bankruptcy, the Fifth Circuit has rejected the "broad[er]" "core/non-core distinction," which asks only whether a proceeding invokes a substantive right provided by Title 11 or, by its nature, could arise only in the context of a bankruptcy case, as insufficient, when standing alone, to determine whether arbitration may

be denied. *Matter of Nat'l Gypsum Co.*, 118 F.3d 1056, 1062, 1067 (5th Cir. 1997). Instead, a bankruptcy court has discretion to decline to enforce an otherwise applicable arbitration provision only where the proceeding "derives *exclusively* from the provisions of the Bankruptcy Code and, if so, whether arbitration of the proceeding would conflict with the purposes of the Code." *Id.* at 1067–69; *see also In re Gandy*, 299 F.3d 489, 495 (5th Cir. 2002).

A. There is a Valid Arbitration Agreement that Applies to this Dispute

20. Here, the first step of the Fifth Circuit's two-step inquiry is plainly satisfied. At this stage, "the proper course is to examine *only* the formation issue" and determine whether the parties formed an "agreement to arbitrate any set of claims," not whether they agreed to arbitrate "the claim currently before the court." *Kubala*, 830 F.3d at 201–02 (emphasis added). To determine whether an arbitration agreement is valid, courts apply ordinary state-law principles governing contract formation. *Webb*, 89 F.3d at 258. Because Texas law governs the 2023 Agreement and corresponding Arbitration Amendment, Texas contract law applies. Under Texas law, "[t]o form a contract there must be an offer, acceptance of the offer in strict compliance with its terms, a meeting of the minds, and mutual assent to the terms." *BFS Grp. LLC v. De Leon*, 2025 WL 2394091, at *7 (Tex. App. Aug. 19, 2025).

21. Those requirements are met here. There is no dispute that the parties entered into the Arbitration Amendment, which was executed by Scott Butaud, StopLoss's Chief Operating Officer.

B. The IAG Claim is Subject to the Arbitration Provision of the Agreement

22. The IAG Claim falls squarely within the scope of the Arbitration Amendment. After finding a valid arbitration agreement, courts proceed to the second step and ask "whether the dispute in question falls within the scope of [the] arbitration agreement." *Webb*, 89 F.3d at 257–

58; *see also Kubala*, 830 F.3d at 201–02. That requirement is satisfied here because the IAG Claim seeks to recover amounts owed as a result of SLS's alleged breaches of the Agreement's representations and warranties concerning the accounts sold to IAG, including warranties regarding undisclosed defenses, third-party obligations, and due-diligence information. IAG's asserted right to recover also arises from Section 7.1 of the Agreement, which allows IAG to require SLS to repurchase accounts affected by those breaches. The Arbitration Amendment amended that same Agreement to require arbitration of "any dispute, controversy or claim" arising out of, relating to, in connection with, or in respect of the Agreement. Accordingly, because the IAG Claim seeks to enforce rights and remedies created by the Agreement, it falls within the scope of the Arbitration Amendment.

C. The IAG Claim Does Not Derive Exclusively from the Bankruptcy Code

23. Although the Fifth Circuit has rejected the core/non-core distinction as dispositive, when standing alone, of arbitrability in bankruptcy proceedings, that distinction may still inform whether a claim derives exclusively from the Bankruptcy Code. If a claim is non-core because it derives from the debtor's prepetition legal or contractual rights, the bankruptcy court lacks discretion to deny enforcement of an otherwise applicable arbitration agreement. *Gandy*, 299 F.3d at 495. But even if a proceeding is core, that alone does not establish that the proceeding derives exclusively from the Bankruptcy Code or that arbitration would conflict with the purposes of the Code. *Gypsum*, 118 F.3d at 1068. As the Fifth Circuit explained in *Gypsum*, core proceedings do not "categorically[] meet the standard" for nonenforcement; rather, the court must still determine whether the claim exists *solely* because of a right created by the Code, or instead derives from prepetition legal or contractual rights that could be asserted outside bankruptcy. *Id.* at 1068–69. Here, IAG's Claim does not derive exclusively from the Bankruptcy Code because, regardless of

whether the Claim is characterized as core, it arises from SLS's prepetition contractual obligations under the Agreement, not solely from any bankruptcy-created right.

24. IAG's Claim arises from prepetition contractual rights because the Agreement, the Arbitration Amendment, SLS's alleged breaches, and IAG's repurchase demand all predate the Petition Date. SLS entered into the Agreement with IAG on or about August 16, 2023, and later executed the Arbitration Amendment on August 13, 2024. Before the Debtors filed for bankruptcy, IAG asserted that SLS breached the Agreement's representations and warranties concerning the Suburban, Lee Ho, and Fortune accounts and demanded that SLS repurchase those accounts under Section 7.1. IAG's right to payment therefore arises from the parties' prepetition contract and SLS's alleged prepetition breaches, which are governed by Texas law, not from any right created by the Bankruptcy Code. The fact that IAG asserted that claim through a proof of claim does not change its underlying nature; filing a proof of claim is a procedural step required for IAG to preserve its ability to receive payment from the bankruptcy estate. *See In re Singer Co. N.V.*, 2001 WL 984678, at *6 n.11 (S.D.N.Y. Aug. 27, 2001). That procedural formality does not transform IAG's prepetition contract claim into a claim derived exclusively from the Bankruptcy Code.

25. Nor did IAG waive its right to arbitration by filing a proof of claim. *In re Consol. FGH Liquidating Tr.*, 419 B.R. 636, 644 (Bankr. S.D. Miss. 2009); *see also Id.* (holding that the bankruptcy court lacked discretion to deny arbitration notwithstanding the movant's filing of a proof of claim, because a creditor must file a proof of claim to be eligible for distributions on its claim). *Collier on Bankruptcy* provides the following analysis of the right to arbitrate a proof of claim objection:

> However, more recent cases interpreting the bankruptcy laws and their impact upon arbitration have done an about-face because of the change in Supreme Court philosophy. One of the earliest examples of the more liberal approach is to be found in a court of appeals decision involving a debtor's objection to a proof of claim,

> accompanied by a counterclaim. The nondebtor party sought arbitration. Refusing to follow precedent from an "era that was generally hostile to arbitration," and cognizant of "the federal policy favoring arbitration," the court affirmed the lower court decision granting the motion to arbitrate. *Hart Ski Mfg. Co. v. Maschinenfabrik Hennecke, GmbH (In re Hart Ski Mfg. Co.)*, 711 F.2d 845 (8th Cir. 1983). In another important holding, the court found that the right to arbitration is not waived when a creditor files a proof of claim. *Accord* (on the latter issue) *Mor-Ben Ins. Markets Corp. v. Trident Gen. Ins. Co. (In re Mor-Ben Ins. Markets Corp.)*, 73 B.R. 644 (B.A.P. 9th Cir. 1987); *In re Consolidated FGH Liquidating Trust*, 419 B.R. 636, 643–47 (Bankr. S.D. Miss. 2009). The circumstances under which arbitration can be waived are discussed in *Neutra, Inc. v. Terry (In re Acis Capital Mgmt., L.P.)*, 604 B.R. 484 (N.D. Tex. 2019) (discussing cases).

10A Collier on Bankruptcy P 9019.05

26. As noted earlier, the Agreement was amended on August 13, 2024, when SLS and IAG amended the Agreement to include arbitration of all disputes arising under the Agreement. The basis of the IAG Claim was originally referred to arbitration. SLS' refusal to pay the required arbitration fees led to the closure of the arbitration.

D. Arbitration of the Proceeding Would Not Conflict with the Purposes of the Code

27. Even if IAG's Claim were found to derive exclusively from the Bankruptcy Code, arbitration still must be compelled because resolving the Claim and Objection in arbitration would not conflict with any provision or purpose of the Bankruptcy Code. To determine whether such a conflict exists, courts consider the factors identified in *Gypsum*: "centralized resolution of bankruptcy issues," the "need to protect creditors and reorganizing debtors from piecemeal litigation," and "the undisputed power of a bankruptcy court to enforce its own orders." *In re Trevino*, 599 B.R. 526, 545–46 (Bankr. S.D. Tex. 2019) (citing *Gypsum*, 118 F.3d at 1069). A conflict exists only where "arbitration is inadequate to protect the substantive rights at issue." *Id.* at 546. And because the FAA embodies a strong federal policy favoring arbitration, the party opposing arbitration bears a heavy burden to show a clear and manifest congressional intent that the Bankruptcy Code displaces the FAA.

28. Applying those factors here, arbitration would not interfere with the centralized resolution of bankruptcy issues because the arbitrator would resolve only the parties' contract dispute—whether SLS breached the Agreement and whether IAG is entitled to payment—while this Court would retain authority over any bankruptcy-specific issues. Nor would arbitration prejudice creditors or the Debtors through improper piecemeal litigation, because the dispute concerns IAG's discrete contractual rights against SLS and was already the subject of IAG's prepetition arbitration demand. Finally, arbitration would not impair this Court's power to enforce its own orders because the Claim and Objection do not require interpretation or enforcement of any bankruptcy-specific order. Accordingly, resolving the Claim and Objection in arbitration would not be inadequate to protect any substantive bankruptcy right and would not conflict with the purposes of the Bankruptcy Code.

29. Further, the procedural history confirms that resolving the Claim and Objection in arbitration would not conflict with the Bankruptcy Code. Prior to closing the Arbitration, the Arbitrator ruled that the portions of IAG's claim relating to Fortune and Lee Ho were subject to compulsory arbitration under the Arbitration Amendment but declined to exercise jurisdiction over the portion of the claim relating to Suburban inasmuch as the funding for Suburban was provided prior to the adoption of the Arbitration Amendment. At the time the Arbitration was closed, a motion for reconsideration of the Arbitrator's ruling regarding the Suburban portion of the claim was pending. IAG contends that the dispute regarding Suburban also is subject to mandatory arbitration inasmuch as the Arbitration Amendment specifically provides that it operated retroactively and the dispute between IAG and Suburban arose after the adoption of the Arbitration Amendment. This dispute should be back in arbitration.

E. The Debtors Breached the Agreement

30. Due to multiple breaches of warranties and representations by SLS, IAG exercised its right to demand repurchase of the Selected Accounts. The Debtors seek disallowance of IAG's claim by disregarding SLS' representations, warranties, and obligations under the Agreement.

31. The attachments to the IAG Claim, specifically the Statement of Claim submitted to the American Arbitration Association, set forth SLS's various breaches of the Agreement that led to IAG demanding SLS repurchase the Suburban, Lee Ho, and Fortune accounts. The repurchase requirement is applicable in the event that Seller is in ***breach of any warranty or representation and warranty*** relating to any Selected Account. The demand for SLS to repurchase the Suburban, Lee Ho, and Fortune invoices was necessitated by SLS' breaches of Sections 3.1.11, 3.1.12, 3.1.16, and 3.1.24 of the Agreement, among others.

IV. CONCLUSION

IAG has satisfied the requirements for arbitration and requests that the Objection and IAG Claim be referred to arbitration.

July 10, 2026

Respectfully submitted,
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CERTIFICATE OF SERVICE

I hereby certify that on July 10, 2026, a true and correct copy of the foregoing document was served via email through the Bankruptcy Court's Electronic Case Filing System on the parties listed below.

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FIRST PARTY CLAIMS
NON-RECOURSE SALE AND ASSIGNMENT AGREEMENT

This First Party Claims Non-Recourse Sale and Assignment Agreement ("**Agreement**") is entered into as of August 16, 2023 (the "**Effective Date**"), by and between StopLoss Specialists, LLC ("**Seller**") and Insured Advocacy Group, LLC ("**Buyer**") (each, individually, a "**Party**" and, collectively, the "**Parties**").

RECITALS:

WHEREAS, Seller operates a Services business located in the state of Georgia; and

WHEREAS, Seller has provided, among other ancillary and related services, property damage services to various Customers ("**Services**") in consideration for, in part, Customer's execution of documentation required by this Agreement including, but not limited to, an assignment of benefits and claims (the "**AOC**"), in a form substantially similar to **Exhibit A** hereto, which AOC shall give Seller the right to be reimbursed for the Services directly from the party or parties responsible for payment for the Services; and

WHEREAS, Seller has claims or potential claims pending resolution against various Responsible Parties relating to claims of the Customers for which the Services were provided; and

WHEREAS, Seller is willing to assign, transfer, and sell to Buyer all of its right, title and interest in and to each Account Balance secured by an AOC, for the Accounts listed on the Schedule of Accounts, attached hereto as **Exhibit B**; and

WHEREAS, Buyer desires to have the option to purchase the Account Balances secured by an AOC, with respect to one or more of the Accounts listed on the Schedule of Accounts attached hereto as **Exhibit B**, and to accept the assignment of the Right to each Account Balance and Rights set forth in each AOC and herein with respect to the Accounts that Buyer elects to purchase; and

WHEREAS, Seller's representative countersigning this Agreement below, as additional consideration for Buyer's covenants, agrees to be bound by the terms of this Agreement that are applicable to Seller's representative:

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, Seller and Buyer agree as follows:

ARTICLE ONE
DEFINITIONS AND TERMS

1.1 Definitions. For purposes of this Agreement, the following terms are defined as set forth in this Article 1.1 or in the provisions of this Agreement to which reference is made in this Agreement, including any exhibits or attachments to it. All references to a Recital, Article, or Section are to a Recital, Article, or Section of this Agreement, unless otherwise indicated, and all references to a Schedule, or an Exhibit or an Attachment are made a part of this Agreement, unless otherwise indicated.

1.1.1. "**Account**" means the record-keeping account established by Seller which the Seller has established for each Customer to evidence the amount owed to Seller for Services. In addition, where applicable, "Account" shall have the same meaning as that given to such term under revised Article 9, Part 1, of the Uniform Commercial Code, as

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adopted by the State whose law is applicable to the transfer of the relevant Account as provided in Section 9.1.1 of this Agreement.

1.1.2 "**Account Balance**" means the net amount payable to Seller on each individual Account by a Person, Account Obligor or Responsible Party for the Services, as adjusted by all applicable reductions and deductibles, secured by the AOC, that Buyer elects to purchase. Notwithstanding the foregoing, in no event shall an Account Balance have any meaning that results in Buyer being entitled to or having rights in any amount less than that to which Seller is entitled from any Person, Customer, Account Obligor or Responsible Party.

1.1.3 "**Account Document**" means any agreement, instrument, or other document in the possession or within the control of Seller evidencing or delivered in connection with an Account or an AOC.

1.1.4 "**Account Listing**" means such basic information regarding the Accounts, in an electronic or other format, which Seller may have in its possession, as is customary for transactions such as the transactions contemplated by this Agreement including, but not limited to, the information detailed in the Schedule of Accounts attached hereto as **Exhibit B.**

1.1.5 "**Account Obligor**" means any Person who, directly or indirectly, is obligated for the payment of all or any portion of the Account Balance secured by the AOC. In addition, where applicable, "Account Obligor" shall have the same meaning as that given to the term "Account Debtor" under revised Article 9, Part 1, of the Uniform Commercial Code, as adopted by the State whose law is applicable to the transfer of the relevant account as provided in Section 9.1.1 of this Agreement

1.1.6 "**Affiliate**" or "**Affiliated**" means, as to an individual, anyone employed by Seller or an officer or director of Seller and, as to an entity, any entity that is controlled by any person or entity that also, directly or indirectly, controls, has the right to control or has the right to participate in the control of Seller.

1.1.7 "**Agreement**" means this First Party Claims Non-recourse Sale and Assignment Agreement, including all Schedules and Exhibits hereto, as it may be renewed, extended, restated, amended, or supplemented from time to time.

1.1.8 "**Assignment**" means an Assignment executed by Seller, attached hereto in substantially the same form of **Exhibit D**, and delivered to Buyer evidencing the assignment and sale with respect to the Selected Accounts, the Account Balances, the AOCs and any related documents entered into prior or subsequent to the Closing Date.

1.1.9 **"Assignment of Benefits"** means the assignment and transfer to the Seller of all rights, benefits, and claims that a Customer has against one or more Responsible Parties.

1.1.10 "**Authorization**" is defined as set forth in Section 3.1.2.

1.1.11 "**Closing**" means the consummation of transactions contemplated by this Agreement between Buyer and Seller.

1.1.12 "**Closing Date**" means the date on which Buyer purchases the Accounts by completing all conditions precedent as described herein, such date also being shown on the Closing Statement.

1.1.13 "**Cut Off Date**"_means 12:00 A.M. thirty (30) calendar days prior to the Closing Date.

1.1.14 "**Eligible Account**" means an Account that meets Buyer's criteria for purchase, as established by Buyer and communicated to Seller and which Account

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shall not include any of the following: any Account related to (i) flood claims, (ii) force-placed policy claims, (iii) claims in which the carrier voluntarily or involuntarily is placed into receivership, bankruptcy or reorganization, (iv) claims with exclusions for the type of services rendered, (v) mandatory preferred vendor claims,(vi) claims that exceed policy limits, (vii) claims partially or entirely applied to the deductible, (viii) claims with defective AOBs, and (ix) claims in which the homeowner fails or failed to cooperate with respect to matters other than the collectability of such Account, (x) claims in respect of which there has been commenced any existing Litigation at the time of execution of an AOC, Assignment and/or Schedule of Accounts, unless as to this item (xi) Buyer has expressly approved same, in writing.

1.1.15 "**Individual Account Purchase Price**" means the price paid for each specific Account Balance and related AOC.

1.1.16 "**Law**" means any applicable statute, law, treaty, ordinance, rule, regulation, Order, writ, injunction, decree, or judgment of any governmental authority.

1.1.17 "**Letter of Protection**" means that agreement entered between Seller and the counterparty to the AOCs with respect to such AOCs, in the form provided by Buyer.

1.1.18 "**Litigation**" means any action, proceeding, claim, lawsuit, arbitration, audit, hearing, or investigation commenced, brought, or conducted, by or before, or otherwise involving, any Responsible Party or any third party.

1.1.19 "**Services**" is defined as set forth in the Recitals.

1.1.20 "**Obligations**" means, only when capitalized in this Agreement, all monetary and non-monetary duties owed by Seller to Buyer under this Agreement; otherwise, the non-capitalized term shall be given its common meaning.

1.1.21 "**Order**" means any order, award, decision, decree, injunction, judgment, ruling, subpoena, or verdict issued, made, or rendered by any court or governmental authority.

1.1.22 "**Customer**" means the individual or individuals to whom Seller provided Services and from whom Seller accepted an AOC.

1.1.23 "**Person**" means any individual, corporation, partnership, joint venture, limited liability company, trust, governmental authority, or other entity.

1.1.24 "**Responsible Party**" **and** "**Responsible Parties**" means any individual or entity or group thereof who is or may be liable to a customer for the costs incurred by the Customer in connection with the Services provided by Seller.

1.1.25 "**Purchase Price**" the Purchase Price shall be the percentage of Portfolio Receivable payable at Closing by Buyer to Seller, and as further defined in the Purchase Addendum.

1.1.26 "**Right**" means any legal and equitable right, remedy, power, privilege, or benefit.

1.1.27 "**Schedule of Accounts**" means a portfolio of Account Balances being purchased by Buyer.

1.1.28 **"Subsidiary"** means any entity whose voting stock or equity interests is more than 25% controlled by Seller or by any director, officer or employee of Seller or which entity otherwise is under the direct or indirect control of Seller.

1.1.29 "**UCC**" including any sectional reference to the UCC in this Agreement, means the Uniform Commercial Code as adopted by the State whose law is applicable to the transfer of the relevant Account as provided in Section 9.1.1 of this Agreement.

1.1.30 "**Wire Transfer**" means the instructions for the wire transferring of the Purchase Price to Seller, as set forth on the Closing Statement.

1.2 Number and Gender of Words. Whenever in this Agreement the singular number is used, the same shall include the plural, where appropriate, and vice versa, and words of any gender shall include each other gender, where appropriate.

1.3 Recitals. The Recitals shall be considered an integral part of and are expressly incorporated into this Agreement.

ARTICLE TWO
PURCHASE AND SALE OF THE ACCOUNTS

2.1 Agreement of Purchase and Sale. Buyer shall have the option, in its sole and absolute discretion, to purchase one or more of the Accounts and Account Balances (together with the applicable AOCs) listed on the Schedule of Accounts attached hereto as **Exhibit B** from Seller (the "**Selected Accounts**" and each a "**Selected Account**"), and Seller agrees to sell all Rights, title and interest in and to the Selected Accounts on the Closing Date. The Selected Accounts, Account Balances and related AOCs, will be sold to Buyer by Seller free and clear of any lien, encumbrance, security interest, or other restrictions of any kind or type.

2.2 Subject to any adjustments set forth in any Purchase Addendum attached to this Agreement as **Exhibit C**, the Purchase Price shall be paid on the Closing Date for the Selected Accounts which shall be listed on the Schedule of Accounts, attached hereto as **Exhibit B**.

2.2.1 Pre-Closing Adjustments. The Purchase Price for each Selected Account is subject to adjustment to reflect: (i) the actual Current Balance due as of the Cut-Off Date (e.g., deductions for unapplied contractual adjustments/write-offs, partial payments or unreported payments received before the Cut-Off Date), as agreed by Buyer and Seller or (ii) any Selected Account that Buyer determines, in its sole and absolute discretion, not to purchase prior to Closing.

2.3 Closing. The Closing will be effective on the Closing Date reflected of the Agreement, as well as each Purchase Addendum, or at such other time mutually agreed to by the Parties. The following actions related to the sale will be taken by Seller and Buyer on or subsequent to the Closing Date:

2.3.1 On the Closing Date, Buyer and Seller will execute the Master Purchase Agreement and any applicable assignments for individual Selected Accounts, if any; and

2.3.2 Upon the full execution of the Master Purchase Agreement, Buyer shall pay to Seller on or before 5:00 p.m. (EST) on the Closing Date the Purchase Price for the Selected Accounts purchased by Buyer. The Purchase Price shall be paid to Seller in immediately available funds in United States Dollars by wire transfer in accordance with the Wire Transfer Instructions.

2.4 Payments Received.

2.4.1 Although all Account Balance payments are expected to be made to the Buyer, in the event Seller receives credits, payments or other consideration distributed or paid by or on behalf of a Customer with respect to any Selected Account, Seller shall report such payments to Buyer and, within forty eight (48) hours of receipt, shall follow the instruction of Buyer to either (i) pay over and/or deliver such payments to Buyer via wire transfer, or (ii) endorse the checks received for payment over to Buyer and forward such checks to Buyer. Seller shall provide Buyer with a monthly report, certified as true and accurate by Seller scheduling (i) all collections received from the Selected Accounts purchased by Buyer and (ii) all payments made to Buyer.

2.4.2 If Seller receives any payment made by or on behalf of an Account Obligor, Responsible Party or Customer on or after the Cut Off Date in connection with any Selected Account, Seller shall be deemed to have received such payment in trust for Buyer and immediately shall surrender and deliver such payment to Buyer.

2.5 Payment on Accounts Balances. Subject to the limitations and conditions described in this Agreement, Seller authorizes Buyer to accept receipt of and endorse in Seller's name each payment made by an Account Obligor, Responsible Party or Customer for the purpose of depositing payments for each Selected Account. All such payments shall be the property of Buyer, except to the extent otherwise set forth herein.

2.6 Detailed Reporting. Seller shall provide to Buyer detailed reports as often as Buyer may reasonably require to determine the continued collectability of all Account Balances purchased pursuant to this Agreement.

ARTICLE THREE
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. As of the date of this Agreement and as of the Closing Date, Seller represents and warrants to Buyer as follows:

3.1.1 Seller is a duly organized, validly existing company in good standing under the Laws of the State of Florida and Georgia with full power and authority to enter into this Agreement, to sell the Accounts, and to carry out the terms and provisions hereof.

3.1.2 Seller has the power and authority and all licenses and permits ("**Authorization**"), if any, required by governmental authority to carry on its business as now being conducted and to provide the Services which generated the Accounts and Account Balances. All such Authorizations were in full force and effect at time the Services which generated the Accounts and Account Balances were provided and remain in full force and effect as of the Closing Date.

3.1.3 Each of Seller's employees, contractors and agents have all licenses and permits required by Law, if any, to perform the Services which generated the Accounts and Account Balances for which their services are included in the Account Balance of each Account being sold. All such licenses and permits were in full force and effect at time the Services that generated the accounts and Account Balances were provided and to the best of Seller's knowledge remain in full force and effect as of the Closing Date.

3.1.4 The execution and delivery of this Agreement and the performance hereunder have been duly authorized by all necessary action on the part of Seller and no provision of applicable Law or regulation or the charter or bylaws of Seller or any agreement, judgment, injunction, Order, decree, or other instrument binding upon Seller is or will be contravened by Seller's execution and delivery of this Agreement or Seller's performance hereunder.

3.1.5 No Authorization, consent, approval, license, qualification, or formal exemption from, nor any filing, declaration, or registration with, any governmental agency or regulatory authority or any other body is required to be obtained by Seller, in connection with the execution, delivery or performance by Seller of this Agreement.

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3.1.6 Seller has good and marketable title to each Account and Account Balance being sold hereunder and each Account and Account Balance is being transferred free and clear of any lien, claim or encumbrance. Each Account and Account Balance (and any resulting Selected Account) is an Eligible Account.

3.1.7 Seller has good and marketable title to each AOC, being sold hereunder and each AOC, shall be transferred free and clear of any lien, claim or encumbrance.

3.1.8 Seller has obtained consent and/or approval, to the extent that any consent and/or approval is required, to assign sell and transfer the Accounts the Account Balances and the related AOC's being sold and assigned.

3.1.9 Seller hereby acknowledges and represents that the sales of the Selected Accounts, the Account Balances and the related AOC's to Buyer hereunder: (i) are not made in contemplation of the insolvency of Seller, (ii) are not made with the intent to hinder, delay or defraud the creditors of Seller, (iii) have been approved by an officer of Seller with the authority to approve the sale of Accounts, (iv) will be recorded in the records of Seller, and (v) represent bona fide and arm's length transactions undertaken for adequate consideration in the ordinary course of business. Further, no Customer is either an officer, director, or member of, or Affiliated with Seller.

3.1.10 Each of the Accounts and Account Balances has been originated, maintained, and serviced by Seller in compliance with all applicable local, state, and federal laws.

3.1.11 The Accounts, Account Balances, and the related AOCs are not subject to any claimed defense not previously disclosed to Seller or not actually known by Seller prior to the date of this Agreement, including but not limited to any defense or declination of coverage due to lack of insurance coverage, exhaustion of benefits, application of deductibles, violation of any releases or settlements, or any other similar defense which will preclude Buyer from collecting the Accounts and Account Balances.

3.1.12 None of the Accounts, Account Balances or related AOCs sold to Buyer are subject to any obligations or fees of any kind owed to any third parties, unless otherwise disclosed to Buyer herein.

3.1.13 All representations and warranties contained in this Section 3 shall survive the Closing and the execution and delivery of any documents at or in connection with the Closing.

3.1.14 All signatures of Customers on all AOCs are valid (signed and executed by all insureds and/or authorized individuals) original signatures of such Customers and represent true and knowing assignments made by Customers to Seller.

3.1.15 Seller has given proper, timely, valid, and effective proof of notice, pursuant to applicable statutes, to each Responsible Party related to each Account, Account Balance and AOC and has complied with all other conditions precedent to the recovery of each such Account Balance.

3.1.16 The due diligence information supplied to Buyer by Seller (or Seller's agent or Broker) concerning the Accounts and Account Balances to be sold to Buyer hereunder, including but not limited to Account Listings, Account Documents, and balances due on the Accounts, Account Balances being sold, and the existence of AOCs, is true, complete, and accurate and does not and will not omit to state a material fact necessary to make the statements contained therein not misleading.

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3.1.17 This Agreement constitutes a legal, valid, and binding obligation of the Parties and is enforceable against each Party in accordance with its terms.

3.1.18 This Agreement constitutes a valid sale, transfer and assignment to Buyer of all Right, title and interest of such Seller in the Selected Accounts, the Account Balances, and the related AOCs, conveyed to Buyer by Seller and the proceeds thereof, and following such sale, Buyer will have good and marketable title to each Account, Account Balance, and related AOC, free and clear of any encumbrance of any kind or type.

3.1.19 Seller represents and warrants that Seller has all necessary legal and contractual Rights to pursue collection on all Accounts and against all Customers, and that there are no contractual restrictions, written or oral, or other restrictions of any kind between Seller and any Customer, other than to the extent set forth in the AOCs.

3.1.20 Seller represents and warrants that Seller has all necessary legal and contractual Rights to sell the Accounts and the Account Balances to Buyer and that there are no restrictions to such sale, including but not limited to contractual requirements in any other contract or agreement with Customer, or any Customer's attorney, or any other entity, including but not limited to any lender, that would prohibit the sale of the Accounts or the Account Balances to Buyer.

3.1.21 Seller shall retain all liability for all actions and events of any kind which occurred regarding any Account or Account Balance prior to the Closing Date.

3.1.22 Seller shall provide any and all required support reasonably requested by Buyer, including documents, Account Documents, live testimony in Court or depositions, and reports and memoranda necessary or desirable, in order to prove the Services and collect the Account Balances.

3.1.23 Seller has not failed to file any claim in any of the Account Balances being purchased by Buyer, with any Responsible Party, and any claim numbers or case numbers provided to Buyer are true and correct.

3.1.24 Seller hereby declares that it has performed, rendered, and completed provision of all Services reflected in the Account Balances, and that such Services are not subject to any defense of fraud or misrepresentation committed by Seller, alone or in conjunction with others.

3.1.25 The Accounts and Account Balances being offered for sale have not been adversely selected and are a fair and consistent representation of the Accounts and Account Balances generated by Seller in the normal course of business and that Seller is unaware of any characteristics as to any Account or Account Balance being sold that would nullify or make this warranty untrue.

3.1.26 No prior payments have been made with respect to any of the Selected Accounts, except as specifically shown and identified individually by Seller in a supplemental schedule of Partial Payments attached herein or included in the list of Selected Accounts; no claim with respect to any of the Selected Accounts has previously been denied (unless disclosed in writing to Buyer), and none of the claims with respect to the Selected Accounts are based in whole or in part on any fraud or misrepresentation on the part of Seller.

3.1.27 Seller has complied with all applicable Laws, regulations and rules relevant to the assignment of the AOCs and the Selected Accounts, including, but not limited to, F.S.A. Section 627.7152.

3.1.28 Seller has obtained a Letter of Protection with respect to all AOCs and

Account Balances, in a form satisfactory to Buyer.

3.2 Representations and Warranties of Buyer. As of the date of this Agreement and as of the Closing Date, Buyer represents and warrants to Seller as follows:

3.2.1 Authorization by Buyer. Buyer is duly organized, validly existing, and in good standing under the Laws of the State of Texas with all requisite power and authority to purchase and own the Accounts and the Account Balances, and to carry on its business as now being conducted, and to execute, deliver, and perform this Agreement and any other documents related thereto to which it is a Party and to consummate the transactions contemplated hereby. Buyer is or will be qualified to do business in Louisiana as a corporation and is or will be in good standing in Louisiana, as may be required by law.

3.2.2 No Conflicts. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby does not and will not contravene, conflict with, or result in any violation of or default under any provision of the articles of incorporation, bylaws, or other organizational documents of Buyer, any resolution adopted by the members, managers, officers, directors or representatives (or other constituent group) of Buyer, or any mortgage, indenture, lease, loan or credit agreement, or other contract, applicable Law, or governmental approval applicable to Buyer, or any of the properties of Buyer, or any Order which affects or binds Buyer. No additional governmental approval and no consent or approval of any other Person is required on the part of Buyer in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE FOUR
CONDITIONS PRECEDENT

4.1 Conditions Precedent to Obligations of Seller. The obligations of Seller with respect to actions to be taken at the Closing are subject to the satisfaction, or waiver by Seller, at or prior to the Closing of the following conditions:

4.1.1 Representations and Warranties; Performance of Obligations. All of the representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date; and each and all of the terms, covenants, and conditions of this Agreement to be complied with and performed by Buyer on or before the Closing Date, shall have been duly complied with and performed in all material respects.

4.1.2 No Litigation. No Litigation shall have been instituted or threatened to restrain or prohibit the transactions contemplated hereby and no Governmental Authority shall have taken any other action or made any request of Seller as a result of which Seller reasonably deems it inadvisable to proceed with the transactions hereunder.

4.2 Conditions Precedent to Obligations of Buyer. The obligations of Buyer with respect to actions to be taken at the Closing are subject to the satisfaction, or waiver by Buyer, at or prior to the Closing of all the following conditions:

4.2.1 Representations and Warranties; Performance of Obligations. All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date and where applicable throughout the term of this Agreement, and each and all of the terms, covenants, and conditions of this Agreement to be complied with and performed by Seller shall have been performed or complied with by Seller on or before the Closing Date.

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ARTICLE FIVE
INDEMNIFICATION

5.1 Seller's Indemnification of Buyer. Seller agrees to, and does hereby, indemnify, defend, and hold Buyer, each Affiliate, predecessor, successor, assign, parent company, officer, director, employee, agent, and attorney of Buyer harmless from and against any claims, actions, suits, or other actual or threatened proceedings, and all losses, judgments, damages, expenses, or other costs (including reasonable counsel fees and disbursements of counsel) incurred or suffered by Buyer by reason of: (i) negligence, willful misconduct, or violation of any applicable Law, representation, warranty, or covenant provided in this Agreement by Seller (or each Affiliate, Subsidiary, parent, employee, or agent)) as a consequence of, or otherwise in connection with, Seller's actions or omissions (or the actions or omissions of Seller's Affiliates, Subsidiaries, officers, directors, employees, representatives or agents) in connection with the origination, servicing, collection, and handling of the Selected Accounts, the Account Balances and the related AOCs, (ii) any claim or claims against Buyer whether by statute, contractual restriction or otherwise, limiting the right of Seller to agree to the rights assigned, transferred or sold to Buyer under this Agreement, arising out of, or in connection with, in any way, F.S.A. Section 627.7152, any acts or omissions of any party, including, but not limited to, Seller, and (iii) arising out of or in connection with any Account or Account Balance (and any resulting Selected Account) not being an Eligible Account. For purpose of clarification and to avoid doubt, this indemnification from Seller to Buyer shall extend to all acts or failure to act by or on behalf of Seller prior to the Closing, and all acts or failure to act by or on behalf of Seller which may occur subsequent to the Closing in any way relating to the Selected Accounts, the Account Balances and the related AOCs.

ARTICLE SIX
ABSOLUTE ASSIGNMENT AND SALE

6.1 Seller intends that its transfer and assignment under this Agreement shall constitute an absolute assignment and sale of the Selected Accounts, the Account Balances and the associated AOCs, from Seller to Buyer and shall provide Buyer with the full benefits of ownership of the Selected Accounts, the Account Balances, and the associated AOCs. After the Closing Date, the beneficial interest in, and title to, the Selected Accounts, the Account Balances, and the associated AOCs, conveyed by this Agreement shall not constitute, under any applicable bankruptcy or non-bankruptcy laws, property, or interests in property of the Seller.

6.2 Seller shall treat Buyer's purchase of the Selected Accounts as a "true sale" on its federal tax return and under GAAP.

6.3 Notwithstanding the foregoing, Buyer shall be entitled to, and each Seller hereby authorizes, or as may be appropriate, ratifies, the filing by Buyer of an initial Uniform Commercial Code ("**UCC**") financing statement in order to both duly perfect Buyer's rights in the Account Balances and AOCs purchased under this Agreement ("Collateral"), in the event the transactions contemplated hereunder are characterized as a financing transaction as opposed to a true sale.

6.4 In recognition of the Buyer's rights in the Collateral, Seller shall not be entitled to, and Buyer shall not be required to file, any UCC financing statement terminating or satisfying Buyer's security interest in the Collateral unless and until Buyer has received the full benefit of its rights hereunder. A complete termination shall require Buyer to provide a full and complete general release of all claims of any kind against Buyer. Seller understands that this provision constitutes a waiver of its rights under §9-513 of the UCC.

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ARTICLE SEVEN
BUYER REPURCHASE REQUIREMENT

7.1 Seller's Obligation to Repurchase. In the event that Seller is in breach of any *warranty or representation and warranty* as set forth herein relating to any Selected Account, Account, Account Balance or AOC, Buyer shall have the right, at its discretion, to: (a) provide notice to Seller of such breach and afford the Seller five (5) business days within which to cure such breach, including the right to replace any such Selected Account with a new one, failing which Seller shall be obligated to repurchase from Buyer any Selected Account affected by such breach or as to which such breach applies; or (b) require, with no opportunity or right to cure, that Seller repurchase any Selected Account, Account or Account Balance from Buyer for the Purchase Price.

7.2 Notification. Buyer shall notify Seller in writing of the circumstances which Buyer has discovered which give rise to Buyer's right to require Seller to repurchase any Selected Account or Account Balance. Seller shall have five business (5) days from receipt of written notification from Buyer, to consummate the repurchase and refund the Purchase Price. Seller's failure to timely repurchase any Selected Account shall constitute an event of default.

7.3 Return of Selected Accounts. In addition to the above rights of Buyer, in the event that Seller is in breach of any *warranty or representation and warranty* as set forth herein relating to any Selected Account, Account, Account Balance or AOC, Buyer shall have the right to return any Selected Account to Seller in exchange for the applicable portion of the Purchase Price, or in Buyer's sole discretion, Buyer may allow Seller to replace a Selected Account with another Account from Seller with a substantially equivalent Account Balance. Except as set forth in this Article Seven, Buyer's purchase of the Selected Accounts shall be without recourse and Buyer assumes the risk of partial or complete non-collectability of any Selected Account.

ARTICLE EIGHT
DEFAULT

8.1 Events of Default. The following events will constitute an event of default ("Event of Default") hereunder: (a) Seller defaults in the payment of any obligations, in the performance of any provision hereof or of any other agreement now or hereafter entered into with Buyer, (b) any warranty or representation contained herein proves to be false in any way, howsoever minor, (c) Seller or any guarantor of the Obligations becomes subject to any debtor-relief proceedings, (d) any guarantor fails to perform or observe any of such guarantor's obligations to Buyer or shall notify Buyer, regardless of whether it may be legally entitled to do so, of the intention to rescind, modify, terminate or revoke any guaranty of the Obligations, or any such guaranty shall cease to be in full force and effect for any reason whatever, (e) Seller fails at any time and immediately upon Buyer's request to fully assist and cooperate in connection with any efforts that may be necessary or appropriate pertaining to the collection of any Account Balance or collection or disposition of any of the Collateral, or (f) Buyer for any reason, in good faith, deems itself insecure with respect to the prospect of repayment or performance of the Obligations.

8.2 Effect of Default. Upon the occurrence of any Event of Default, in addition to any rights Buyer has under this Agreement or applicable law, Buyer may immediately terminate this Agreement, at which time all Obligations of Seller shall immediately become due and payable without notice.

ARTICLE NINE
MISCELLANEOUS

9.1 Governing Law.

9.1.1 Choice of Law. In addition to the express application of Texas law as noted in subsection 9.1.5 below, this Agreement and all transactions contemplated hereunder and/or evidenced hereby shall be governed by, construed under, and enforced in accordance with the internal laws of the States of Texas, without regard to conflicts of law principles, [except to the extent that any issue in connection with the rights Buyer expects to receive from Seller under this Agreement related to Responsible Parties and the claims of the Customers for which the Services were provided are treated more favorably under Louisiana law, rather than Texas law, Louisiana law shall control and govern.

9.1.2 Jurisdiction and Service. Seller and its principals hereby agrees to the jurisdiction of any state or federal court located within the State of [New York], and waives personal service of any and all process upon Seller and consents that all such service of process may be made by certified mail directed to Seller at its address as it appears at the beginning of this Agreement and service so made shall be deemed to be completed five (5) business days after the same shall have been deposited in the U. S. mail, certified mail, return receipt requested, postage prepaid. By countersignature of this Agreement, the undersigned representative of Seller, individually, agrees to the terms of this Section 9.1.2 and its applicability in any Claim brought by Buyer against Seller's representative individually.

9.1.3 Waiver of Venue Objections. Seller waives any objection based on *forum non conveniens*, and any objection to venue of any action instituted hereunder and consents to the granting of such legal or equitable relief as is deemed appropriate by the court. Nothing in this section shall affect Buyer's right to serve legal process in any other manner permitted by law or affect Buyer's right to bring any action or proceeding against Seller or its property in the courts of any other jurisdiction.

9.1.4 Waiver of Right to Jury Trial. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ("CLAIM") ARISING UNDER OR RELATED TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH AND WHETHER ANY SUCH CLAIM IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

9.1.5 Texas Law. Notwithstanding the rights of Buyer to receive any repurchase price pursuant to Article 7, it is the intention of the Parties that each and every transaction contemplated in connection with all Selected Accounts purchased under this Agreement, as provided in Article 2, shall constitute a true sale and purchase of Selected Accounts under Sections 9-318 and 9-109(e) of the Uniform Commercial Code. Moreover, this Agreement and all transaction contemplated thereby are intended to and qualify as "account purchase transactions" as defined by the Texas Finance Code §306.001(1) and as provided by the Texas Finance Code §306.103. The Parties hereby expressly intend this Agreement to conclusively establish that any payments made by Buyer to Seller in connection with such Accounts to be a true sale and not the use, forbearance or detention of money.

9.2 Entire Agreement and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be amended or modified only in writing executed by Seller and Buyer.

9.3 Notices. Any notice or other communication hereunder must be in writing to be effective and shall be deemed to have been received by the representatives of the Buyer or

Seller as provided for herein. Notice hereunder may be provided by: (1) personal delivery to the representatives of Buyer or Seller, with the date of written evidence of receipt of the same by the representatives of the Buyer or Seller to be deemed the date of delivery; (2) certified mail/return receipt requested in the United States mail, with the date upon actual written receipt and acceptance of the notice by the representatives of the Buyer or Seller to be deemed the date of delivery; (3) delivery by a nationally recognized overnight courier to the representatives of the Buyer or Seller, with the date written evidence of receipt is provided to be deemed the date of delivery, or (4) e-mail delivery to the persons provided on the signature page attached hereto with the date of receipt of email deemed the date of delivery. Either Party may from time to time change its address or the representatives to receive notice for notification purposes by giving the other party written notice of the new name or address and the date upon which it will become effective. The address and the name/title of the Party and representative to be served with notice or provided with communications under this provision is the address set forth on the signature page hereof.

9.4 Notice of Breach. Upon discovery by the Seller of (i) any breach of the Agreement by Seller, including, but not limited to, a breach of any of the representations and warranties of the Seller set forth in this Agreement, or (ii) any material adverse change in Seller's business that could negatively affect any of the Accounts or Account Balances, Seller shall give Buyer written notice, describing the issue in reasonable detail, within three (3) Business Days following such discovery.

9.5 Appointment of Servicer. In consideration for the parties' entering into the Agreement, Buyer, at its sole and exclusive discretion, may appoint Seller as Buyer's agent to service the Select Accounts under this Agreement.

9.6 Remedies Cumulative/Breach/Termination. Unless otherwise specifically provided for herein to the contrary, no Right or remedy conferred upon or reserved to Buyer or Seller under this Agreement is intended to be exclusive of any other Right or remedy, and every Right and remedy shall be cumulative and in addition to every other Right or remedy granted thereunder or now or hereafter existing under any applicable law. Every Right and remedy granted by this Agreement or by applicable Law to Buyer or Seller may be exercised from time to time and as often as may be deemed expedient by Buyer and Seller unless contrary to the express provisions of this Agreement.

9.7 Headings. The headings of Articles and Sections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

9.8 Severability. If, but only to the extent that, this Agreement or any provision of this Agreement is declared or found to be unenforceable, voidable or void, for any reason, including but not limited to unconscionability, lack of consideration, or mistake of fact or law, so that either Seller and Buyer would be relieved of all obligations arising under such provision, it is the agreement of Seller and Buyer that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent. If such amendment is not possible, another provision that is legal and enforceable and achieves the same objective shall be substituted therefor. If the remainder of this Agreement is not affected by such declaration or finding and is capable of substantial performance by both Seller and Buyer, then the remainder shall be enforced to the extent permitted by law.

9.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original for all purposes and all of which constitute, collectively, one agreement.

9.10 Waivers. Neither the waiver by Seller or Buyer of any Breach of or default under any provision of this Agreement by the other Party, nor the failure of Seller or Buyer, on one or more occasions, to enforce any provision of this Agreement or to exercise any Right hereunder, shall thereafter be construed as a waiver of any subsequent Breach or default of a similar nature, or as a waiver of any such provision or right hereunder.

9.11 Execution by Facsimile or Electronic Mail. The manual signature of either Party hereto that is transmitted to the other party by facsimile or electronic mail shall be deemed for all purposes to be an original signature.

9.12 No Third-Party Beneficiary. This Agreement is for the sole benefit of the Parties hereto, and nothing contained in this Agreement shall be construed to grant any Person, other than Seller and Buyer and their respective successors and permitted assigns, any Right under or in respect of this Agreement or any provision hereof.

9.13 Change of Law. If the adoption of, any change in or any change in the interpretation of, any law regulation or guideline applicable to this Agreement occurs that affects the ability to collect in any way, Buyer may require Seller to exchange the affected receivables for ones of equal value.

9.14 Relationship between Seller and Buyer. Except as provided for to the contrary herein, nothing in this Agreement is intended to or shall be construed to constitute or establish, as between Seller and Buyer, a partnership, joint venture, agency, lender-borrower or fiduciary relationship of any kind, to create the relationship of employer-employee or principal-agent, or to otherwise create any liability for either Seller or Buyer with respect to any indebtedness, liabilities, or obligations of the other or of any other Person. Moreover, under no circumstances will either Seller or Buyer has the authority or power to bind the other party to any agreement or contract.

9.15 Right to Equitable Relief. The Parties acknowledge that should the other breach any Representation, Warranty, or Covenant of this Agreement, money damages may be an inadequate remedy to the non-breaching Party, and, in such event, the non-breaching Party may seek such equitable relief, including injunctive relief without the posting of a bond, or, if this waiver of bond is deemed unenforceable, a bond in an amount not to exceed $10,000.00.

9.16 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Party to this Agreement will execute and deliver any additional documents and instruments and perform any additional acts that may be reasonably necessary or appropriate to effectuate and perform the obligations and purposes of this Agreement and the transactions contemplated or intended hereby.

9.17 Mutual Drafting. Should any provision of this Agreement require judicial interpretation, the court interpreting the same shall not apply a presumption that the terms hereof shall be more strictly construed against one Party by reason of the rule of construction, it being agreed that the agents of all Parties have participated in the preparation hereof and all parties have sought the advice of a legal counsel before signing this Agreement.

9.18 Confidentiality. This Agreement, its terms, conditions, substance of discussions between the parties, all documentation related to this Agreement, and any other information exchanged between the Parties that relates to this Agreement (except such documents and information as Buyer may deem necessary or advisable to utilize to pursue collection of the

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Accounts and Account Balances), shall be held in confidence and given at least the same protections and due care by each Party as that Party gives its other confidential information; provided that nothing herein shall prevent each Party from disclosing any information (i) to any of its affiliates and its and their employees, officers, directors, auditors, legal process (including by any judicial, government, regulatory, administrative or self-regulatory authority), or (ii) in connection with the performance of the terms of this Agreement and the exercise of any remedy hereunder or under any other transaction document or any action or proceeding relating to this Agreement or any other transaction document or the enforcement of rights hereunder or thereunder. In the case of agents, attorneys, accountants and other professional advisors, it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential, as requested pursuant to, or advised by its legal counsel that it is required by applicable law, regulation or disclosures pursuant to clauseto the extent permitted and reasonably practicable, the disclosing Party shall endeavor to notify the other Party promptly so that the Party that owns the Confidential Information may object to such disclosure and seek an appropriate protective order or other appropriate remedy.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed.

SELLER
StopLoss Specialists, LLC

DocuSigned by:
By: ______________________
435C04D64809 48D...
Name: John Lewis
Title: Owner

Address for Notices:
____
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BUYER
Insured Advocacy Group, LLC

DocuSigned by:
By: ______________________
3ADC83D0D6A546E...
Name: H. Paul Soberon-Llort
Title: Authorized Person

Address for Notices:
____

ClaimPay

EXHIBIT A
AOC/AOB/LOP

ClaimPay

EXHIBIT B
SCHEDULE OF ACCOUNTS

EXHIBIT C
PURCHASE ADDENDUM

ClaimPay

EXHIBIT D
ASSIGNMENT

PURCHASE ADDENDUM

This Purchase Addendum accompanies the following First Party Claims Sale and Assignment Agreement (the "Agreement") by and between **Insured Advocacy Group II, LLC** ("Buyer"), and **Stoploss Specialists LLC**. ("Seller"). This Purchase Addendum is part of and incorporated into the Agreement and the terms of the Agreement are incorporated into this Purchase Addendum. In the event of a conflict between the Agreement and this Purchase Addendum, the terms of the Purchase Addendum shall control.

Buyer:	Insured Advocacy Group II LLC. **and/or assignees**
Seller:	StopLoss Specialists LLC.
Agreement Date:	August 16, 2023
Portfolio Number:	SLS-4
Portfolio Purchase:	SLS-4A
Addendum Date:	August 13, 2024

Amount of Claims Portfolio Receivable:	$ 2,429,068.11	("Portfolio Receivable").
Policy Limit:	$1,600,000	
Adjusted Portfolio Receivable	$1,600,000	("Adjusted Portfolio Receivable")
Maximum Funding:	65.00% $1,040,000	Of Policy Limit.
Previous Funding:	$0.00	
Draw 1 Receivable:	$ 586,175.39	
Draw 1 - Purchase Price at closing:	65.00% $ 381,014	of the Draw 1 Receivable.
Remaining Available for Funding after Draw 1	$ 658,986	
Factor Fee:	A scaling fee as follows: 0 – 90 days: 3.75% 91 – 180 days: 7.5% 180 days+: 20% If Appeal: 25%	Of Adjusted Portfolio Receivable

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Credits/Debits	($30.00) ($0.00)	Wire Fee Buybacks
Refundable Reserve:	The Refundable Reserve is equal to Adjusted Portfolio Amount minus Purchase Price minus Factor Fee.	
Cash to Seller	$ 380,984.00	

DISTRIBUTION:

Upon receipt of any cash funds from this Portfolio, or any future Portfolio, that are collected by Buyer or received by Seller or Seller's attorney and delivered to Buyer ("**Payment Collected**"), Buyer shall: (a) deduct and disburse all sums collected from any Payment Collected until the Purchase Price and the Factor Fee of the entire Portfolio are collected in full; and (b) so long as Seller is in full compliance with the terms and conditions of the Agreement on this and all other Portfolios, disburse to Seller the remaining balance that is collected from each Portfolio (the "**Refundable Reserve**").

ADDITIONAL TERMS:

1. Seller agrees to act on behalf of Buyer as a Servicer for the collection of each Account Balance in the Portfolio. In such capacity, Seller shall be obligated to take all steps necessary and/or mandated by Buyer, to diligently and aggressively collect each Account Balance, including without limitation: calling Account Obligors; attend depositions and/or examinations under oath related to the collection and litigation; cooperate in every respect and without reservation with the collection and litigation; maintain that the Agreement and this Purchase Addendum are valid and enforceable, and in any action challenging the Agreement, defend this position at Seller's sole expense.

2. Seller covenants and agrees that it has followed, or it will follow all of the applicable statutory requirements necessary to perfect a mechanics lien on the property to which the services are being rendered, including when applicable and without limitation filing a Notice of Commencement or Notice to Owner or any other statutory or legally required notice. Seller's failure to adhere to the applicable statutory requirements to file a mechanics lien and/or to timely enforce the rights thereof, shall constitute an event of default under the Agreement. Among other remedies, Buyer shall have the right to require Seller to repurchase the Account for the Purchase Price of the Account plus an administration fee equivalent to the Factor Fee.

3. Seller shall pay for all applicable fees and expenses associated with the lien and enforcement rights, and shall hire competent counsel to ensure the rights of Seller to perfect a mechanic's lien are protected.

4. At Buyer's sole discretion and in the event of default under the Agreement, Buyer may choose to substitute Seller as the Party in any litigation action filed in connection with the collection of each Account Balance, or to intervene in its own name, if needed to protect its interest in any case.

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5. Buyer shall have an irrevocable right to act on behalf of, and/or in Seller's place at Seller's expense, in connection with all collection and enforcement matters and actions related to the collection of the Account Balances identified in the Schedule of Accounts, including the right to initiate a collection suit in Seller's or Buyer's name if Seller fails to cooperate in the collection and enforcement of the Account Balances when instructed by Buyer.

6. When required by Buyer to act on behalf of Seller, as its Servicer, in any litigation action to collect any portion of the Account Balances, Seller agrees to irrevocably instruct or immediately inform any lawyer or law firm engaged by the insured for the collection of the Account Balance to; (a) send or issue all payments or proceeds received in connection with the Selected Accounts directly to, and/or in the Buyer's sole name; (b) instruct any lawyer or law firm that Buyer shall have the collective right With the Seller to provide authority to settle any Account Balance with any insurance carrier responsible for the payment Of the Account Balance or the property owner ("**Account Obligor**"); and (c) instruct any lawyer or law firm that Buyer is authorized to receive any and all information in connection with the collection of any Account Balance, even if said information would otherwise be deemed to be protected by the attorney client privilege.

7. Seller represents and warrants that it has fully complied with the provisions and requirements of all applicable and related laws and Statutes required to be followed to ensure payment of each Account Balance in the Portfolio Receivable.

8. Seller shall open and maintain at its own cost a Deposit Account Control Agreement ("DACA") or "Lockbox" bank account with a bank of Buyer's choice (i.e. Truist) within 10 days of the date herein, which account shall be used going forward for any and all proceeds received in connection with the collection of any Account Balances from this or any prior or future purchases of Account Balances from Seller.

9. Seller, during the term of the Agreement or until all the Account Balances are collected, whichever comes last, shall insure that Buyer has unfettered and full access to Seller's billing and/or CRM program in which all data and invoices are maintained relating to the Account Balances.

10. Seller shall not offer for sale to anyone other than Buyer any interest in any of Seller's Accounts or Account Balances, until such time as the Agreement matures and all monetary and non-monetary obligations owing to Buyer have been fully discharged by Seller and Buyer issues a written confirmation of that status. Also, Seller covenants and agrees not to hire any employee or former employee of Buyer for a period of at least 18 months after all obligations under the Agreement have been fully discharged.

11. Seller has obtained an Attorney Acknowledgment Letter from the attorney and law firm representing the property owner in the insurance claim, in a form substantially similar to the one attached herein in Appendix A.

12. When applicable, Seller represents that it has obtained a "corporate or board resolution", in a form substantially similar to the one attached herein in Appendix B, from the board, association or authorized representative of the entity owning the Property, acknowledging that in the event

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of non-payment or under-payment from their carrier, the Property owner is responsible for the payment of the Account Balances.

13. In consideration of Buyer purchasing this Portfolio from Seller and Buyer agreeing to continue to purchase additional portfolios from Seller, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Seller, the Agreement is hereby amended to include the following provisions:

    a. In the event that the litigation relating to the collection of any Account Balance results in an appeal, Buyer's Factor Fee shall increase by an additional 5% (the "Appeal Fee").

    b. Section 9.1.3 shall incorporate the following language after the last sentence:

    "Notwithstanding the above, in lieu of litigation in a state or federal court located in New York, New York, Buyer, in its sole and absolute discretion, may elect to have any dispute, controversy or claim arising out of, relating to, in connection with or in respect of this Agreement resolved by arbitration under the Commercial Arbitration Rules of the American Arbitration Association, which Rules are deemed to be incorporated by reference into this Section 9.1.4. The tribunal shall consist of one arbitrator. The seat of the arbitration shall be New York, New York. The language of the arbitration shall be English. The arbitrator's decision shall be final and binding and judgment may be entered thereon in any court having jurisdiction thereof. The prevailing party in any litigation or arbitration arising out of, relating to, in connection with or in respect of this Agreement parties shall be entitled to an award of its expenses, costs (including but not limited to arbitration fees) and reasonable attorney's fees.

14. Section 7.1 of the Agreement is hereby revised as follows:

    Seller's Obligation to Repurchase. In the event that Seller is in breach of any *warranty or representation and warranty* as set forth herein relating to any Selected Account, Account, Account Balance or AOC, Buyer shall have the right, at its discretion, to provide notice to Seller of such breach and afford the Seller fifteen (15) business days within which to cure such breach, including the right to replace any such Selected Account with a new one, failing which Seller shall be obligated to repurchase from Buyer any Selected Account affected by such breach or as to which such breach applies.

15. Section 8.1 of the Agreement is hereby revised as follows:

    Events of Default. The following events will constitute an event of default ("Event Of Default") hereunder; (a) Seller fails to pay Buyer from any proceeds received from any Account Obligor as described in the Agreement or Purchase Addendums;

(b) any warranty or representation contained herein proves to be materially false; (c) Seller or its principals become subject to any debtor-relief proceedings; (d) Seller fails to perform or observe any of its obligations under the Agreement to Buyer; (c) Seller fails at any time and immediately upon Buyer's request to fully assist and cooperate in connection with any efforts that may be necessary or appropriate pertaining to the collection of any Account Balance or collection or disposition of any of the Collateral.

SELLER	BUYER
By: Scott Butal	By: Wilfredo J. Navarro
Title: C.O.O	Title: Authorized Person
Date: 8-16-24	Date: August 16, 2024

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