

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
FORT LAUDERDALE DIVISION**

**CASE NO. 0:21-CV-60462**

CCUR AVIATION FINANCE, LLC, and  
CCUR HOLDINGS, INC.,

Plaintiffs,

v.

SOUTH AVIATION, INC. and  
FEDERICO A. MACHADO,

Defendants.

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**VERIFIED EMERGENCY MOTION FOR IMMEDIATE APPOINTMENT OF  
RECEIVER AND MEMORANDUM OF LAW IN SUPPORT**

Plaintiffs, CCUR Aviation Finance, LLC (“CCURA”) and CCUR Holdings, Inc. (“CCURH”) (together, “Plaintiffs”), by and through their undersigned counsel, file this their Verified Emergency Motion for Immediate Appointment of Receiver and Memorandum of Law in Support (this “Motion”) seeking the immediate appointment of a receiver, pursuant to Fed. R. Civ. P. 66, 28 U.S.C. § 754, and the authorities cited below, over Defendants South Aviation, Inc. (“South Aviation”) and Federico A. Machado (“Machado”) (together, “Defendants”), their assets, properties, facilities, insurance, accounts, and books and records, and in support respectfully state as follows.

**I. STATEMENT OF NEED FOR EMERGENCY CONSIDERATION**

1. For the reasons set forth below, Plaintiffs respectfully request this Court’s emergency consideration at its earliest available hearing or submission time and immediate granting of this Motion to avoid the imminent risk of concealment, dissipation, loss, or diversion of Plaintiffs’ Refundable Deposits and/or Defendants’ assets, properties, facilities, insurance, and

accounts that may be used to satisfy Plaintiffs' claims.

2. Based on Defendants' false representations, agreements executed under false pretenses, and promises of personal guaranties from Machado in favor of the Plaintiffs, Plaintiffs are depositors of an aggregate of \$14,000,000 in fully refundable escrow deposits (the "Refundable Deposits") relating to the purported purchases of four (4) aircraft by Defendant South Aviation, which is owned and operated by its president, Defendant Machado.

3. Pursuant to the operative agreements between and among Plaintiffs, South Aviation, Machado, and non-party Wright Brothers Aircraft Title, Inc. (the "Escrow Agent"), South Aviation and Machado agreed to the full and prompt refund of Plaintiffs' Refundable Deposits on or before January 12, 2021, or January 25, 2021, as applicable.

4. Rather than refund or cause to be refunded to Plaintiffs the fully Refundable Deposits, as agreed, Defendants have misappropriated Plaintiffs' deposits, and no amount of the Refundable Deposits totaling \$14,000,000 has been returned.

5. Plaintiffs have learned that Defendants, rather than operating a legitimate aircraft acquisition enterprise as represented, were instead operating a vast Ponzi scheme and have diverted most, if not all, of Plaintiffs' fully refundable escrow deposits to: (i) South Aviation, (ii) Machado, (iii) one or more of various entities related to South Aviation and/or Machado or their affiliates, or (iv) the refunds of deposits made by prior depositors, leaving Plaintiffs and others similarly situated empty-handed. Thus, the series of operative agreements executed by Defendants were little more than vehicles for a massive fraud perpetrated by Defendants on Plaintiffs and, it appears, many others similarly situated who have claims in the aggregate amount of no less than \$350 million.

6. It is important to note at the outset that, prior to the afternoon of Friday,

February 26, 2021, Plaintiffs had learned that the federal authorities had frozen the Escrow Agent's accounts, had issued sealed indictments on the Escrow Agent's principals and were planning to issue additional indictments against Machado and others relating to the very subject matter discussed more fully in this Motion.

7. As of the afternoon of Friday, February 26, 2021, the United States Attorney's Office for the Eastern District of Texas unsealed the Third Superseding Indictment in that certain criminal action against the Escrow Agent's principals and Defendant Machado, South Aviation's principal, pending in the United States District Court for the Eastern District of Texas.<sup>1</sup>

8. The Unsealed Indictment, together with public statements by representatives of the U.S. Attorney's Office: (1) confirmed Plaintiffs' understandings of the nature of the transactions into which they were fraudulently induced (i.e. that they were a Ponzi scheme); (2) revealed that the total amount of funds swindled by Defendants from defrauded depositors is between \$350 million and \$560 million, rather than a mere \$165 million; and (3) revealed a much broader conspiracy of wire fraud, money laundering, drug smuggling, and diversion of monies and assets to foreign jurisdictions than Plaintiffs were previously aware of.

9. With the release of the Unsealed Indictment and all of this activity, there is a serious and imminent threat that assets may be removed, dissipated, or diverted for purposes other than satisfying the obligations of the Defendants to the Plaintiffs, not to mention the real and imminent threat of destruction of books, records, emails, and other electronic communications that establish a pattern of criminal activity.

10. As confirmed by the Unsealed Indictment, Defendant Machado is known to own and operate businesses and assets outside the State of Florida and outside the United States. The

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<sup>1</sup> True and correct copies of the Third Superseding Indictment and its accompanying Docket Sheet (together, the "Unsealed Indictment") are attached hereto as Exhibits "E" and "F," respectively.

unsealing of the indictment specifically alters the incentives and motivations of those who are subject to or become aware of the Unsealed Indictment, and Plaintiffs reasonably believe that, in the absence of an immediate appointment of a receiver, Defendants, under the direction and control of Machado will: (i) divert, dissipate, and conceal funds and assets from Plaintiffs and this Court, and (ii) move such funds and assets beyond this Court's jurisdiction to avoid satisfying Plaintiffs' claims - and the claims of other similarly situated creditors owed in excess of \$350 million.

11. The Plaintiffs' Original Verified Complaint ("Verified Complaint") filed herewith, this Motion, and the Verification of Igor Volshteyn attached to this Motion, articulate Defendants' massive fraud and complete disregard of their contractual obligations to Plaintiffs. Plaintiffs are now aware of others similarly situated with claims in excess of \$350 - \$560 million, some of whom may likely join in this request for receivership relief. Given the unsealing of the indictment against Machado and others, size and scope of the fraud, the number of affected depositors, and the likelihood that Defendants will seek to hinder any efforts to recover the misappropriated funds or collect on any judgment for same, only the emergency appointment of a receiver will adequately safeguard the rights of Plaintiffs and others similarly situated.

12. Immediate appointment of a receiver is necessary to: (i) confirm what assets the Defendants previously had and currently have; (ii) confirm what the Defendants' creditors are currently owed; (iii) freeze assets to ensure that Defendants' creditors are repaid; (iv) marshal, safeguard, and liquidate assets; (v) ensure that preferential payments to creditors and insiders do not occur at the expense of other creditors; (vi) ensure that the Defendants' creditors are repaid in a fair and equitable manner; and (vii) file any necessary or appropriate ancillary actions to recover monies or assets for the benefit of the Defendants' creditors.

13. Plaintiffs respectfully and urgently request that the Court consider this Motion on

an emergency basis and immediately appoint Michael I. Goldberg, as Receiver for the Defendants, including their assets, facilities, properties, insurance, books and records and other items as described below and in the proposed Order Immediately Appointing Receiver submitted herewith.

**A. Governing Legal Standards**

**1. This Court's Authority to Appoint a Receiver**

14. As set forth in the Verified Complaint, this Court has subject matter jurisdiction over this case pursuant to 28 U.S.C. § 1332 because the amount in controversy exceeds \$75,000.00 and the parties are citizens of different states. Accordingly, this Court has the inherent equitable power to appoint a receiver. *See United States v. Bartle*, 159 F. App'x 723, 725 (7th Cir 2005); *Morgan v. McDonough*, 540 F.2d 527, 533 (1st Cir. 1976) (“[R]eceiverships are and have for years been a familiar equitable mechanism. They are commonly a vehicle for court supervision of distressed businesses, but have not been limited to that role.” (internal citation omitted)); *see also SEC v. Levine*, 671 F.Supp. 2d 14, 36 (D.D.C. 2009) (“Receivers are appointed so that they may take charge of a company to enforce compliance with regulatory laws.” (citations omitted)).

15. Under 28 U.S.C. § 754, a “receiver appointed in any civil action or proceeding involving property, real, personal or mixed, situated in different districts shall... be vested with complete jurisdiction and control of all such property with the right to take possession thereof” Accordingly, a receiver appointed in this action would have complete federal statutory jurisdiction over the Defendants, their assets, properties, facilities, insurance, accounts, and books and records, located both in this district and elsewhere as they may be identified and located. *See Crawford v. Silette*, 608 F.3d, 275, 278 (5th Cir. 2010) (stating that “federal law creates subject matter jurisdiction for federal receivers” and noting that lawsuits brought by receivers are not subject to traditional jurisdictional requirements because they are brought pursuant to the court’s ancillary jurisdiction); *Janvey v. Reeves-Stanford*, No. 3:09-CV-2151-N, 2010 WL 11463486, at \*3 (N.D.

Tex. Nov. 18, 2010) (stating that “the location of the property sought by the Receiver has no bearing on standing” because 28 U.S.C. § 754 provides a receiver with complete jurisdiction over all property situated in different districts).

16. In sum, this Court is best suited to adjudicate this case and has the authority to appoint a receiver over the Defendants and all of Defendants’ assets, properties, facilities, insurance, accounts, and books and records, wherever they may be located in the United States or elsewhere, and this Court is the most appropriate federal forum to hear this emergency Motion because Defendants own assets and facilities in, and operate out of, Fort Lauderdale, Florida.

**B. Federal Receivership Standards**

17. It is well established in the Eleventh Circuit that “[f]ederal law governs the appointment of a receiver by a federal court exercising diversity jurisdiction.” *Sterling v. Stewart*, 158 F.3d 1199, 1201 (11th Cir. 1998) (citing *Nat’l P’ship Inv. Corp. v. Nat’l Housing Dev. Corp.*, 153 F.3d 1289, 1291-92 (11th Cir.1998)). Fed. R. Civ. P. 66, states that “[t]hese rules govern an action in which the appointment of a receiver is sought or a receiver sues or is sued. But the practice in administering an estate by a receiver or a similar court-appointed officer must accord with the historical practice in federal courts or with a local rule.” Accordingly, the federal common law relating to receiverships is applied for such matters and, therefore, state law has no relevance. *JP Morgan Chase Bank, N.A. v. Heritage Nursing Care, Inc.*, 2007 WL 2608827 at \*7 (N.D. Ill. 2007). The federal standard for the appointment of a receiver may be less stringent than state law. *Nat’l P’ship Inv. Corp.* 153 F.3d at 1291.

18. Although Fed. R. Civ. P. 66 does not establish specific guidelines, Florida’s federal courts consider the following circumstances relevant in connection with a motion for receiver: (1) whether the party seeking the appointment has a valid claim; (2) the probability that fraudulent conduct has occurred or will occur to frustrate that claim; (3) whether there is an imminent danger

that the property will be concealed, lost, or diminished in value; (4) the inadequacy of legal remedies; (5) the lack of a less drastic equitable remedy; and (6) the likelihood that appointing the receiver will do more good than harm. *Calliope Cap. Corp. v. Earthfirst Techs., Inc.*, 2008 WL 1995077 at \*2 (M.D. Fla, 2008); *PNC Bank v. Shan Motel Co.*, 2014 WL 12611034 at \*3 (M.D. Fla 2014.) (both citing *Santibanez v. Wier McMahon & Co.*, 105 F.3d 234, 241-42 (5th Cir. 1997).<sup>2</sup>

19. “[A] district court has authority to place into receivership assets in litigation ‘to preserve and protect the property pending its final disposition.’” *Netsphere, Inc. v. Baron*, 703 F.3d 296, 305 (5th Cir. 2012) (citing *Gordon v. Washington*, 295 U.S. 30, 37, 55 S.Ct. 584, 79 L.Ed. 1282 (1935)). The appointment of receiver is warranted “where there is a clear necessity to protect a party’s interest in property, legal and less drastic equitable remedies are inadequate, and the benefits of receivership outweigh the burdens on the affected parties.” *Netsphere*, 703 F.3d at 305 (internal quotations omitted).

## **II. SUMMARY OF ALLEGATIONS**

20. These claims arise from Defendants’ scheme to defraud Plaintiffs, and others, by inducing Plaintiffs to enter into escrow deposit agreements and funding deposits for the alleged purchases of certain aircraft, only to siphon off the deposits for Defendants’ own use.

21. Based on Defendants’ false representations, agreements executed under false pretenses, and promises of personal guaranties from Machado in favor of the Plaintiffs, Plaintiffs provided millions of dollars of financing to South Aviation and Machado in the manner described below and explained in detail in the Plaintiff’s Verified Complaint. Consistent with the allegations and charges in the Unsealed Indictment, Defendants, however, were not engaged in legitimate

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<sup>2</sup> An evidentiary hearing is not required on a motion for appointment of receiver where the record discloses sufficient facts to warrant such appointment. *Calliope Cap.*, 2008 WL 1995077 at \*3 citing to *Citronelle-Mobile Gathering, Inc. v. Watkins*, 934 F.2d 1180, 1189 (11th Cir. 1991).

purchases of aircraft or legitimate escrow arrangements. Instead, Defendants were engaged in a Ponzi scheme by which Defendants enriched themselves through the escrow deposits made by Plaintiffs and others, and used Plaintiffs' escrow deposits to funnel funds to themselves and their related businesses or to refund escrow deposits to prior depositors to maintain the façade of legitimacy and to continue to attract subsequent deposits.

22. South Aviation represented that it would locate aircraft and enter into purchase agreements with third party sellers for the aircraft under various asset purchase agreements. In order to secure these contracts, South Aviation was required to make substantial deposits into escrow, typically 10% to 20% of the total purchase price of the aircraft. In turn, South Aviation would look to the Plaintiffs, and other financing sources, to fund the escrow deposits. Further, the escrow deposits, when funded, were deposited into escrow with the Escrow Agent.

23. Under the operative agreements, Plaintiffs would pay the Refundable Deposits into the Escrow Agent's escrow account, and on or before the dates of the respective aircraft purchase transactions reaching an advanced stage of diligence, the agreements provided for South Aviation to refund, or cause the Escrow Agent to refund, by wire transfer to the Plaintiffs the Refundable Deposits, plus the Deposit Fees (defined below) the Plaintiffs earned for this interim financing.

24. Further, under the operative agreements, at all times South Aviation and its principal, Machado as personal guarantor, were obligated to refund to the Plaintiffs the total amount of the deposits Plaintiffs provided. Moreover, under the operative agreements, South Aviation indemnified the Plaintiffs for any claims, losses, or damages arising out of the operative agreements or the use of the refundable deposits, and Machado personally guaranteed South Aviation's obligations and, in some instances, the Escrow Agent's obligations. South Aviation and Machado further agreed to pay all costs and attorneys' fees, including any costs of collection,



incurred by Plaintiffs due to any breach of the operative agreements.

### **III. RELEVANT BACKGROUND FACTS**

#### **A. The Refundable Escrow Deposit Transactions**

25. Beginning in as early as 2018, as to CCURH, and in August 2020 as to CCURA, South Aviation, by and through its president, Defendant Machado, represented to each of the Plaintiffs that it was a buyer in the aircraft marketplace that frequently purchases aircraft.

26. In furtherance of the scheme to induce Plaintiffs into the refundable escrow deposit transactions described above and in the Verified Complaint, South Aviation, by and through Machado, presented aircraft purchase agreements and/or letters of intent for the purchase of aircraft (collectively, the "Aircraft Purchase Contracts") to each Plaintiff.

27. Pursuant to each of the Aircraft Purchase Contracts, aircraft sellers required South Aviation to make substantial deposits into escrow, typically ten to twenty percent of the total purchase price of each aircraft.

28. Plaintiffs, for a fee, would provide the funding for such deposits.

29. The mechanics of how Plaintiffs would be paid its fee are as follows. South Aviation would first deposit a specified amount (for example, \$150,000) (the "Deposit Fee") into an agreed escrow account with the Escrow Agent (non-party, Wright Brothers Aircraft Title, Inc.).

30. The depositing Plaintiff would then deposit a much larger amount (for example, \$2.35 million) into the agreed escrow account with the Escrow Agent, on behalf of South Aviation, which, when combined with the Deposit Fee made by South Aviation, would make up the balance of the depositing Plaintiff's agreed Refundable Deposit (in this example, a total of \$2.5 million).

31. According to the terms of the operative agreements, South Aviation and Machado were required to return or cause the return of each Refundable Deposit subsequently to the depositing Plaintiff in full upon the happening of certain enumerated conditions; the depositing

Plaintiff was to receive back both the amount the depositing Plaintiff deposited and the amount South Aviation deposited (in this example, the full \$2.5 million). Accordingly, the depositing Plaintiff would receive its Deposit Fee (\$150,000) upon the return of the full Refundable Deposit.

32. Plaintiff CCURH agreed to finance the Refundable Deposits to the Escrow Agent on behalf of South Aviation, in connection with two (2) different aircraft transactions.

33. Plaintiff CCURA agreed to finance the Refundable Deposits to the Escrow Agent on behalf of South Aviation, in connection with four (4) different aircraft transactions.

34. Plaintiffs each entered into various letter agreements with Defendants and escrow agreements with the Escrow Agent relating to the payment of fully refundable escrow deposits in connection with South Aviation's purported purchase of four (4) aircraft as explained in detail in the Verified Complaint. The terms of the operative agreements are substantively identical other than variation in the parties, dates, and amounts of the refundable deposits. Accordingly, Plaintiffs summarize the transactions in the chart below:

<b>Aircraft</b>	<b>Plaintiff</b>	<b>Letter Agreement (Guaranteed by Machado)</b>	<b>Escrow Agreement</b>	<b>Extension Letter Agreement(s)</b>	<b>Refundable Deposit Amounts</b>
Boeing 777-367 (ER) MSN: 34432 Reg. #: B-KPC (Aircraft No. 1)	CCURH	CCURH Letter Agreement No. 1, dated May 14, 2020 (Exh. A-1) <sup>3</sup>	CCURH Escrow Agreement No. 1, dated May 14, 2020 (Exh. A-2)	CCURH First Extension Agreement, dated Sept. 10, 2020 (Exh. A-3)	\$2,500,000 (5/14/20)
	CCURA				\$1,750,000 (11/13/20)
Boeing 777-367 (ER)	CCURH	CCURH Letter Agreement	CCURH Escrow Agreement	CCURH Second Extension Agreement,	\$2,500,000 (5/14/20)

<sup>3</sup> True and correct copies of each of the exhibits referenced herein are attached hereto and incorporated herein by reference.

MSN: 35301 Reg. #: B-KPH (Aircraft No. 2)	CCURA	No. 2, dated May 14, 2020 (Exh. B-1)	No. 2, dated May 14, 2020 (Exh. B-2)	dated Nov. 13, 2020 (adding CCURA) (Exh. A-4)	\$1,750,000 (11/13/20)
2010 Boeing 767-32L (ER) MSN: 40343 Reg. #: 4K-AZ81 (Aircraft No. 3)	CCURA	CCURA Letter Agreement No. 1, dated Aug. 28, 2020 (Exh. C-1)	CCURA Escrow Agreement No. 1, dated Aug. 28, 2020 (Exh. C-2)	CCURA Extension Agreement No. 1, dated Nov. 27, 2020 (Exh. C-3)	\$2,500,000 (8/28/20) \$250,000 (11/27/20)
2010 Boeing 767-32L (ER) MSN: 40342 Reg. #: 4K-AI01 (Aircraft No. 4)	CCURA	CCURA Letter Agreement No. 2, dated Aug. 28, 2020 (Exh. D-1)	CCURA Escrow Agreement No. 2, dated Aug. 28, 2020 (Exh. D-2)	CCURA Extension Agreement No. 1, dated Nov. 27, 2020 (Exh. C-3)	\$2,500,000 (8/28/20) \$250,000 (11/27/20)
				<b>Total Refundable Deposits</b>	<b>\$14,000,000</b>

35. Each of the amounts in the table above represents the Refundable Deposits owed to the respective Plaintiffs, comprised of the Deposit Fee for each transaction paid by South Aviation as described in the Verified Complaint (less than 1% of the deposit amount) and the payment by the respective Plaintiffs.

36. The Refundable Deposits on the subject transactions are all past due, but none has been returned.

37. As a material inducement for Plaintiffs’ entry into the various refundable escrow deposit transactions described above, pursuant to Section 10 of the respective Letter Agreements, Defendant South Aviation agreed to fully indemnify Plaintiffs against all damages and losses arising from any breach of the Letter Agreements, including, without limitation, the failure to return the Refundable Deposits.

38. As a further material inducement for Plaintiffs’ entry into the various refundable escrow deposit transactions described above, pursuant to Sections 5(b) and 9 of the respective

Letter Agreements, Defendant Machado personally guaranteed all of South Aviation's obligations under the Letter Agreements, including, without limitation the obligations to return the Refundable Deposits to Plaintiffs and to fully indemnify Plaintiffs.

**B. Failure to Repay Refundable Deposit No. 1 - \$4,250,000**

39. Pursuant to the CCURH Letter Agreement No. 1, the CCURH Escrow Agreement No. 1, and their applicable extensions, Refundable Deposit No. 1 was required to be refunded to CCURH and CCURA, respectively, by the latest, January 12, 2021. *See* Ex. A-4, at p. 1. To date, no amount of Refundable Deposit No. 1 has been returned to either of CCURH or CCURA.

40. Despite demand for payment and for indemnification from South Aviation under the CCURH Letter Agreement No. 1, no such payment or indemnity has been forthcoming.

41. Despite demand, Machado has not complied with his guaranty obligations under the CCURH Letter Agreement No. 1.

**C. Failure to Repay Refundable Deposit No. 2 - \$4,250,000**

42. Pursuant to the CCURH Letter Agreement No. 2, the CCURH Escrow Agreement No. 2, and their applicable extensions, Refundable Deposit No. 2 in the amount of \$4,250,000 was required to be refunded to CCURH and CCURA by the latest, January 12, 2021. *See* Exhibit A-4, at p. 1. To date, no amount of Refundable Deposit No. 2 has been returned to either of CCURH or CCURA.

43. Despite demand for payment and for indemnification from South Aviation under the CCURH letter Agreement No. 2, no such payment or indemnity has been forthcoming.

44. Despite demand, Machado has not complied with his guaranty obligations under the CCURH Letter Agreement No. 2.

**D. Failure to Repay Refundable Deposit No. 3 - \$2,750,000**

45. Pursuant to the CCURA Letter Agreement No. 1, as amended, supplemented,

and/or extended, and the CCURA Escrow Agreement No. 1, as amended, supplemented, and/or extended, Refundable Deposit No. 3 was required to be refunded to CCURA by the latest, January 25, 2021. *See* Ex. C-3 at p. 1. To date, no amount of Refundable Deposit No. 3 in the amount of \$2,750,000 has been returned to CCURA.

46. Despite demand for payment and for indemnification from South Aviation under the CCURA Letter Agreement No. 1, as amended, supplemented, and/or extended, no such payment or indemnity has been forthcoming.

47. Despite demand, Machado has not complied with his guaranty obligations under the CCURA Letter Agreement No. 1, as amended, supplemented, and/or extended.

**E. Failure to Repay Refundable Deposit No. 4 - \$2,750,000**

48. Pursuant to the CCURA Letter Agreement No. 2, as amended, supplemented, and/or extended, and the CCURA Escrow Agreement No. 2, as amended, supplemented, and/or extended, Refundable Deposit No. 4 was required to be refunded to CCURA by the latest, January 25, 2021. *See* Ex. C-3 at p. 1. To date, no amount of Refundable Deposit No. 4 has been returned to CCURA.

49. Despite demand for payment and for indemnification from South Aviation under the CCURA Letter Agreement No. 2, as amended, supplemented, and/or extended, no such payment or indemnity has been forthcoming.

50. Despite demand, Machado has not complied with his guaranty obligations under the CCURA Letter Agreement No. 2, as amended, supplemented, and/or extended.

**F. Plaintiffs Discover Defendants' Massive Fraud**

51. On or around January 12, 2021, the Plaintiffs first learned that federal authorities had frozen the assets of the Escrow Agent at a time when the Plaintiffs were owed at least \$14 million under the operative agreements. From that time until the afternoon of Friday, February

26, 2021, Plaintiffs continued to gather information regarding the status of their deposits and came to understand and believe at that time that: (i) no less than \$165 million of deposits that were due and owing to financing parties, not unlike the Plaintiffs; (ii) the Escrow Agent had insufficient funds to satisfy the return of \$165 million of deposits; (iii) the Escrow Agent had failed and refused to return the deposits upon written demand by the Plaintiffs (and other financing parties similar to the Plaintiffs); and (iv) South Aviation and Machado were embroiled in a criminal investigation and likewise had failed and refused to return, upon demand, the \$14 million owed to the Plaintiffs (and in excess of \$150 million owed to the other financing parties not unlike the Plaintiffs).

52. Upon discussions with financing parties similar to the Plaintiffs, all indications are that Machado, South Aviation, and their affiliated entities were running a vast Ponzi scheme and essentially emptied the Escrow Agent's escrow account with bogus financing transactions.

53. The revelation of the Unsealed Indictment on the afternoon of Friday, February 26, 2021, confirmed Plaintiffs' understandings and belief. The United States has charged the defendants, including Machado and the Escrow Agent's principals, with numerous felony counts, including conspiracy to commit wire fraud, conspiracy to manufacture and distribute cocaine, and most importantly for purposes of this Complaint, the United States specifically charged the defendants, including Machado and others, with engaging in a massive Ponzi scheme in violation of Title 18 of the United States Code. *See* Unsealed Indictment (Exh. E), pp. 21-34, 39 – 41).

54. In light of the Unsealed Indictment and the public statements by representatives of the U.S. Attorney's Office, it now appears the United States believes that the Ponzi scheme Plaintiffs learned of in January 2021 and believed to involve only \$165 million in defrauded depositors, actually involves depositors of between \$350 million and \$560 million who have not received their refundable deposits, and that the aircraft purchase transactions detailed below

involved fictitious aircraft, fictitious sellers, and fictitious agreements.

55. Consequently, hundreds of millions of dollars that should have been kept in the Escrow Agent's escrow account (and been available to return to the Plaintiffs and others) have in the past year been transferred to other depositors through a Ponzi scheme, as well as to South Aviation, Machado, and/or Machado's affiliated entities. Moreover, the Unsealed Indictment makes clear that Defendants have been engaged in this Ponzi scheme since at least 2016.

56. Further, the Plaintiffs understand that many of the other financing sources, not unlike the Plaintiffs, may likewise join in this request for the immediate appointment of an equity receiver. Attached to this Motion is the resume of Michael I. Goldberg, who has served as an FTC receiver, an SEC receiver, and equity receiver in numerous cases involving Ponzi schemes, as this clearly appears to be the case. The Plaintiffs, as the Court will see, have satisfied the requirements under the Federal Rules of Civil Procedure for the immediate appointment of an equity receiver.

#### **IV. REQUEST FOR IMMEDIATE APPOINTMENT OF RECEIVER**

##### **A. Plaintiffs Have Valid Claims**

57. Defendants made demonstrably false representations to Plaintiffs that: (i) South Aviation was engaged in legitimate aircraft purchase agreements that required the requested escrow deposits; (ii) South Aviation would deposit the Deposit Fees for the respective aircraft with the Escrow Agent; (iii) the Deposit Fees would become part of the Refundable Deposits as compensation for Plaintiffs making said fully refundable deposits; (iv) the Refundable Deposits would remain in the Escrow Agent's escrow account and would not be used for any other purpose; (v) the Refundable Deposits would be repaid to Plaintiffs on or before the dates set forth in the respective letter agreements, as extended, without qualification or reservation; (vi) South Aviation would indemnify Plaintiffs for any and all damages or losses incurred as a result of any failure to return the Refundable Deposits; and (vii) Machado would personally guaranty the return of the

Refundable Deposits. Plaintiffs justifiably and reasonably relied upon these representations and made deposits of more than \$13,000,000 with the Escrow Agent on behalf of South Aviation.

58. In light of the allegations and charges in the Unsealed Indictment and the extent and nature of the vast scheme in which Defendants were engaged since at least 2016, at the time the above representations were made, neither South Aviation nor Machado had any intention of refunding the Deposit Fees or any of the Refundable Deposits to Plaintiffs. Instead, at all relevant times, South Aviation and/or Machado intended to use the funds for their own benefit, convert them to their own use, or use the funds to refund deposits made by other depositors.

59. Rather than becoming funds refundable to Plaintiffs, however, the Refundable Deposits were either siphoned off to South Aviation, Machado, or their related entities, or were used to refund deposits made by other depositors.

60. Further, the Letter Agreements, as amended, supplemented, and/or extended are valid and enforceable agreements, and Plaintiffs have fulfilled all their obligations under the Letter Agreements. It is also beyond dispute that Defendants failed to perform their obligations under the respective Letter Agreements, as amended, supplemented, and/or extended, with the respective Plaintiffs and have, among other things, incurred a debt to Plaintiffs in excess of \$14,000,000. Defendants have compounded their failure to repay the Refundable Deposits to Plaintiffs by failing to indemnify Plaintiffs and by Machado's refusal to comply with his guaranty obligations.

**B. Probability That Fraudulent Activity Has Occurred or Will Occur to Frustrate Plaintiffs' Claims; and Imminent Danger that Property Will Be Concealed, Lost, or Diminished in Value**

61. It cannot be disputed that Defendants defrauded Plaintiffs. Evidence of Defendants' fraudulent activity is mounting daily and has been further confirmed by the Unsealed Indictment. Plaintiffs had already learned that federal authorities had frozen the assets of the Escrow Agent at a time when the Plaintiffs were owed at least \$14 million under the operative agreements. Further,



even prior to the Unsealed Indictment, the Plaintiffs had learned: (i) that there were no less than \$165 million of deposits that were due and owing to financing parties, not unlike the Plaintiffs; (ii) the Escrow Agent had insufficient funds to satisfy the return of \$165 million of deposits, including those made by Plaintiffs; (iii) the Escrow Agent had failed and refused to return the deposits upon written demand by the Plaintiffs (and other financing parties similar to the Plaintiffs); and (iv) South Aviation and Machado were embroiled in a criminal investigation and likewise had failed and refused to return, upon demand, the \$14 million owed to the Plaintiffs (and in excess of \$150 million owed to the other financing parties not unlike the Plaintiffs).

62. Plaintiffs, as now confirmed by the Unsealed Indictment, are also aware that Machado, individually or through various corporate affiliations, has interests in assets or holdings in Guatemala and possibly other foreign countries. Given the extent of the amounts that have been diverted from Plaintiffs and other similarly situated depositors and the recent unsealing of the indictment, it is probable, if not likely, that Defendants have already concealed or transferred, or will conceal or transfer, monies, assets, and holdings that will be the only source of recovery for Plaintiffs and others similarly situated to the Plaintiffs.

**C. Inadequacy of Legal Remedies and Lack of a Less Drastic Equitable Remedy**

63. Based on the extent and nature of the fraud Defendants have perpetrated on Plaintiffs and others, the vast network of entities affiliated with Defendants, and Defendant Machado's affiliations and holdings in Guatemala and possibly other foreign jurisdictions, Defendants have indicated a clear intent and ability to avoid and evade all obligations to Plaintiffs. Further, Defendants' failure and refusal to comply with the Letter Agreements, to repay the Refundable Deposits, and the substantial sums Defendants owe to Plaintiffs and others, demonstrate that Defendants lack sufficient liquidity to pay their outstanding obligations. Defendants' apparent lack of liquidity places at risk of levy by other creditors Defendants' assets

that may be used to satisfy Defendants' obligations to Plaintiffs. Accordingly, Plaintiffs' resort to traditional legal remedies of judgment and collection will in all likelihood be futile. Plaintiffs' only viable remedy at this time to secure the greatest recovery for Plaintiffs, and others, is the immediate appointment of a receiver to take control of Defendants, their assets, properties, facilities, insurance, accounts, and books and records, and to effect the orderly accounting of assets and liabilities, the liquidation of assets, the collection of receivables, the pursuit of recoveries for the benefit of all of Defendants' creditors, and the just and equitable distribution of all amounts collected or recovered.

64. Due to the nature of Plaintiffs' claims and Defendants' operations and affiliations and the revelation of the Unsealed Indictment on the afternoon of Friday, February 26, 2021, there is a grave and immediate risk of loss, waste, concealment, or dissipation of: (i) funds and accounts that may hold Plaintiff's Refundable Deposits, or (ii) assets, including accounts, that may be used to satisfy Defendants' obligations to Plaintiffs and other creditors similarly situated. In order to avoid this otherwise likely and inevitable loss to Plaintiffs, the Court should order the immediate appointment of a receiver to take control over Defendants and their assets, properties, facilities, insurance, accounts, and books and records, with the ability and authority to subsequently dispose of all or some of same consistent with the terms of the receivership order submitted herewith.

**D. Likelihood that Appointment of Receiver Would Do More Good than Harm**

65. Defendants owe to Plaintiffs \$14,000,000, and to others similarly situated in excess of at least between \$350 million and \$560 million according to the Unsealed Indictment and public statements by the U.S. Attorney's Office, and are under criminal investigation. To the extent Defendants are operating any sort of legitimate business enterprise, which is unclear based on the extensive fraud and debts incurred and the charges levied by the United States against Machado, the continuing operation of that business must be for the benefit of Plaintiffs and Defendants' other

creditors in light of the mounting evidence of extensive liability.

66. Defendants contracted with Plaintiffs for the full and unequivocal return and repayment of the Refundable Deposits. Thus, any hardship to Defendants is only to the extent of fulfilling Defendants' obligations under the operative agreements they induced Plaintiffs to enter into and to which Defendants became obligated thereunder. As the district court in *Calliope Capital* observed in adopting the magistrate judge's recommended order:

In the Report and Recommendation, the Magistrate Judge recognizes that the appointment of a receiver will probably cause substantial harm to Defendants, but found that, after balancing, the appointment decision favors Plaintiff based on the negotiated agreements, the Magistrate Judge found that Plaintiff should be afforded the benefits of its bargain to avoid further harm to its financial position. The harms have been balanced, but the conclusion is adverse to Defendants. This does not mean that the balancing is incorrect. *Calliope Capital Corp.*, at \*4.

67. As to the Plaintiffs and to other depositors similarly situated, the appointment of a receiver will be absolutely beneficial. Plaintiffs and others will be able to rely on a Court-appointed fiduciary to: (i) confirm what assets the Defendants previously had and currently have; (ii) confirm what the Defendants' creditors are currently owed; (iii) freeze assets of the Defendants to ensure the Defendants' creditors are repaid; (iv) marshal, safeguard, and liquidate assets; (v) ensure that preferential payments to creditors and insiders do not occur at the expense of other creditors; (vi) ensure that the Defendants' creditors are repaid in a fair and equitable manner; and (vii) file any necessary or appropriate ancillary actions to recover monies or assets for the benefit of the Defendants' creditors.

**E. Request for Appointment of Michael Goldberg as Receiver**

68. Plaintiffs propose that Michael I. Goldberg, Esq. be appointed as Receiver for the Defendants, including their assets, properties, facilities, accounts, books and records, and other items of the Defendants as described in the Order Immediately Appointing Receiver submitted herewith (the "Receivership Order"), the terms of which are hereby incorporated herein by

reference. The candidate is prepared to assume this responsibility if so ordered by this Court. Attached hereto as Exhibit "G" and incorporated herein by reference is a true and correct copy of Mr. Goldberg's CV, which reflects his extensive experience as an FTC receiver, an SEC receiver, and equity receiver in numerous cases involving Ponzi schemes.

69. Plaintiffs request entry of the Receivership Order submitted herewith to provide the Receiver with all powers, rights, duties, and obligations as set forth therein.

70. In light of the extent and nature of the fraud, the lack of harm to the Defendants, and the extensive debts Defendants owe to Plaintiffs, Plaintiffs respectfully request that the appointment of the Receiver sought herein be granted without the requirement for a bond by Plaintiffs or the Receiver. Alternatively, Plaintiffs request a nominal bond not to exceed \$500 in the aggregate for Plaintiffs and/or the Receiver.

#### **PRAYER**

**WHEREFORE**, Plaintiffs pray that the Court enter the Order Immediately Appointing Receiver submitted herewith appointing Michael I. Goldberg, Esq., as equity receiver over Defendants, including their assets, properties, facilities, insurance, accounts, books and records, and other items of the Defendants as described therein, and grant unto Plaintiffs any and all such other and further relief, at law or in equity, to which they may be justly entitled.

#### **CERTIFICATION OF EMERGENCY AND COMPLIANCE WITH LOCAL RULE 7(d)**

After reviewing the facts and researching applicable legal principles, I certify that this motion in fact presents a true emergency (as opposed to a matter that may need only expedited treatment) and requires an immediate ruling because the Court would not be able to provide meaningful relief to a critical, non-routine issue after the expiration of seven days. I understand that an unwarranted certification may lead to sanctions.

Dated: March 1, 2021

Respectfully submitted,

/s/ Jonathan B. Morton

Jonathan B. Morton, Esq.

Florida Bar No. 956872

jonathan.morton@klgates.com

Stephen A. McGuinness, Esq.

Florida Bar No. 89369

stephen.mcguinness@klgates.com

**K&L GATES LLP**

Southeast Financial Center

200 S. Biscayne Boulevard, Suite 3900

Miami, FL 33131-2399

Telephone: 305-539-3300

Facsimile: 305-358-7095

*-and-*

Christopher A. Brown, Esq.

Texas Bar No. 24040583

(pro hac vice pending)

chris.brown@klgates.com

David Weitman, Esq.

Texas Bar No. 21116200

(pro hac vice pending)

David.weitman@klgates.com

**K&L GATES LLP**

1717 Main Street, Suite 2800

Dallas, TX 75201

Telephone: 214-939-5500

Facsimile: 214-939-5849

*Counsel for Plaintiffs*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 1st day of March, 2021, a true and correct copy of the foregoing Verified Motion was filed with the Clerk of Court by using the CM/ECF system, which will send a notice of electronic filing to all counsel or parties of record.

Jonathan B. Morton  
Jonathan B. Morton

**VERIFICATION**

STATE OF TEXAS                    )  
  )  
COUNTY OF TRAVIS                )

Before me, the undersigned notary public, appeared Igor Volshteyn, who on his oath did depose and state:

1. "My name is Igor Volshteyn. I am the President of CCUR Holdings, Inc. ("CCURH") and the President of CCUR Aviation Finance, LLC ("CCURA" and, together with CCURH, the "Plaintiffs"). I am over 21 years of age and legally able to provide a sworn verification.

2. I have read the Original Verified Complaint (the "Complaint") of Plaintiffs against Defendants South Aviation, Inc. ("South Aviation") and Federico Machado ("Machado" and, together with South Aviation, the "Defendants"), and the Plaintiffs' Verified Emergency Motion for Immediate Appointment of Receiver (the "Motion"), and I declare under penalty of perjury that the facts presented in the Complaint and the Motion, as they relate to CCUR Holdings, Inc. and to CCUR Aviation Finance, LLC, are true and correct to the best of my knowledge and belief.

3. As President of CCURH, I am a custodian of records of CCURH and am familiar with its records and the manner in which they are kept.

4. Attached to both the Complaint and the Motion are true and correct copies of the following documents (the "CCURH Records"):

- a. that certain letter agreement, dated May 14, 2020, between and among CCURH, South Aviation, and Machado for Aircraft No. 1 (the "CCURH Letter Agreement No. 1") (**Exh. A-1**);
- b. that certain Escrow Agreement, dated May 14, 2020, between CCURH and Wright Brothers Aircraft Title, Inc. (the "Escrow Agent") for Aircraft No. 1 (the "CCURH Escrow Agreement No. 1") (**Exh. A-2**);

- c. that certain letter agreement, dated September 10, 2020, by South Aviation (the “First CCURH Extension Agreement”) (Exh. A-3);
- d. that certain letter agreement, dated November 13, 2020, between and among CCURH, South Aviation, and the Escrow Agent (the “Second CCURH Extension Agreement”) (Exh. A-4);
- e. that certain letter agreement, dated May 14, 2020, between and among CCURH, South Aviation, and Machado for Aircraft No. 2 (the “CCURH Letter Agreement No. 2”) (Exh. B-1); and
- f. that certain Escrow Agreement, dated May 14, 2020, between CCURH and the Escrow Agent for Aircraft No. 2 (the “CCURH Escrow Agreement No. 2”) (Exh. B-2).

5. Each of the CCURH Records was made at or new the time by—or from information transmitted by—someone with knowledge of the matters set forth therein; the CCURH Records are all kept in the course of CCURH’s regularly conducted business activity; and making the CCURH Records is a regular practice of CCURH’s business.

6. As President of CCURA, I am a custodian of records of CCURA and am familiar with its records and the manner in which they are kept.

7. Attached to both the Complaint and the Motion are true and correct copies of the following documents (the “CCURA Records”):

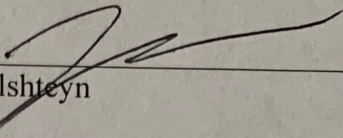
- a. that certain letter agreement, dated May 14, 2020, between and among CCURH, South Aviation, and Machado for Aircraft No. 1 (the “CCURH Letter Agreement No. 1”) (Exh. A-1);
- b. that certain Escrow Agreement, dated May 14, 2020, between CCURH and Wright Brothers Aircraft Title, Inc. (the “Escrow Agent”) for Aircraft No. 1 (the “CCURH Escrow Agreement No. 1”) (Exh. A-2);
- c. that certain letter agreement, dated September 10, 2020, by South Aviation (the “First CCURH Extension Agreement”) (Exh. A-3);
- d. that certain letter agreement, dated November 13, 2020, between and among CCURH, CCURA, South Aviation, and the Escrow Agent (the “Second CCURH Extension Agreement”) (Exh. A-4);

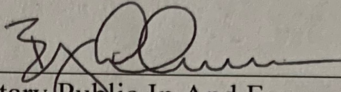


- e. that certain letter agreement, dated May 14, 2020, between and among CCURH, South Aviation, and Machado for Aircraft No. 2 (the “CCURH Letter Agreement No. 2”) (Exh. B-1); and
- f. that certain Escrow Agreement, dated May 14, 2020, between CCURH and the Escrow Agent for Aircraft No. 2 (the “CCURH Escrow Agreement No. 2”) (Exh. B-2).
- g. that certain letter agreement, dated August 28, 2020, between and among CCURA, South Aviation, and Machado for Aircraft No. 3 (the “CCURA Letter Agreement No. 1”) (Exh. C-1);
- h. that certain Escrow Agreement, dated August 27, 2020, between CCURA and the Escrow Agent for Aircraft No. 3 (the “CCURA Escrow Agreement No. 1”) (Exh. C-2);
- i. that certain letter agreement, dated November 27, 2020, between and among CCURA, South Aviation, and the Escrow Agent (the “CCURA Extension Agreement No. 1”) (Exh. C-3);
- j. that certain letter agreement, dated August 28, 2020, between and among CCURA, South Aviation, and Machado for Aircraft No. 4 (the “CCURA Letter Agreement No. 2”) (Exh. D-1); and
- k. that certain Escrow Agreement, dated August 28, 2020, between CCURA and the Escrow Agent for Aircraft No. 4 (the “CCURA Escrow Agreement No. 2”) (Exh. D-2).

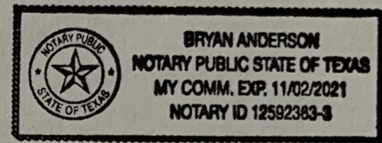
8. Each of the CCURA Records was made at or near the time by—or from information transmitted by—someone with knowledge of the matters set forth therein; the CCURA Records are all kept in the course of CCURA’s regularly conducted business activity; and making the CCURA Records is a regular practice of CCURA’s business.

FURTHER DECLARANT SAYETH NOT.

  
\_\_\_\_\_  
Igor Volshteyn

  
\_\_\_\_\_  
Notary Public In And For  
The State of Texas

Dated: This 26<sup>th</sup> day of February, 2021.



# EXHIBIT A-1

May 14, 2020

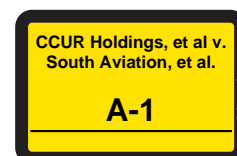
Federico A. Machado  
President  
South Aviation, Inc.  
1470 Lee Wagener Blvd, Suite 100  
Fort Lauderdale, Florida 33315

Dear Mr. Machado:

The purpose of this Letter Agreement is to set forth the terms and conditions by which CCUR Holdings, Inc. with its principal place of business at 6470 East Johns Crossing, Suite 490, Duluth, GA 30097 (“Depositor”) will make available to South Aviation, Inc., a Florida corporation with its principal place of business located at 1470 Lee Wagener Boulevard, Suite 100, Ft. Lauderdale, FL 33315 (“South”), and Federico A. Machado (“Guarantor”), a wholly refundable deposit of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) (which is defined, for purposes of this Letter Agreement, as the “Refundable Deposit”) for use in connection with the purchase of that certain Boeing 777-367 (ER) having Manufacturer Serial Number 34432 and Registration Number B-KPC (the “Aircraft”), and the consideration that South owes Depositor in return for use of the Refundable Deposit.

The Refundable Deposit represents a portion of the fully refundable deposit (the “Refundable Purchase Deposit”) contemplated by that certain Aircraft Purchase Agreement dated May 14, 2020, between Aero Advisors, Inc., as Seller, and South Aviation Inc., as Buyer, a copy of which is attached hereto as Exhibit A (the “APA”; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the APA), requiring the Buyer to place a deposit of Five Million Dollars (\$5,000,000.00) into escrow with the Escrow Agent (defined below) as the fully Refundable Purchase Deposit. The remaining portion of the Refundable Purchase Deposit (the “Remainder Deposit”) is being provided contemporaneously by JDS1, LLC and Edidin Partners LLC (collectively, the “Remainder Depositors”) pursuant to letter agreements of even date herewith between South, on the one hand, and each of the Remainder Depositors, on the other hand (the “Remainder Letter Agreements”). South represents and warrants to Depositor, that the Fully Refundable Deposit under the APA is fully refundable to CCUR pursuant to the express terms of the APA. By this Letter Agreement, Depositor is agreeing that the deposit of the Refundable Deposit with the Escrow Agent shall be used to satisfy a portion of the Fully Refundable Deposit requirements under the APA. Depositor and South acknowledge that it is South’s present intention to take acceptance of the Aircraft not later than September 14, 2020, and ensure that the Refundable Deposit shall be returned to Depositor not later than September 14, 2020. Based on this understanding, the parties agree to the following:

1. **Method of Deposit.** Depositor will cause the deposit of the Refundable Deposit into an escrow account with Wright Brothers Aircraft Title, Inc., 928 SW 107<sup>th</sup> Street, Oklahoma City, Oklahoma 73170 (the “Escrow Agent”) pursuant to a mutually agreed upon escrow agreement between the Depositor and the Escrow Agent. Depositor and South acknowledge and



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agree that the Refundable Deposit may not in any event be disbursed to any party other than Depositor and its designees and that the Refundable Deposit shall in all circumstances remain in escrow with the Escrow Agent until it is returned to Depositor in accordance with the terms of this Letter Agreement.

2. **Return of Deposit and Termination.** The Refundable Deposit shall be returned in full to Depositor by the Escrow Agent and this Letter Agreement terminated (except with respect to its provisions that survive termination as set forth herein) upon the earliest to occur of the following:

- a. the earlier of (x) the date prior to the date that South either commences the inspection contemplated by Exhibit C of the APA, and (y) the date the Replacement Deposit is received by the Escrow Agent;
- b. the date on which the APA is terminated, assigned, cancelled, modified or amended without the prior written consent of Depositor or otherwise terminated for any reason;
- c. the bankruptcy or insolvency of South or the Guarantor;
- d. not later than 4:59 pm, Eastern time, on September 14, 2020, if the transaction contemplated by the APA has not then been consummated in accordance with the terms of the APA and Depositor has elected not to grant an extension to South;
- e. failure by South to pay the Fee to Depositor directly no later than 1 business day after the Depositor funds into escrow held by Escrow Agent, or in the event the Deposit Period is extended to the Extension Period, payment of the Additional Fee (defined below) directly to Depositor two business days prior to the expiry of the Deposit Period;
- f. failure by the Remainder Depositors from depositing their portion of the Refundable Purchase Deposit within 3 Business Days of the Depositor funding the Refundable Deposit;
- g. upon the transfer of the Remainder Deposit to each of the Remainder Depositors or their designees;
- h. the written mutual agreement of Depositor and South; or
- i. (i) immediately upon written notice in the event of a non-curable breach by the other Party of the terms set forth herein or in the Remainder Letter Agreements, specifically including, but not limited to, breach of the representations, warranties and covenants in Section 4 and the confidentiality obligations in Section 6; (ii) upon five (5) days' prior written notice in the event of a curable

South Aviation, Inc.  
Federico A. Machado  
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breach by the other Party of any term or condition of this Letter Agreement, and the failure of the breaching Party to cure such breach during such five (5) day period; or (iii) upon five (5) days' prior written notice if there is any transfer in the controlling interest in, or a change in the management of South and if such change or transfer, in the sole judgment of Depositor, substantially impairs either Party's ability to perform the obligations under this Letter Agreement or the Remainder Letter Agreements.

Termination under this Section shall become effective upon the date specified (time being of the essence), the occurrence of the specified event or on the date set forth in the Party's written notice pursuant to this Section, provided that any notice requirements in the subsections immediately above are satisfied. Under no circumstance shall termination of this Letter Agreement, including Depositor's breach of this Letter Agreement, alter Depositor's right to return of the Refundable Deposit to Depositor in full. Termination of the Letter Agreement shall (i) be in addition to all other rights available under law or equity, including, but not limited to, the Parties' rights to seek injunctive relief and specific performance without the need for posting any bond and (ii) not excuse a Party from liability for any breaches or amounts owed of this Agreement by such Party prior to termination.

3. **Payment Due; Extension.** In consideration for Depositor's deposit of the Refundable Deposit for the benefit of South and the Guarantor pursuant to this Letter Agreement, South agrees to pay Depositor a fee of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) (the "Fee"), payable by South for Depositor's deposit of the Refundable Deposit pursuant to the terms of this Letter Agreement for a period expiring at 4:59 pm, New York City time, on September 14, 2020 (the "Deposit Period"). The Fee shall be paid by South to the Escrow Agent prior to the time Depositor deposits the Refundable Deposit with the Escrow Agent. Upon confirmation that the Fee has been deposited with the Escrow Agent, Depositor shall deposit the Refundable Deposit *less* the Fee with the Escrow Agent such that the total Refundable Deposit then held by the Escrow Agent (and which amount shall be returned to Depositor at the termination hereof) shall be Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00). Upon such deposit by the Depositor, Fee shall be deemed fully earned by Depositor and entirely nonrefundable to South. The Deposit Period may be extended by South for one (1) additional 60-day period (the "Extension Period"), provided that the Closing Date under the APA is extended by a period equal to the Extension Period. To extend the Deposit Period, South shall provide Depositor with written notice of South's desire to extend the Deposit Period not later than 48 hours prior to the expiration of the Deposit Period, which notice shall be accompanied by an additional fee equal to Eighty-two Thousand Five Hundred and No/100 Dollars (\$82,500.00) paid directly to Depositor.

4. **South's Representations, Warranties and Covenants.** South hereby represents, warrants and covenants to Depositor as follows:

- (a) A fully executed true, correct and complete copy of the APA has been provided to Depositor, a copy of which is attached hereto as Exhibit A.

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- (b) The Refundable Deposit is a portion of the Refundable Purchase Deposit under the APA and is fully refundable to Depositor under the terms thereof.
- (c) South shall not provide any instruction whatsoever to the Escrow Agent with respect to the transfer, use or disposition of the Refundable Deposit and South hereby acknowledges that such instructions can only come from Depositor.
- (d) Depositor shall provide Depositor with immediate written notice of the commencement of the inspection contemplated by Exhibit C to the APA or of any transfer in the controlling interest in, or a change in the management of South.
- (e) Under no circumstances shall the Refundable Deposit be used to fund or secure any portion of the purchase price of the Aircraft under the APA or otherwise, including any deposits due, under or pursuant to the APA.
- (f) The APA shall not be modified in any manner without the prior written consent of Depositor, which Depositor may grant or deny in its sole discretion for any reason.
- (g) South is a corporation validly existing under the laws of Florida and has full legal right and corporate power and authority to enter into this Letter Agreement and to consummate the transactions provided for herein.
- (h) The execution, delivery and performance by South of this Letter Agreement has been duly authorized by all requisite corporate action of South. This Letter Agreement, when executed and delivered by the Parties, will be a valid and binding agreement of South and the Guarantor enforceable against South and the Guarantor in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.
- (i) The execution and delivery of, and performance by (x) South of South's obligations under this Letter Agreement and (y) Guarantor of Guarantor's obligation under this Letter Agreement does not and will not violate or conflict with, in any respect, (i) any provision of law, rule or regulation, (ii) any order, judgment or decree of any court or other agency or government applicable to South or (iii) any provision of the organizational documents of South or its affiliates.
- (j) All consents, approvals, authorizations and orders required for the execution and delivery of this Letter Agreement by South and Guarantor have been obtained and are in full force and effect, and the execution and delivery of this Agreement by each of South and Guarantor does not require any filings with any governmental authority or court, or body or arbitrator having jurisdiction over South, except, in each case, as have already been

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made, obtained or waived or where the failure to obtain any such consent, approval, authorization, order or filing would not impair the ability of South to consummate the transactions contemplated by this Letter Agreement.

- (k) There is no action, suit, proceeding or investigation pending or, to South's or Guarantor's knowledge, currently threatened that questions the validity of this Agreement, or the right of South and Guarantor to enter into this Letter Agreement or to consummate the transactions contemplated by this Letter Agreement. There are presently no outstanding judgments, decrees or orders of any court or any governmental or administrative agency against South or the Guarantor that question the validity of this Letter Agreement, or the right of South or Guarantor to enter into this Letter Agreement or to consummate the transactions contemplated by this Letter Agreement.
- (l) Except as provided otherwise herein, neither South nor Guarantor has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Letter Agreement for which Depositor could become liable or otherwise obligated.

5. **Conditions of Depositor's Obligations.** The obligation of Depositor to effectuate and satisfy its obligations as set forth in this Letter Agreement is subject to the fulfillment of each of the following conditions, unless otherwise waived:

- (a) The representations and warranties contained in Section 4 hereof shall be and remain true and correct in all respects.
- (b) South's principal, Federico A. Machado, by his signature below, hereby unconditionally and irrevocably guaranties South's obligations herein and the Escrow Agent's obligations under that certain Escrow Agreement of even date herewith between Escrow Agent and Depositor. For purposes hereof, Mr. Machado acknowledges and agrees that the provision of the Refundable Deposit hereunder is a benefit to him individually as a result of his relationship and affiliation with South and that without the personal guaranty evidenced by Guarantor's signature hereto, Depositor would not make the Refundable Deposit contemplated hereunder.
- (c) South shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Letter Agreement that are required to be performed or complied with before performance of the respective obligation.
- (d) No government, court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction, order or other legal restraint (whether temporary, preliminary or permanent) which is in effect and which has the effect of making the respective obligation illegal or otherwise prohibiting or preventing the performance of such obligation by Depositor.



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Federico A. Machado  
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- (e) Depositor is satisfied that all of the other Remainder Depositors have executed (x) letter agreements substantially in the form of this Letter Agreement and (y) escrow agreements covering the Remainder Deposits substantially in the form of the Escrow Agreement.

**6. Confidentiality.**

- (a) Confidential Material. Under this Letter Agreement, Confidential Material shall refer to materials or information that is furnished by a Disclosing Party (defined below) to a Receiving Party (defined below) that the Disclosing Party identifies as Confidential Material in writing or verbally or to which the Receiving Party should reasonably expect to be treated as confidential based on customary business practices. Except as otherwise expressly permitted herein, neither Party which receives Confidential Material (a “Receiving Party”) of the other Party (a “Disclosing Party”) under this Agreement shall disclose the Confidential Material to the public or any third party nor use it for any purpose other than as expressly contemplated by this Agreement. A Receiving Party may disclose Confidential Material to its agents, directors, officers, employees, attorneys and other advisors subject to a duty of confidentiality to the Receiving Party (all such parties are referred to herein as “Representatives”) to the extent necessary to effectuate the terms and conditions of this Agreement. The Parties agree to be responsible for any breaches of this Section by their respective Representatives or company affiliates.
- (b) Excluded Information. Confidential Material shall not include information that (i) is already in the Receiving Party’s possession, provided that such information is not known by that Party to be subject to another confidentiality agreement or other obligation of secrecy between the Parties, (ii) becomes generally available to the public other than as a result of a disclosure by the Receiving Party (including its agents, directors, officers, employees, attorneys and advisors) or (iii) becomes available to the Receiving Party on a non-confidential basis from a third party source, provided that such source is not known by the Receiving Party to be bound by a confidentiality agreement with or other obligation of secrecy to the Disclosing Party.
- (c) Permitted Disclosure. The Parties acknowledge that Depositor is subject to disclosure requirements under the rules and regulations of the Securities and Exchange Commission, OTC Market and other applicable laws and regulations and may be subject to judicial, administrative or governmental proceedings. The Parties acknowledge and agree that the Parties are permitted to disclose Confidential Material as required by applicable law, regulation or rules of any subject proceedings; provided, however, that unless prohibited by applicable law, regulation or rule (i) a Party must make the other Party aware of any obligation to make a public or third party disclosure of Confidential Material prior to such disclosure and (ii) if time permits, provide the other Party with an advance copy of the proposed disclosure and allow reasonable input as to the language of such disclosure. The Parties have the right, upon notice of a pending disclosure of Confidential Material, to seek an appropriate protective order and the other Party shall, if requested, reasonably cooperate with pursuit of such order at its own expense.

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
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(d) **Destruction of Confidential Material.** Upon a Disclosing Party's demand, the Receiving Party shall promptly (a) destroy any Confidential Material it received and any copies thereof, or (b) return all Confidential Material and any copies thereof, and, in either case, confirm in writing to the Disclosing Party that all such material has been destroyed or returned, as applicable, in compliance with this Agreement. It is understood that information in an intangible or electronic format containing Confidential Material cannot be removed, erased or otherwise deleted from archival systems (also known as "computer or system back-ups") but that such information will continue to be protected under the confidentiality requirements contained in this Agreement and that the Parties and their Representatives shall continue to be bound by the obligations of confidentiality hereunder.

7. **No Assignment.** Neither Party may transfer or assign this Letter Agreement or any rights or obligations hereunder, directly or indirectly, by operation of law or otherwise, without the prior written consent of the other Party (which may be withheld for any reason or no reason), and any such assignment without consent shall be null and void and of no effect. This Agreement shall inure to the benefit of and be binding upon each Party's respective successors and permitted assigns.

8. **Further Assurances.** Subject to the terms and conditions of this Letter Agreement, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Letter Agreement.

9. **Indemnification.** South shall indemnify and hold harmless Depositor from and against any claim, loss or damage arising out of any breach of this Letter Agreement or the use of the Refundable Deposit. All of South's obligations under this Letter Agreement are hereby personally unconditionally and irrevocably guaranteed by the Guarantor, an individual and resident of Florida.

10. **Costs.** South shall reimburse Depositor for any and all expenses incurred by it with the Escrow Agent. Except as otherwise expressly provided for herein, each Party will pay its own legal and other fees in connection with the negotiation and preparation of this Agreement; provided that any costs and fees, including but not limited to attorneys' fees, incurred by Depositor due to South's breach of this Letter Agreement, including but not limited to, any breach based on the representations, warranties and covenants in Section 4 herein, as well as any costs of collection incurred by Depositor in connection herewith shall be immediately recoverable and reimbursable by South.

11. **Independent Contractors/Third Party Rights.** The Parties are independent contractors and nothing contained in this Agreement, including any references by one Party to the other Party as a "partner," places the Parties in the relationship of principal and agent, partners, affiliates or joint venturers. Neither Party may, either expressly or by implication, represent itself as having any authority to make contracts or enter into any agreements on behalf of or in the name of the other Party, or to bind or obligate the other Party in any way whatsoever. No action or

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
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omission by either Party shall in any way be imputed on the other Party for any reason. This Letter Agreement is for the sole benefit of the Parties hereto and is not intended to create any rights as an intended or third-party beneficiary for any third party. South recognizes, acknowledges and agrees that the Refundable Deposit will not be subject to any right of interpleader or offset and the Refundable Deposit will not be controlled, governed or used pursuant to the terms of any other document or agreement unless consented to by Depositor in writing.

12. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. The Parties acknowledge that neither party nor their agents or attorneys have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this Letter Agreement for the purpose of inducing the other party to execute this agreement. The Parties acknowledge that they have executed this Letter Agreement in reliance only upon such promises as are contained herein.

13. **Modification.** It is expressly agreed that this Letter Agreement may not be altered, amended, modified or otherwise changed in any respect except by another written agreement that specifically refers to this agreement executed by each of the Parties.

14. **Severability.** If any provision of this Letter Agreement, or any part of any such provision, is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction and (c) such invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Letter Agreement and is separable from every other part of such provision.

15. **Notices.** All notices, requests and other communications to any Party required or permitted to be given hereunder shall be in writing to the address specified in the recital hereof and shall be delivered in person, by electronic or regular mail or facsimile to the signatories below. Each Party hereto shall be entitled to specify a different address or facsimile number for the receipt of subsequent notices or other communications by giving written notice thereof to the other party in accordance with this Section.

16. **Survival.** Any rights and obligations which by their nature should survive termination or expiration of this Agreement shall survive, specifically including, but not limited to, the indemnification and confidentiality obligations specifically set forth herein.

17. **Governing Law.** This Letter Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to its conflicts of laws

South Aviation, Inc.  
Federico A. Machado  
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rules. Depositor shall be entitled to recover any attorneys' fees it is obligated to incur in connection with enforcement of this Letter Agreement.

18. **Headings**. The headings contained in this Letter Agreement are included for purposes of convenience only and do not affect the meaning or interpretation of this agreement.

[Signature Page Follows.]

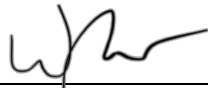
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South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 10

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If the foregoing terms are acceptable to you, please indicate your acceptance in the space indicated below. Thank you.

**CCUR Holdings, Inc.**

By:   
Name: Wayne Barr, Jr.  
Title: President and CEO

**Agreed to and accepted:**

**South Aviation, Inc.**

By: \_\_\_\_\_  
Name: Federico A. Machado  
Title: President

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Federico A. Machado, in his individual capacity for the purpose of confirming (i) his guaranty obligations set forth in this Letter Agreement and (ii) that he has been advised by an attorney who has reviewed with him his personal obligations hereunder.

**\*\*\*Signature Page to Letter Agreement\*\*\***

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 10

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If the foregoing terms are acceptable to you, please indicate your acceptance in the space indicated below. Thank you.

**CCUR Holdings, Inc.**

By: \_\_\_\_\_  
Name: Wayne Barr, Jr.  
Title: President and CEO

**Agreed to and accepted:**

**South Aviation, Inc.**

DocuSigned by:  
*Federico Andred Machado*  
A17F325A82F046C...  
By: \_\_\_\_\_

Name: Federico A. Machado  
Title: President

DocuSigned by:  
*Federico Andred Machado*  
A17F325A82F046C...  
\_\_\_\_\_

Federico A. Machado, in his individual capacity for the purpose of confirming (i) his guaranty obligations set forth in this Letter Agreement and (ii) that he has been advised by an attorney who has reviewed with him his personal obligations hereunder.

**\*\*\*Signature Page to Letter Agreement\*\*\***

**AIRCRAFT PURCHASE AGREEMENT. May 14, 2020****Purchaser's Information:**

Company: South Aviation Inc.  
 Address: 1470 Lee Wagener Blvd Suite  
 100  
 City / State: Fort Lauderdale FL  
 Zip: 33315

**Seller's Information:**

Company: Aero Advisors Inc  
 Address: 7415 Hayvenhurst Place  
 City / State: Van Nuys CA  
 Zip: 91406

**Aircraft Information:**

Make: Boeing  
 Model: 777-367 (ER)  
 Serial Number: 34432  
 Registration Number: B-KPC

**Engine Information:**

Make: General Electric  
 Model: GE90-115B  
 Engine Serial No(s): 906390 & 906790

**Purchase Information:**

Purchase Price: U\$S 25,000,000.00

**Delivery Information:**

Delivery Location: TBD

Refundable Purchase Deposit U\$S 5,000,000.00

Closing Date: On or Before  
 September 14 th,  
 2020

Seller is the owner of or otherwise authorized to sell the above-described aircraft and engine(s), together with the avionics, equipment and instrumentation presently installed therein or thereon (collectively, the "Aircraft"), and all logbooks, flight manuals, checklists, and any other records, paperwork or minor equipment for the Aircraft in Seller's possession (the "Aircraft Documentation"). Seller agrees to sell the Aircraft and Aircraft Documentation to Purchaser and Purchaser agrees to purchase the Aircraft and Aircraft Documentation pursuant to the terms of this Aircraft Purchase Agreement (this "Agreement").

**TERMS AND CONDITIONS:****1. Prices and Payments:**

- a. Purchase Price. In consideration for the purchase of the Aircraft, Purchaser agrees to pay Seller the Purchase Price.
- b. Purchase Deposit. Through a third party lender, CCUR Holdings, Inc. (the "Depositor"), Purchaser has placed the initial fully Refundable Purchase Deposit into escrow at Wright Brothers Aircraft Title. The Refundable Purchase Deposit will remain refundable to the Depositor at all times under this Agreement, Prior to the time of the inspection set forth in Exhibit C hereto, Purchaser will replace the Refundable Purchase Deposit made by the Depositor with a replacement deposit of the same amount placed into escrow at Wright Brother Aircraft Title (the

“Replacement Deposit”). Prior to or simultaneously with the placement of the Replacement Deposit into escrow, the Refundable Purchase Deposit shall be immediately refunded back to the Depositor. The Replacement Deposit will be refundable unless and until Purchaser executes and delivers a Technical Acceptance Notice in the form of Exhibit C (the “Notice”) to Seller in accordance with Exhibit C, at which time it will become nonrefundable. Purchaser agrees to cause escrow company to release the Replacement Deposit to Seller upon any execution and delivery of the Notice. The Refundable Purchase Deposit shall be refunded to the Depositor if the purchase contemplated herein has not closed by the September 14<sup>th</sup>, 2020 Closing Date unless and until the Depositor has consented to extension of the Closing Date in writing.

- c. Payments. All payments to Seller shall be made in United States dollars by wire transfer to an account designated by Seller in immediately available funds or other such negotiable instruments as may be acceptable to Seller. All payment documentation shall be acceptable to Seller.
- d. Final Payment. Purchaser agrees to pay Seller on the Closing Date, as the Closing Date may be extended from time to time by written agreement of the parties.

## 2. **Delivery and Closing:**

- a. Delivery Location and Closing Date. Seller agrees to deliver the Aircraft to Purchaser and Purchaser agrees to accept the Aircraft on U.S. registry at the Delivery Location on the Closing Date, as the Closing Date may be extended from time to time by written agreement of the parties. Upon delivery of the Aircraft, Purchaser shall execute and deliver to Seller a Delivery and Acceptance Receipt in the form of Exhibit A (the “Acceptance Receipt”).
- b. Pre-Delivery Inspection. Prior to any acceptance by Purchaser, the Aircraft, Aircraft Documentation, Aircraft specifications, and Aircraft contents will be subject to inspection and verification by Purchaser AS WELL A COMFORMITY INSPECTION TO REGISTER PLANE UNDER THE US REGISTRY TO BE PAY BY PURCHASER.

## 3. **Seller’s Commitments:**

- a. Conveyance of Title. At time of delivery, Seller agrees to deliver to Purchaser a Bill of Sale (the “Bill of Sale”) in the form of Exhibit B transferring Aircraft ownership to Purchaser free and clear of all liens of record with the U.S. Federal Aviation Administration (the “FAA”) and the International Registry created by the Convention on International interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft (the “Cape Town International Registry” or “CTIR”).
- b. Airworthiness Directives and Mandatory Service Bulletins. The Aircraft will be delivered with a standard FAA certificate of airworthiness. Seller makes no representations or warranties that the Aircraft meets the airworthiness regulations of the FAA or any other foreign government or aviation authority. Seller agrees to deliver Aircraft to Purchaser with all FAA airworthiness directives and mandatory service bulletins in compliance as of the Closing Date, as the Closing Date may be extended from time to time by written agreement of the parties.



- c. Cooperation in Assignment of Manufacturers' Warranties. Should any manufacturers' warranties still be in effect with respect to the Aircraft (other than warranties which by their terms are unassignable), Seller will take all reasonable action necessary to assist Purchaser in maintaining continuity of the warranties for Purchaser's benefit. Seller makes no representation or warranty as to whether any warranties are currently valid or assignable or whether any manufacturer will approve such assignment currently or in the future. Purchaser accepts all risk associated with any and all manufacturer warranties.

**4. Purchaser's Commitments:**

- a. Cape Town International Registry. Prior to delivery, Purchaser shall register with the CTIR to act as a Transacting User Entity. Purchaser shall cooperate with, and facilitate consent to, the registration of a contract of sale registration on the CTIR corresponding to the Bill of Sale.
- b. State Sales Tax. Purchaser agrees to pay any applicable state or local sales tax or provide Seller with a sales tax exemption certificate acceptable to Seller.

**5. Risk of Loss:**

The risk of loss, injury, destruction or damage to the Aircraft and Aircraft Documentation shall transfer from Seller to Purchaser upon execution and delivery of the Acceptance Receipt by Purchaser to Seller.

**6. Aircraft Delivery Delay:**

Seller shall not be liable to Purchaser for any delay in delivery of the Aircraft for any cause whatsoever; provided, however, if Seller should fail to make delivery within 30 days after the Closing Date, as the Closing Date may be extended from time to time by written agreement of the parties, and such failure is not due to acts of God or the public enemy; civil war, insurrection or riots; fires, explosions or serious accidents; governmental priorities or allocations; strikes or labor disputes, equipment or parts from the vendors; or any other cause beyond the Seller's control or if for any reason Seller should fail to make delivery within 30 days after the Closing Date, as the Closing Date may be extended from time to time by written agreement of the parties, then, in the event of such occurrence, Purchaser shall have the right to delay delivery to a mutually acceptable new Closing Date or demand the return of its Purchase Deposit, and upon receipt of such demand, Seller shall return the Purchase Deposit to Purchaser. Upon return of the Purchase Deposit, Purchaser releases all rights and claims against Seller and the Aircraft pursuant to this Agreement and this Agreement terminates without further notice, force or effect. Purchaser agrees its sole remedy for any failure of Seller to perform any part of this Agreement, up to, and including, Aircraft delivery, is limited to Seller's return of the Purchase Deposit to Purchaser.

**7. DISCLAIMER OF WARRANTIES:**

**EXCEPT AS EXPRESSLY SET FORTH ELSEWHERE IN THIS AGREEMENT, SELLER HEREBY DISCLAIMS ALL WARRANTIES RELATING TO THIS AGREEMENT, THE AIRCRAFT, AND THE AIRCRAFT DOCUMENTATION (EXCEPT FOR THE EXPRESS WARRANTY OF TITLE SET FORTH IN THE BILL OF SALE). THE AIRCRAFT AND AIRCRAFT DOCUMENTATION ARE BEING SOLD SUBSEQUENT TO INSPECTION**

**BY PURCHASER. SUBJECT TO PURCHASER'S RIGHT TO CONDUCT A PRE-DELIVERY INSPECTION AS DESCRIBED IN SECTION 2(b), PURCHASER AGREES IT IS ACQUIRING THE AIRCRAFT AND AIRCRAFT DOCUMENTATION "AS IS, WHERE IS" UPON DELIVERY. PURCHASER HEREBY RELEASES, RENOUNCES AND DISCLAIMS ALL WARRANTIES, OBLIGATIONS AND LIABILITIES OF SELLER AND ALL RIGHTS, CLAIMS AND REMEDIES OF PURCHASER AGAINST SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT, LATENT OR DISCOVERABLE, IN THE AIRCRAFT AND AIRCRAFT DOCUMENTATION, INCLUDING, BUT NOT LIMITED TO: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; (B) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; (C) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT OR STRICT LIABILITY, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF SELLER OR ANY PREDECESSOR TO SELLER, ACTUAL OR IMPUTED; AND (D) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OR DAMAGE TO THE AIRCRAFT, FOR LOSS OF USE, REVENUE OR PROFIT WITH RESPECT TO THE AIRCRAFT OR AIRCRAFT DOCUMENTATION, OR FOR ANY DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY SUCH NONCONFORMITY OR DEFECT.**

**8. Tax Indemnity:**

Purchaser hereby agrees to pay any and all taxes including (without limitation any sales and uses taxes) duties or fees assessed or levied by any Federal, State or local taxing authority as a result of this Agreement, delivery, registration or ownership of the Aircraft by Purchaser, excluding Seller's income or gross receipts taxes. In the event Purchaser fails to pay any taxes and such taxes are levied upon, assessed against, collected from, or otherwise imposed on Seller, Purchaser shall indemnify, protect, defend and hold harmless Seller from and against all such taxes, together with any interest, penalties, and any legal or other costs incurred to defend or protect against such charges.

**9. Indemnification of Seller:**

Upon Purchaser's execution and delivery of the Acceptance Receipt to Seller, Purchaser assumes all liability of any nature whatsoever arising out of the use or possession of the Aircraft and Aircraft Documentation and agrees to indemnify, protect, defend and hold harmless Seller, it's officers, and employees with respect to any claim, suit, action or judgment of any kind arising out of such use or possession and any expenses related thereto, including legal fees and costs.

**10. Brokerage:**

Seller and Purchaser each represent to the other that no agent or broker has procured or otherwise participated to any extent in the negotiation for the sale of the Aircraft. Seller and Purchaser shall be responsible for, shall indemnify and hold harmless the other from and against any and all claims, demands, liabilities, damages, losses and judgments, including all expenses in connection therewith arising out of its own action, alleged actions or negotiations, alleged negotiations with, or in respect to, any agent or broker.

**11. Notice:**

\_\_\_\_\_  
Seller's Initials

Page 4 of 9  
APA: 34432

\_\_\_\_\_  
Purchaser's Initials

All notices, requests, demands, and other communications required or permitted to be given under this Agreement shall be in writing and shall be effective and binding on the parties upon: (a) actual delivery; (b) being deposited in the United States mail with first class postage prepaid; (c) being deposited with a private or government overnight delivery service; or (d) being transmitted by telex or facsimile to either the addresses shown on this Agreement, or to any other address provided by the parties.

**12. Severability:**

If any provisions of this Agreement are invalid or cannot be enforced for any reason, the remainder of this Agreement will stay in effect. Any provisions of this Agreement that are contrary to applicable law will be considered to be modified to the extent required to conform with the law, if possible, or otherwise omitted from this Agreement.

**13. Headings:**

The headings in this Agreement are for convenience only and will not be used to interpret or change the provisions of this Agreement in any way.

**14. Entire Agreement; Modification; Binding on Successors and Assigns; Assignment:**

This Agreement, which, together with the referenced Exhibits, all of which are incorporated into this Agreement by reference, constitute the entire agreement between the parties, shall be binding on the heirs, executors, administrators, legal representatives, successors and assigns of the parties, and supersedes all prior agreements, understandings, and negotiations, written or oral, between the parties with respect to the subject matter hereof. Purchaser may not assign its rights under this Agreement without the prior written consent of Seller. Any change or modification to this Agreement shall be in writing and signed by the parties, including, without limitation, signatures affixed pursuant to a valid power of attorney.

**15. GOVERNING LAW:**

**THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF FLORIDA, IRRESPECTIVE OF SUCH STATE'S CONFLICT OF LAW PRINCIPLES. THE PARTIES IRREVOCABLY AND EXPRESSLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS OF FLORIDA, FOR THE RESOLUTION OF ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT. ANY CLAIM BY PURCHASER UNDER THIS AGREEMENT SHALL BE MADE IN WRITING, IF AT ALL, AND MUST BE RECEIVED BY SELLER WITHIN SIX MONTHS OF THE DATE OF THIS AGREEMENT.**

**16. Time is of the Essence:**

Time is of the essence. Upon any failure by Purchaser to accept delivery of the Aircraft and Aircraft Documentation under the terms and conditions of this Agreement, and upon written notice to Purchaser, Seller may cancel this Agreement, and proceed to otherwise sell or dispose of the Aircraft and Aircraft Documentation with no further liability to Purchaser.

**17. Further Cooperation:**

The parties shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.

**18. Counterparts:**

This Agreement may be executed by facsimile signatures in two or more counterparts, each of which shall be deemed an original for all purposes, but all of which together shall constitute one and the same instrument. Notwithstanding the foregoing, the parties shall exchange the original executed counterparts prior to the Closing Date.

**19. Signing Authority:**

This Agreement shall become a binding contract upon its final acceptance and execution by Seller. The signatories to this Agreement verify they have read this complete Agreement, understand its contents, and have full authority to bind and do hereby bind their respective parties.

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

**PURCHASER:**

**SELLER:**

**South Aviation Inc.**

**Aero Advisors Inc.**

By: \_\_\_\_\_  
Name: Fred Machado  
Title: President  
Phone: 754 581 2809

By: \_\_\_\_\_  
Name: Richard Hodkinson  
Title: VP Sales  
Phone: 818 398 1030

Seller accepts and confirms this  
\_\_\_\_\_ day of \_\_\_\_\_, 2020.

- Exhibit A: Acceptance Receipt
- Exhibit B: Bill of Sale
- Exhibit C: Technical Acceptance Notice

\_\_\_\_\_  
Seller's Initials

\_\_\_\_\_  
Purchaser's Initials

EXHIBIT A

AIRCRAFT DELIVERY AND ACCEPTANCE RECEIPT

Make: Boeing  
 Model: 777-367 (ER)  
 Serial No.: 34432  
 Reg. No.: B-KPC  
 Engine Make & Model: General Electric GE90-115B  
 Engine Serial No(s): 906390 & 906790

This is the Acceptance Receipt referred to in the Aircraft Purchase Agreement No. 34432 (the "APA"), between the undersigned Purchaser and Air Services Inc. ("Seller"). Purchaser hereby acknowledges delivery and acceptance of the above-described aircraft and engine(s), together with the avionics, equipment and instrumentation presently installed therein or thereon (collectively, the "Aircraft"), and all logbooks, flight manuals, checklists, and any other records, paperwork or minor equipment for the Aircraft in Seller's possession (the "Aircraft Documentation").

Purchaser hereby accepts the Aircraft and Aircraft Documentation "**AS IS, WHERE IS, AND WITH ALL FAULTS**".

Purchaser acknowledges that any and all delivery conditions specified in APA expire and are of no further force and effect upon Purchaser's execution and delivery of this Acceptance Receipt to Seller.

Total Time on Aircraft at delivery: \_\_\_\_\_

Delivery location:

Date of Acceptance: \_\_\_\_\_

Purchaser:

By: \_\_\_\_\_  
 South Aviation Inc.

EXHIBIT B

BILL OF SALE

For \$1.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **Aero Advisors Inc.** ("SELLER") has bargained, sold, conveyed, transferred and delivered, and by these presents does bargain, sell\*, convey, transfer and deliver, to South Aviation Inc. ("PURCHASER"), all of SELLER's right, title and interest in and to the following described aircraft, equipment and related documentation (the "Aircraft"):

Make and Model: Boeing 777-367 (ER)  
Serial No.: 34432  
Reg. No.: B-KPC  
Engines Make & Model: General Electric GE90-115B  
Engine Serial Nos.: 906390 & 906790

SELLER hereby warrants that at the time of transfer of title to the Aircraft hereunder, SELLER has and hereby conveys to Purchaser good and marketable title to the Aircraft, free and clear of all mortgages, claims, liens, charges, encumbrances, security interests, leases and other rights of others of record with the Federal Aviation Administration and the International Registry (the "IR") created by the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft, and that SELLER shall warrant and defend such title against the claims of all persons.

PURCHASER ACKNOWLEDGES THAT THE AIRCRAFT IS A USED AIRCRAFT AND THAT SELLER IS SELLING AND DELIVERING THE AIRCRAFT "**AS-IS, WHERE-IS, AND WITH ALL FAULTS**". PURCHASER ACKNOWLEDGES THAT ALL DELIVERY CONDITIONS SPECIFIED IN THAT CERTAIN AIRCRAFT PURCHASE AGREEMENT No. 34432, BY AND BETWEEN PURCHASER AND SELLER (the "APA") SHALL EXPIRE AND BE OF NO FURTHER FORCE OR EFFECT UPON PURCHASER'S EXECUTION AND DELIVERY OF THE AIRCRAFT DELIVERY AND ACCEPTANCE RECEIPT REFERRED TO IN THE APA, AND, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS BILL OF SALE, SELLER DOES NOT MAKE, GIVE, OR EXTEND, AND PURCHASER HEREBY DISCLAIMS AND RENOUNCES, ANY AND ALL OTHER WARRANTIES WHATSOEVER CONCERNING THE AIRCRAFT, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, DESCRIPTION, DURABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE OR OTHERWISE, ALL SUCH WARRANTIES BEING HEREBY EXPRESSLY DISCLAIMED, EXCEPT FOR THE WARRANTY OF TITLE SET FORTH HEREIN ABOVE. SELLER SHALL HAVE NO LIABILITY TO PURCHASER FOR ANY CLAIM, LOSS OR DAMAGE CAUSED OR ALLEGED TO HAVE BEEN CAUSED, DIRECTLY OR INDIRECTLY, BY THE AIRCRAFT OR THE USE THEREOF, WHETHER SUCH DAMAGES OR ALLEGED DAMAGES ARE GENERAL, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR OTHERWISE, WHETHER SUCH LIABILITY OR ALLEGED LIABILITY ARISES OR IS ALLEGED TO ARISE OUT OF ANY DESIGN, MANUFACTURING OR OTHER DEFECT, LATENT OR PATENT, IMPROPER MAINTENANCE, STRICT LIABILITY, CRASHWORTHINESS, OR ANY OTHER STATUTORY OR COMMON LAW THEORY OF LIABILITY WHATSOEVER.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed and delivered to Purchaser this \_\_\_ day of \_\_\_\_\_, 2020.

Aero Advisors Inc.

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT C

TECHNICAL INSPECTION NOTICE

Aircraft Purchase Agreement No. 34432 (the "APA") shall be cancelled, and the \$5,000,000.00 Replacement Deposit fully refunded to Purchaser, unless Purchaser, after Purchaser accomplishes a technical inspection of the Aircraft and the Aircraft Documentation (as defined in the APA), which technical inspection Purchaser agrees to complete on or before the close of business September 14 th, 2020, notifies Seller in writing that the Aircraft and Aircraft Documentation are acceptable. In the event the Aircraft and Aircraft Documentation are acceptable to Purchaser, Purchaser will complete and sign the Notice to Seller set forth below to indicate Purchaser's technical acceptance of the Aircraft and Aircraft Documentation.

**Notice to Seller**

Purchaser has visually inspected the Aircraft and Aircraft Documentation and is satisfied that the Aircraft and Aircraft Documentation are acceptable for purchase under the terms and conditions of APA.

Purchaser acknowledges and agrees that the terms and conditions of the APA remain in full force and effect, and that the \$5,000,000 Replacement Deposit shall be paid to Seller (as defined in the APA) and shall remain with Seller in accordance with the terms of the APA.

Purchaser:

By: \_\_\_\_\_  
South Aviation Inc.

By: \_\_\_\_\_  
Debbie Mercer, Wright Brothers Aircraft Title

Depositor:

By: \_\_\_\_\_  
CCUR Holdings, Inc.

# EXHIBIT A-2



**ESCROW AGREEMENT**

THIS ESCROW AGREEMENT (the "Agreement") made this 14th day of May, 2020 by and between WRIGHT BROTHERS AIRCRAFT TITLE, INC., whose address is 928 SW 107<sup>th</sup> St., Oklahoma City, OK 73170 (the "Escrow Agent") and CCUR Holdings, Inc. (the "Depositor"), whose address is 6470 East Johns Crossing, Suite 490, Duluth, GA 90037.

WITNESSETH

**WHEREAS**, South Aviation, Inc., as Buyer ("South Aviation"), and Aero Advisers Inc., as Seller ("AAI"), have entered into that certain Aircraft Purchase Agreement dated May 14, 2020 (the "APA"; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the APA) contemplating the purchase by South Aviation of that certain Boeing 777-367 (ER) having Manufacturer Serial Number 34432 and Registration Number K-BPC (the "Aircraft"), a copy of which is attached hereto (capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the APA); and

**WHEREAS**, South Aviation and Depositor have entered into a certain letter agreement (the "South Letter Agreement") pursuant to which Depositor has agreed to provide a portion of the fully Refundable Purchase Deposit contemplated by the APA (in the aggregate amount of Five Million and No/100 Dollars (\$5,000,000.00) in the amount of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00)(the "Deposit"), for the benefit of South Aviation, on and subject to the terms and conditions contained in the South Letter Agreement; and

**WHEREAS**, contemporaneously herewith, South Aviation has entered into letter agreements on substantially the same terms and conditions as the South Aviation Letter with each of JDS1, LLC ("JDS1") and Edidin Partners LLC ("EPLLC")(collectively, the "Remainder Letter Agreements"), pursuant to which JDS1 and EPLLC will provide the remaining portion of the fully Refundable Purchase Deposit contemplated by the APA (the "Remainder Deposit"); and

**WHEREAS**, the Depositor desires to deposit, or cause to be deposited for its benefit, funds constituting a portion of the fully Refundable Purchase Deposit with the Escrow Agent, and the Escrow Agent has consented to hold such funds, pursuant to the terms and conditions hereof.

**NOW THEREFORE**, the Escrow Agent and the Depositor agree as follows:

1. The Depositor hereby appoints Wright Brothers Aircraft Title, Inc. as Escrow Agent under this Agreement. The Escrow Agent hereby accepts such appointment and agrees to hold, invest and disburse all funds received from or on behalf of the Depositor in accordance with the terms of this Agreement.

2. The Escrow Funds constituting the Deposit shall consist of Two Million Five

Hundred Thousand and No/100 Dollars (\$2,500,000.00)(the “Escrow Funds”), representing a portion of the Refundable Purchase Deposit contemplated by the APA, which the Depositor shall deposit, or cause to be deposited for its benefit, with the Escrow Agent by wire transfer of immediately available funds to the account designated on Exhibit A attached hereto.

3. The Escrow Agent shall disburse the Escrow Funds to the Depositor by wire transfer of immediately available funds to the account designated on Exhibit B attached hereto upon the earlier of:

- a. the earlier of (x) the date prior to the date that South either commences the inspection contemplated by Exhibit C of the APA, and (y) the date the Replacement Deposit is received by the Escrow Agent;
- b. the date on which the APA is terminated, assigned, cancelled, modified or amended without the prior written consent of Depositor or otherwise terminated for any reason;
- c. the bankruptcy or insolvency of South or the Guarantor;
- d. not later than 4:59 pm, Eastern time, on September 14, 2020, if the transaction contemplated by the APA has not then been consummated in accordance with the terms of the APA and Depositor has elected not to grant an extension to South;
- e. failure by South to pay the Fee to Depositor directly no later than 1 business day after the Depositor funds into escrow held by Escrow Agent, or in the event the Deposit Period is extended to the Extension Period, payment of the Additional Fee (defined below) directly to Depositor two business days prior to the expiry of the Deposit Period;
- f. failure by the Remainder Depositors from depositing their portion of the Refundable Purchase Deposit within 3 Business Days of the Depositor funding the Refundable Deposit;
- g. upon the transfer of the Remainder Deposit to each of the Remainder Depositors or their designees;
- h. the written mutual agreement of Depositor and South; or
- i. (x) immediately upon written notice in the event of a non-curable breach by the other Party of the terms set forth herein or in the Remainder Letter Agreements, specifically including, but not limited to, breach of the representations, warranties and covenants in Section 4 and the confidentiality obligations in Section 6; (y) upon five (5) days’ prior written notice in the event of a curable breach by the other Party of any term or condition of this Letter Agreement, and the failure of the breaching Party to cure such breach during such five (5) day period; or (z) upon five (5) days’ prior written notice if there is any transfer in the controlling interest in, or a change in the management of South and if such change or transfer, in the sole judgment of Depositor, substantially impairs either Party’s ability to

perform the obligations under this Letter Agreement or the Remainder Letter Agreements.

4. In no event and under no circumstances shall the Escrow Agent disburse the Escrow Funds or any portion thereof to any party other than the Depositor.

5. The Escrow Funds escrowed hereunder shall be deposited in a non-interest bearing account or in a trust account. All accounts shall be held in financial institutions the deposits of which are insured by an agency of the United States. The Depositor shall not be entitled to earn interest on the Escrow Funds.

6. Neither this Agreement nor any of the terms or provisions hereof may be amended, modified, supplemented or waived except by a written instrument signed by all the parties hereto (or, in the case of a waiver, by the party or parties granting the waiver). No waiver of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. No failure of a party hereto to insist upon strict compliance by another party hereto with any obligation, covenant, agreement or condition contained in this Agreement shall operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

7. Each term and provision of this Agreement constitutes a separate and distinct undertaking, covenant, term and/or provision hereof. In the event that any term or provision hereof shall be determined to be unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other term or provision hereof, but this Agreement shall be construed as if such unenforceable, invalid or illegal term or provision had never been contained herein. Moreover, if any term or provision hereof shall for any reason be held to be excessively broad as to time, duration, activity, scope or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent permitted under applicable law as it shall then exist.

8. In the event of litigation between the parties to enforce the provisions of or with respect to this Agreement, the prevailing party shall be entitled to reimbursement of its costs of the litigation, including reasonable attorneys' fees.

9. This Agreement and the interpretation of its terms shall be governed by the laws of New York. In the event of any dispute arising hereunder, the parties agree and consent to the exclusive jurisdiction and venue in the state courts of New York County, New York.

10. All of the terms of this Agreement, as it may be amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective heirs, successors and assigns of the Depositor and the Escrow Agent. The Escrow Agent shall not have the right to transfer or assign its rights, or transfer or delegate its duties, under this Agreement without the prior written consent of the Depositor which may be given or withheld in the sole and absolute discretion of the Depositor.

[Signature Page Follows.]

**IN WITNESS WHEREOF**, the parties have executed this Escrow Agreement as of the day and year first above written.


**ESCROW AGENT:**

WRIGHT BROTHERS AIRCRAFT TITLE, INC.

By:   
5F2C7686CE8E451...  
Name: Debbie Mercer-Erwin  
Title: President

**DEPOSITOR:**

CCUR Holdings, Inc.

By:   
Name: Wayne Barr, Jr.  
Title: President and CEO

**Exhibit A**

**TRANSFER INSTRUCTIONS FOR ESCROW  
AGENT**

BANK NAME: BANK OF AMERICA, N.A.  
BANK ADDRESS: 5616 N. MAY AVENUE, OKLAHOMA CITY, OK 73112  
ABA ROUTING: [REDACTED]  
ACCOUNT NO: [REDACTED]  
ACCOUNT NAME: [REDACTED]  
| | [REDACTED]  
SWIFT CODE: [REDACTED]

**EXHIBIT B**

**Depositor Wire Instructions**

BANK NAME: Silicon Valley Bank

ABA ROUTING: [REDACTED]

ACCOUNT NO: [REDACTED]

ACCOUNT NAME: [REDACTED]

*Kindly contact Virginia Moyer (470-264-0993) or Warren Sutherland (770-305-6435) to confirm wire instructions prior to initiating a wire transfer.*

# EXHIBIT A-3

South Aviation, Inc.  
1470 Lee Wagener Drive  
Suite 100  
Ft. Lauderdale, FL 33315

September 10, 2020

CCUR Holdings, Inc.  
6470 East Johns Crossing  
Suite 490  
Duluth, GA 30097

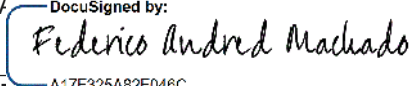
*Re: Aviation Deposit Letter Agreements dated May 14, 2020*

Ladies and Gentlemen:

Reference is made to those certain Letter Agreements between South Aviation, Inc. ("South Aviation"), CCUR Holdings, Inc., JDS1, LLC and Edidin Partners LLC dated May 14, 2020 (the "Letter Agreements") pursuant to which the parties have collectively deposited \$10,000,000 with Wright Brothers Aircraft Title, Inc. on behalf of South Aviation in connection with aviation deposits required for a certain Boeing 777-367 (ER) having Manufacturer Serial Number 34432 and Registration Number B-KPC and Boeing 777-367 (ER) having Manufacturer Serial Number 35301 and Registration Number B-KPH.

Notice is hereby given that South Aviation hereby elects to extend the deposit period for a 60 day extension period as provided in paragraph 3 of the Letter Agreements. Simultaneously with the delivery of this Notice, South Aviation has initiated wire transfers in the total amount of \$330,000 to the parties to the Letter Agreements, allocated as shown on Exhibit A attached hereto, as payment of the extension fee required by the Letter Agreements for such extension period, using the wire instructions in Exhibit B attached hereto.

Very truly yours,

South Aviation, Inc.  
By:   
A17F325A82F046C...  
Fred Machado  
President



**EXHIBIT A**

<b><u>Aircraft 35301</u></b>			
Total Extension Fee	\$165,000		
	<u>Amount Funded</u>	<u>%</u>	<u>Extension Fee</u>
CCUR Holdings, Inc.	\$2,500,000	50%	\$82,500
JDS1, LLC	\$1,750,000	35%	\$57,750
Edidin Partners LLC	\$750,000	15%	\$24,750
	<u>\$5,000,000</u>	<u>100%</u>	<u>\$165,000</u>
<b><u>Aircraft 34432</u></b>			
Total Extension Fee	\$165,000		
	<u>Amount Funded</u>	<u>%</u>	<u>Extension Fee</u>
CCUR Holdings, Inc.	\$2,500,000	50%	\$82,500
JDS1, LLC	\$1,750,000	35%	\$57,750
Edidin Partners LLC	\$750,000	15%	\$24,750
	<u>\$5,000,000</u>	<u>100%</u>	<u>\$165,000</u>
<b><u>Totals</u></b>			
CCUR Holdings, Inc.			<b>\$165,000</b>
JDS1, LLC			<b>\$115,500</b>
Edidin Partners LLC			<b>\$49,500</b>
			<u><b>\$330,000</b></u>

**EXHIBIT B**

**CCUR Holdings, Inc. Wire Instructions:**

BANK NAME: Truist Bank  
ABA ROUTING: [REDACTED]  
ACCOUNT NO: [REDACTED]  
ACCOUNT NAME: [REDACTED]

Kindly contact Virginia Moyer (470-264-0993) or Warren Sutherland (770-305-6435) to confirm wire instructions prior to initiating a wire transfer.

DS  
FAM

### JDS1 LLC Wire Instructions

BANK NAME: Signature Bank

ABA ROUTING: [REDACTED]

ACCOUNT NO: [REDACTED]

ACCOUNT NAME: [REDACTED]

Please contact Philip Mandelbaum at (201) 592-0742 to confirm the foregoing wire instructions prior to initiating any wire transfer.

DS  
PAM

### Eddin Partners LLC Wire Instructions

BANK NAME: JP Morgan Chase  
ABA ROUTING: [REDACTED]  
ACCOUNT NO: [REDACTED]  
ACCOUNT NAME: [REDACTED]

*Kindly contact Eric Eddin (917-445-5277) to confirm wire instructions prior to initiating a wire transfer.*

# EXHIBIT A-4

South Aviation, Inc.  
1470 Lee Wagener Drive  
Suite 100  
Ft. Lauderdale, FL 33315

November 13, 2020

CCUR Holdings, Inc  
CCUR Aviation Finance, LLC.  
6470 East Johns Crossing  
Suite 490  
Duluth, GA 30097

*Re: Aviation Deposit Letter Agreements: dated May 14, 2020*

Ladies and Gentlemen:

Reference is made to those certain Letter Agreements between South Aviation, Inc. ("South Aviation"), CCUR Holdings, Inc., JDS1, LLC and Edidin Partners LLC dated May 14, 2020 (the "Letter Agreements") pursuant to which the parties have collectively deposited \$10,000,000 with Wright Brothers Aircraft Title, Inc. on behalf of South Aviation in connection with aviation deposits required for a certain Boeing 777-367 (ER) having Manufacturer Serial Number 34432 and Registration Number B-KPC; and Boeing 777-367 (ER) having Manufacturer Serial Number 35301 and Registration Number B-KPH. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Letter Agreements.

South Aviation requests and Depositor, CCUR Holdings, Inc. and CCUR Aviation Finance, LLC agree, subject to the conditions herein, to modify the Letter Agreements as follows:

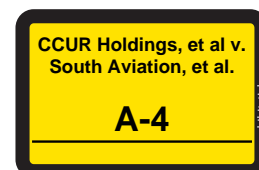
- 1) As of Friday, November 13, 2020 the Remainder Depositors shall be CCUR Holdings, Inc., CCUR Aviation Finance, LLC, and Edidin Partners, LLC;
- 2) As of 9:00 AM EST Monday, November 16, 2020 the Escrow Agent shall be directed to distribute that portion of the Refundable Deposit belonging to parties to the Letter Agreements that are discontinuing as Remainder Depositors;
- 3) Upon confirmation of receipt of funds by the discontinuing Remainder Depositors CCUR Aviation Finance, LLC shall deposit funds with the Escrow Agent to fully fund the Remainder Deposit, using the wire instructions in Exhibit C attached hereto and become a Depositor;
- 4) The parties agree that South Aviation's present intention is to take acceptance of the Aircraft not later than January 12, 2021;
- 5) Item d in Paragraph 2 shall be amended as follows:

"d. not later than 4:59 PM, Eastern time, on January 12, 2021, if the transaction contemplated by the APA has not then been consummated;"

- 6) The Deposit Period referenced in paragraph 3 shall be amended to January 12, 2021;

The undersigned and South Aviation agree that as conditions precedent for the above modifications becoming effective:

- 1) South Aviation shall secure the agreement of all original parties to the Letter Agreements to the terms set forth herein; and
- 2) South Aviation shall secure and document an amendment to the APA consistent with the terms set forth herein.



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In furtherance of this agreement the Depositors agree that the certain Escrow Agreement between the Depositor, CCUR Holdings, Inc. and Escrow Agent, dated as of the Letter Agreements shall be amended so that CCUR Aviation Finance LLC becomes a party and a Depositor thereunder and so that item d in Paragraph 2 shall be amended as follows:

"d. not later than 4:59 PM, Eastern time, on January 12, 2021, if the transaction contemplated by the APA has not then been consummated;"

In consideration for the Depositors agreeing to and accepting the modifications set forth herein, South Aviation shall by 3:00 PM on November 13, 2020 initiate wire transfers in the total amount of \$510,000 to the undersigned Depositors, as shown on Exhibit A, attached hereto, using the wire instructions in Exhibit B, attached hereto.

Very truly yours,

South Aviation, Inc.

DocuSigned by:  
By:     *Federico Andred Machado*      
A17F325A82F046C...  
President

Accepted and Agreed:

CCUR Holdings, Inc.

By:           
Igor Volshteyn  
President and COO

Accepted and Agreed:

Wright Brothers Aircraft Title, Inc.

DocuSigned by:  
by:           
5F2C7686CE8E451...  
Debbie Mercer-Erwin  
President

CCUR Aviation Finance, LLC

By:           
Igor Volshteyn  
President

**EXHIBIT A**

<b><u>Aircraft 35301</u></b>			
Extension Fee			\$300,000
	<u>Amount Funded</u>	<u>%</u>	<u>Extension Fee</u>
CCUR Holdings, Inc.	\$2,500,000	50%	\$150,000
CCUR Aviation Finance, LLC	\$1,750,000	35%	\$105,000
Edidin Partners LLC	\$750,000	15%	\$45,000
	<u>\$5,000,000</u>	<u>100%</u>	<u>\$300,000</u>
<b><u>Aircraft 34432</u></b>			
Extension Fee			\$300,000
	<u>Amount Funded</u>	<u>%</u>	<u>Extension Fee</u>
CCUR Holdings, Inc.	\$2,500,000	50%	\$150,000
CCUR Aviation Finance, LLC	\$1,750,000	35%	\$105,000
Edidin Partners LLC	\$750,000	15%	\$45,000
	<u>\$5,000,000</u>	<u>100%</u>	<u>\$300,000</u>
<b>CCUR Holdings, Inc.</b>			<b>\$300,000</b>
<b>CCUR Aviation Finance, LLC</b>			<b>\$210,000</b>
<b>Edidin Partners LLC</b>			<b>\$90,000</b>
			<u><b>\$600,000</b></u>



**EXHIBIT B**

Wire Instructions:  
CCUR Holdings, Inc.& CCUR Aviation Finance LLC

BANK NAME:	Truist Bank
ABA ROUTING:	[REDACTED]
ACCOUNT NO:	[REDACTED]
ACCOUNT NAME:	[REDACTED]

Kindly contact Virginia Moyer (470-264-0993) to confirm wire instructions prior to initiating a wire transfer.

**EXHIBIT C**

**Escrow Fund Wire Instructions**

BANK NAME: BANK OF AMERICA, N.A.  
BANK ADDRESS: 5616 N. MAY AVENUE, OKLAHOMA CITY,  
OK 73112  
ABA ROUTING: [REDACTED]  
ACCOUNT NO: [REDACTED]

ACCOUNT NAME: [REDACTED]  
[REDACTED]

SWIFT CODE: [REDACTED]  
[REDACTED]

# EXHIBIT B-1

May 14, 2020

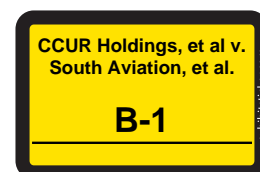
Federico A. Machado  
President  
South Aviation, Inc.  
1470 Lee Wagener Blvd, Suite 100  
Fort Lauderdale, Florida 33315

Dear Mr. Machado:

The purpose of this Letter Agreement is to set forth the terms and conditions by which CCUR Holdings, Inc. with its principal place of business at 6470 East Johns Crossing, Suite 490, Duluth, GA 30097 (“Depositor”) will make available to South Aviation, Inc., a Florida corporation with its principal place of business located at 1470 Lee Wagener Boulevard, Suite 100, Ft. Lauderdale, FL 33315 (“South”), and Federico A. Machado (“Guarantor”), a wholly refundable deposit of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) (which is defined, for purposes of this Letter Agreement, as the “Refundable Deposit”) for use in connection with the purchase of that certain Boeing 777-367 (ER) having Manufacturer Serial Number 35301 and Registration Number B-KPH (the “Aircraft”), and the consideration that South owes Depositor in return for use of the Refundable Deposit.

The Refundable Deposit represents a portion of the fully refundable deposit (the “Refundable Purchase Deposit”) contemplated by that certain Aircraft Purchase Agreement dated May 14, 2020, between Aero Advisors, Inc., as Seller, and South Aviation Inc., as Buyer, a copy of which is attached hereto as Exhibit A (the “APA”; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the APA), requiring the Buyer to place a deposit of Five Million Dollars (\$5,000,000.00) into escrow with the Escrow Agent (defined below) as the fully Refundable Purchase Deposit. The remaining portion of the Refundable Purchase Deposit (the “Remainder Deposit”) is being provided contemporaneously by JDS1, LLC and Edidin Partners LLC (collectively, the “Remainder Depositors”) pursuant to letter agreements of even date herewith between South, on the one hand, and each of the Remainder Depositors, on the other hand (the “Remainder Letter Agreements”). South represents and warrants to Depositor, that the Fully Refundable Deposit under the APA is fully refundable to CCUR pursuant to the express terms of the APA. By this Letter Agreement, Depositor is agreeing that the deposit of the Refundable Deposit with the Escrow Agent shall be used to satisfy a portion of the Fully Refundable Deposit requirements under the APA. Depositor and South acknowledge that it is South’s present intention to take acceptance of the Aircraft not later than September 14, 2020, and ensure that the Refundable Deposit shall be returned to Depositor not later than September 14, 2020. Based on this understanding, the parties agree to the following:

1. **Method of Deposit.** Depositor will cause the deposit of the Refundable Deposit into an escrow account with Wright Brothers Aircraft Title, Inc., 928 SW 107<sup>th</sup> Street, Oklahoma City, Oklahoma 73170 (the “Escrow Agent”) pursuant to a mutually agreed upon escrow agreement between the Depositor and the Escrow Agent. Depositor and South acknowledge and



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South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 2

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agree that the Refundable Deposit may not in any event be disbursed to any party other than Depositor and its designees and that the Refundable Deposit shall in all circumstances remain in escrow with the Escrow Agent until it is returned to Depositor in accordance with the terms of this Letter Agreement.

2. **Return of Deposit and Termination**. The Refundable Deposit shall be returned in full to Depositor by the Escrow Agent and this Letter Agreement terminated (except with respect to its provisions that survive termination as set forth herein) upon the earliest to occur of the following:

- a. the earlier of (x) the date prior to the date that South either commences the inspection contemplated by Exhibit C of the APA, and (y) the date the Replacement Deposit is received by the Escrow Agent;
- b. the date on which the APA is terminated, assigned, cancelled, modified or amended without the prior written consent of Depositor or otherwise terminated for any reason;
- c. the bankruptcy or insolvency of South or the Guarantor;
- d. not later than 4:59 pm, Eastern time, on September 14, 2020, if the transaction contemplated by the APA has not then been consummated in accordance with the terms of the APA and Depositor has elected not to grant an extension to South;
- e. failure by South to pay the Fee to Depositor directly no later than 1 business day after the Depositor funds into escrow held by Escrow Agent, or in the event the Deposit Period is extended to the Extension Period, payment of the Additional Fee (defined below) directly to Depositor two business days prior to the expiry of the Deposit Period;
- f. failure by the Remainder Depositors from depositing their portion of the Refundable Purchase Deposit within 3 Business Days of the Depositor funding the Refundable Deposit;
- g. upon the transfer of the Remainder Deposit to each of the Remainder Depositors or their designees;
- h. the written mutual agreement of Depositor and South; or
- i. (i) immediately upon written notice in the event of a non-curable breach by the other Party of the terms set forth herein or in the Remainder Letter Agreements, specifically including, but not limited to, breach of the representations, warranties and covenants in Section 4 and the confidentiality obligations in Section 6; (ii) upon five (5) days' prior written notice in the event of a curable

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 3

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breach by the other Party of any term or condition of this Letter Agreement, and the failure of the breaching Party to cure such breach during such five (5) day period; or (iii) upon five (5) days' prior written notice if there is any transfer in the controlling interest in, or a change in the management of South and if such change or transfer, in the sole judgment of Depositor, substantially impairs either Party's ability to perform the obligations under this Letter Agreement or the Remainder Letter Agreements.

Termination under this Section shall become effective upon the date specified (time being of the essence), the occurrence of the specified event or on the date set forth in the Party's written notice pursuant to this Section, provided that any notice requirements in the subsections immediately above are satisfied. Under no circumstance shall termination of this Letter Agreement, including Depositor's breach of this Letter Agreement, alter Depositor's right to return of the Refundable Deposit to Depositor in full. Termination of the Letter Agreement shall (i) be in addition to all other rights available under law or equity, including, but not limited to, the Parties' rights to seek injunctive relief and specific performance without the need for posting any bond and (ii) not excuse a Party from liability for any breaches or amounts owed of this Agreement by such Party prior to termination.

3. **Payment Due; Extension.** In consideration for Depositor's deposit of the Refundable Deposit for the benefit of South and the Guarantor pursuant to this Letter Agreement, South agrees to pay Depositor a fee of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) (the "Fee"), payable by South for Depositor's deposit of the Refundable Deposit pursuant to the terms of this Letter Agreement for a period expiring at 4:59 pm, New York City time, on September 14, 2020 (the "Deposit Period"). The Fee shall be paid by South to the Escrow Agent prior to the time Depositor deposits the Refundable Deposit with the Escrow Agent. Upon confirmation that the Fee has been deposited with the Escrow Agent, Depositor shall deposit the Refundable Deposit *less* the Fee with the Escrow Agent such that the total Refundable Deposit then held by the Escrow Agent (and which amount shall be returned to Depositor at the termination hereof) shall be Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00). Upon such deposit by the Depositor, Fee shall be deemed fully earned by Depositor and entirely nonrefundable to South. The Deposit Period may be extended by South for one (1) additional 60-day period (the "Extension Period"), provided that the Closing Date under the APA is extended by a period equal to the Extension Period. To extend the Deposit Period, South shall provide Depositor with written notice of South's desire to extend the Deposit Period not later than 48 hours prior to the expiration of the Deposit Period, which notice shall be accompanied by an additional fee equal to Eighty-two Thousand Five Hundred and No/100 Dollars (\$82,500.00) paid directly to Depositor.

4. **South's Representations, Warranties and Covenants.** South hereby represents, warrants and covenants to Depositor as follows:

- (a) A fully executed true, correct and complete copy of the APA has been provided to Depositor, a copy of which is attached hereto as Exhibit A.

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
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- (b) The Refundable Deposit is a portion of the Refundable Purchase Deposit under the APA and is fully refundable to Depositor under the terms thereof.
- (c) South shall not provide any instruction whatsoever to the Escrow Agent with respect to the transfer, use or disposition of the Refundable Deposit and South hereby acknowledges that such instructions can only come from Depositor.
- (d) Depositor shall provide Depositor with immediate written notice of the commencement of the inspection contemplated by Exhibit C to the APA or of any transfer in the controlling interest in, or a change in the management of South.
- (e) Under no circumstances shall the Refundable Deposit be used to fund or secure any portion of the purchase price of the Aircraft under the APA or otherwise, including any deposits due, under or pursuant to the APA.
- (f) The APA shall not be modified in any manner without the prior written consent of Depositor, which Depositor may grant or deny in its sole discretion for any reason.
- (g) South is a corporation validly existing under the laws of Florida and has full legal right and corporate power and authority to enter into this Letter Agreement and to consummate the transactions provided for herein.
- (h) The execution, delivery and performance by South of this Letter Agreement has been duly authorized by all requisite corporate action of South. This Letter Agreement, when executed and delivered by the Parties, will be a valid and binding agreement of South and the Guarantor enforceable against South and the Guarantor in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.
- (i) The execution and delivery of, and performance by (x) South of South's obligations under this Letter Agreement and (y) Guarantor of Guarantor's obligation under this Letter Agreement does not and will not violate or conflict with, in any respect, (i) any provision of law, rule or regulation, (ii) any order, judgment or decree of any court or other agency or government applicable to South or (iii) any provision of the organizational documents of South or its affiliates.
- (j) All consents, approvals, authorizations and orders required for the execution and delivery of this Letter Agreement by South and Guarantor have been obtained and are in full force and effect, and the execution and delivery of this Agreement by each of South and Guarantor does not require any filings with any governmental authority or court, or body or arbitrator having jurisdiction over South, except, in each case, as have already been

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 5

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made, obtained or waived or where the failure to obtain any such consent, approval, authorization, order or filing would not impair the ability of South to consummate the transactions contemplated by this Letter Agreement.

- (k) There is no action, suit, proceeding or investigation pending or, to South's or Guarantor's knowledge, currently threatened that questions the validity of this Agreement, or the right of South and Guarantor to enter into this Letter Agreement or to consummate the transactions contemplated by this Letter Agreement. There are presently no outstanding judgments, decrees or orders of any court or any governmental or administrative agency against South or the Guarantor that question the validity of this Letter Agreement, or the right of South or Guarantor to enter into this Letter Agreement or to consummate the transactions contemplated by this Letter Agreement.
- (l) Except as provided otherwise herein, neither South nor Guarantor has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Letter Agreement for which Depositor could become liable or otherwise obligated.

5. **Conditions of Depositor's Obligations.** The obligation of Depositor to effectuate and satisfy its obligations as set forth in this Letter Agreement is subject to the fulfillment of each of the following conditions, unless otherwise waived:

- (a) The representations and warranties contained in Section 4 hereof shall be and remain true and correct in all respects.
- (b) South's principal, Federico A. Machado, by his signature below, hereby unconditionally and irrevocably guaranties South's obligations herein and the Escrow Agent's obligations under that certain Escrow Agreement of even date herewith between Escrow Agent and Depositor. For purposes hereof, Mr. Machado acknowledges and agrees that the provision of the Refundable Deposit hereunder is a benefit to him individually as a result of his relationship and affiliation with South and that without the personal guaranty evidenced by Guarantor's signature hereto, Depositor would not make the Refundable Deposit contemplated hereunder.
- (c) South shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Letter Agreement that are required to be performed or complied with before performance of the respective obligation.
- (d) No government, court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction, order or other legal restraint (whether temporary, preliminary or permanent) which is in effect and which has the effect of making the respective obligation illegal or otherwise prohibiting or preventing the performance of such obligation by Depositor.



South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 6

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- (e) Depositor is satisfied that all of the other Remainder Depositors have executed (x) letter agreements substantially in the form of this Letter Agreement and (y) escrow agreements covering the Remainder Deposits substantially in the form of the Escrow Agreement.

6. **Confidentiality.**

- (a) **Confidential Material.** Under this Letter Agreement, Confidential Material shall refer to materials or information that is furnished by a Disclosing Party (defined below) to a Receiving Party (defined below) that the Disclosing Party identifies as Confidential Material in writing or verbally or to which the Receiving Party should reasonably expect to be treated as confidential based on customary business practices. Except as otherwise expressly permitted herein, neither Party which receives Confidential Material (a “Receiving Party”) of the other Party (a “Disclosing Party”) under this Agreement shall disclose the Confidential Material to the public or any third party nor use it for any purpose other than as expressly contemplated by this Agreement. A Receiving Party may disclose Confidential Material to its agents, directors, officers, employees, attorneys and other advisors subject to a duty of confidentiality to the Receiving Party (all such parties are referred to herein as “Representatives”) to the extent necessary to effectuate the terms and conditions of this Agreement. The Parties agree to be responsible for any breaches of this Section by their respective Representatives or company affiliates.
- (b) **Excluded Information.** Confidential Material shall not include information that (i) is already in the Receiving Party’s possession, provided that such information is not known by that Party to be subject to another confidentiality agreement or other obligation of secrecy between the Parties, (ii) becomes generally available to the public other than as a result of a disclosure by the Receiving Party (including its agents, directors, officers, employees, attorneys and advisors) or (iii) becomes available to the Receiving Party on a non-confidential basis from a third party source, provided that such source is not known by the Receiving Party to be bound by a confidentiality agreement with or other obligation of secrecy to the Disclosing Party.
- (c) **Permitted Disclosure.** The Parties acknowledge that Depositor is subject to disclosure requirements under the rules and regulations of the Securities and Exchange Commission, OTC Market and other applicable laws and regulations and may be subject to judicial, administrative or governmental proceedings. The Parties acknowledge and agree that the Parties are permitted to disclose Confidential Material as required by applicable law, regulation or rules of any subject proceedings; provided, however, that unless prohibited by applicable law, regulation or rule (i) a Party must make the other Party aware of any obligation to make a public or third party disclosure of Confidential Material prior to such disclosure and (ii) if time permits, provide the other Party with an advance copy of the proposed disclosure and allow reasonable input as to the language of such disclosure. The Parties have the right, upon notice of a pending disclosure of Confidential Material, to seek an appropriate protective order and the other Party shall, if requested, reasonably cooperate with pursuit of such order at its own expense.

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
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(d) **Destruction of Confidential Material.** Upon a Disclosing Party's demand, the Receiving Party shall promptly (a) destroy any Confidential Material it received and any copies thereof, or (b) return all Confidential Material and any copies thereof, and, in either case, confirm in writing to the Disclosing Party that all such material has been destroyed or returned, as applicable, in compliance with this Agreement. It is understood that information in an intangible or electronic format containing Confidential Material cannot be removed, erased or otherwise deleted from archival systems (also known as "computer or system back-ups") but that such information will continue to be protected under the confidentiality requirements contained in this Agreement and that the Parties and their Representatives shall continue to be bound by the obligations of confidentiality hereunder.

7. **No Assignment.** Neither Party may transfer or assign this Letter Agreement or any rights or obligations hereunder, directly or indirectly, by operation of law or otherwise, without the prior written consent of the other Party (which may be withheld for any reason or no reason), and any such assignment without consent shall be null and void and of no effect. This Agreement shall inure to the benefit of and be binding upon each Party's respective successors and permitted assigns.

8. **Further Assurances.** Subject to the terms and conditions of this Letter Agreement, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Letter Agreement.

9. **Indemnification.** South shall indemnify and hold harmless Depositor from and against any claim, loss or damage arising out of any breach of this Letter Agreement or the use of the Refundable Deposit. All of South's obligations under this Letter Agreement are hereby personally unconditionally and irrevocably guaranteed by the Guarantor, an individual and resident of Florida.

10. **Costs.** South shall reimburse Depositor for any and all expenses incurred by it with the Escrow Agent. Except as otherwise expressly provided for herein, each Party will pay its own legal and other fees in connection with the negotiation and preparation of this Agreement; provided that any costs and fees, including but not limited to attorneys' fees, incurred by Depositor due to South's breach of this Letter Agreement, including but not limited to, any breach based on the representations, warranties and covenants in Section 4 herein, as well as any costs of collection incurred by Depositor in connection herewith shall be immediately recoverable and reimbursable by South.

11. **Independent Contractors/Third Party Rights.** The Parties are independent contractors and nothing contained in this Agreement, including any references by one Party to the other Party as a "partner," places the Parties in the relationship of principal and agent, partners, affiliates or joint venturers. Neither Party may, either expressly or by implication, represent itself as having any authority to make contracts or enter into any agreements on behalf of or in the name of the other Party, or to bind or obligate the other Party in any way whatsoever. No action or

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
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omission by either Party shall in any way be imputed on the other Party for any reason. This Letter Agreement is for the sole benefit of the Parties hereto and is not intended to create any rights as an intended or third-party beneficiary for any third party. South recognizes, acknowledges and agrees that the Refundable Deposit will not be subject to any right of interpleader or offset and the Refundable Deposit will not be controlled, governed or used pursuant to the terms of any other document or agreement unless consented to by Depositor in writing.

12. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. The Parties acknowledge that neither party nor their agents or attorneys have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this Letter Agreement for the purpose of inducing the other party to execute this agreement. The Parties acknowledge that they have executed this Letter Agreement in reliance only upon such promises as are contained herein.

13. **Modification.** It is expressly agreed that this Letter Agreement may not be altered, amended, modified or otherwise changed in any respect except by another written agreement that specifically refers to this agreement executed by each of the Parties.

14. **Severability.** If any provision of this Letter Agreement, or any part of any such provision, is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction and (c) such invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Letter Agreement and is separable from every other part of such provision.

15. **Notices.** All notices, requests and other communications to any Party required or permitted to be given hereunder shall be in writing to the address specified in the recital hereof and shall be delivered in person, by electronic or regular mail or facsimile to the signatories below. Each Party hereto shall be entitled to specify a different address or facsimile number for the receipt of subsequent notices or other communications by giving written notice thereof to the other party in accordance with this Section.

16. **Survival.** Any rights and obligations which by their nature should survive termination or expiration of this Agreement shall survive, specifically including, but not limited to, the indemnification and confidentiality obligations specifically set forth herein.

17. **Governing Law.** This Letter Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to its conflicts of laws

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 9

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rules. Depositor shall be entitled to recover any attorneys' fees it is obligated to incur in connection with enforcement of this Letter Agreement.

18. **Headings**. The headings contained in this Letter Agreement are included for purposes of convenience only and do not affect the meaning or interpretation of this agreement.

[Signature Page Follows.]


<sup>DS</sup>  
FAM

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 10

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If the foregoing terms are acceptable to you, please indicate your acceptance in the space indicated below. Thank you.

**CCUR Holdings, Inc.**

By:   
Name: Wayne Barr, Jr.  
Title: President and CEO

**Agreed to and accepted:**

**South Aviation, Inc.**

By: \_\_\_\_\_  
Name: Federico A. Machado  
Title: President

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Federico A. Machado, in his individual capacity for the purpose of confirming (i) his guaranty obligations set forth in this Letter Agreement and (ii) that he has been advised by an attorney who has reviewed with him his personal obligations hereunder.

**\*\*\*Signature Page to Letter Agreement\*\*\***

South Aviation, Inc.  
Federico A. Machado  
May 14, 2020  
Page 10

\_\_\_\_\_


If the foregoing terms are acceptable to you, please indicate your acceptance in the space indicated below. Thank you.

**CCUR Holdings, Inc.**

By: \_\_\_\_\_  
Name: Wayne Barr, Jr.  
Title: President and CEO

**Agreed to and accepted:**

**South Aviation, Inc.**

DocuSigned by:  
  
By: \_\_\_\_\_  
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Name: Federico A. Machado

Title: President

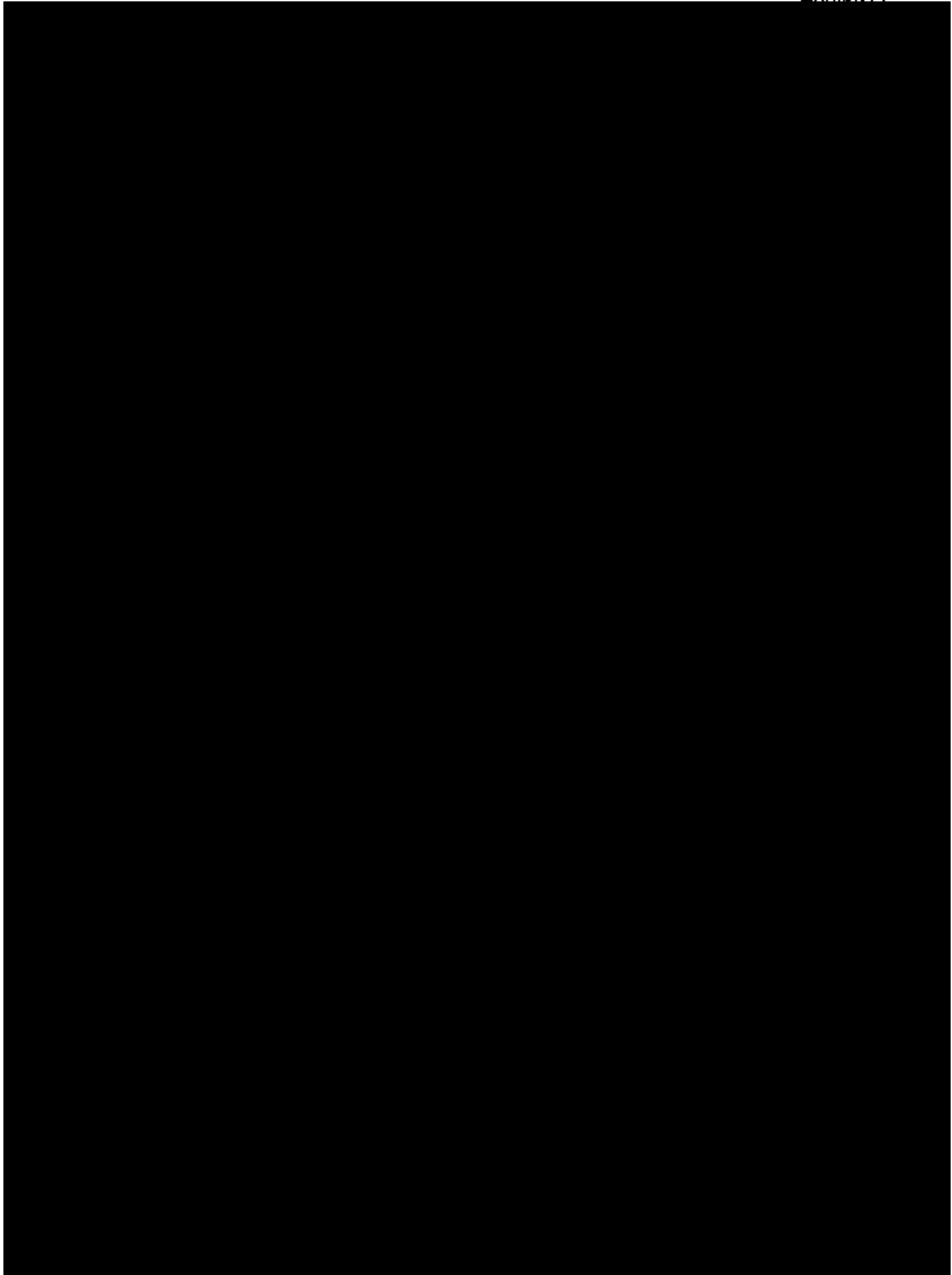
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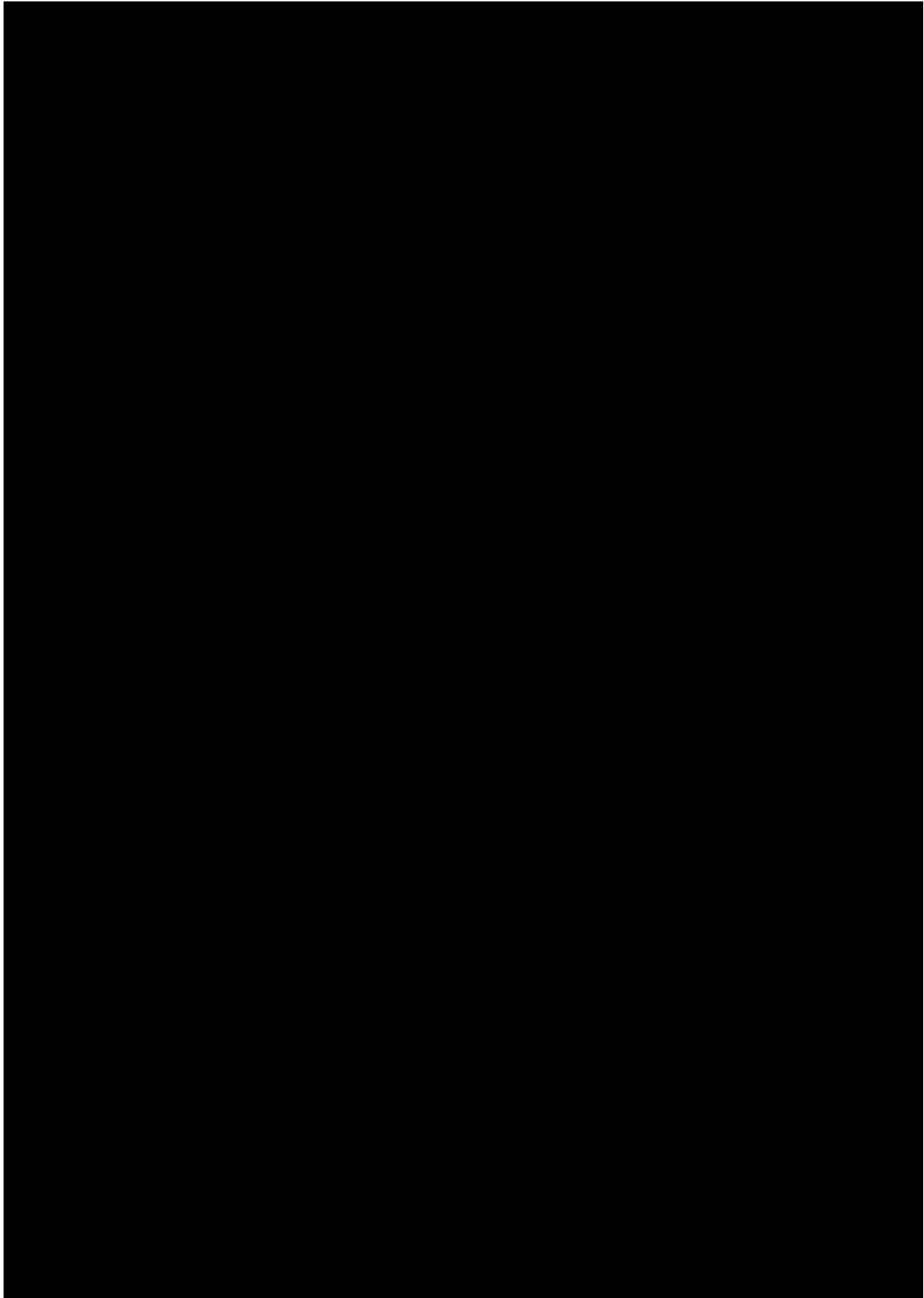
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Federico A. Machado, in his individual capacity for the purpose of confirming (i) his guaranty obligations set forth in this Letter Agreement and (ii) that he has been advised by an attorney who has reviewed with him his personal obligations hereunder.

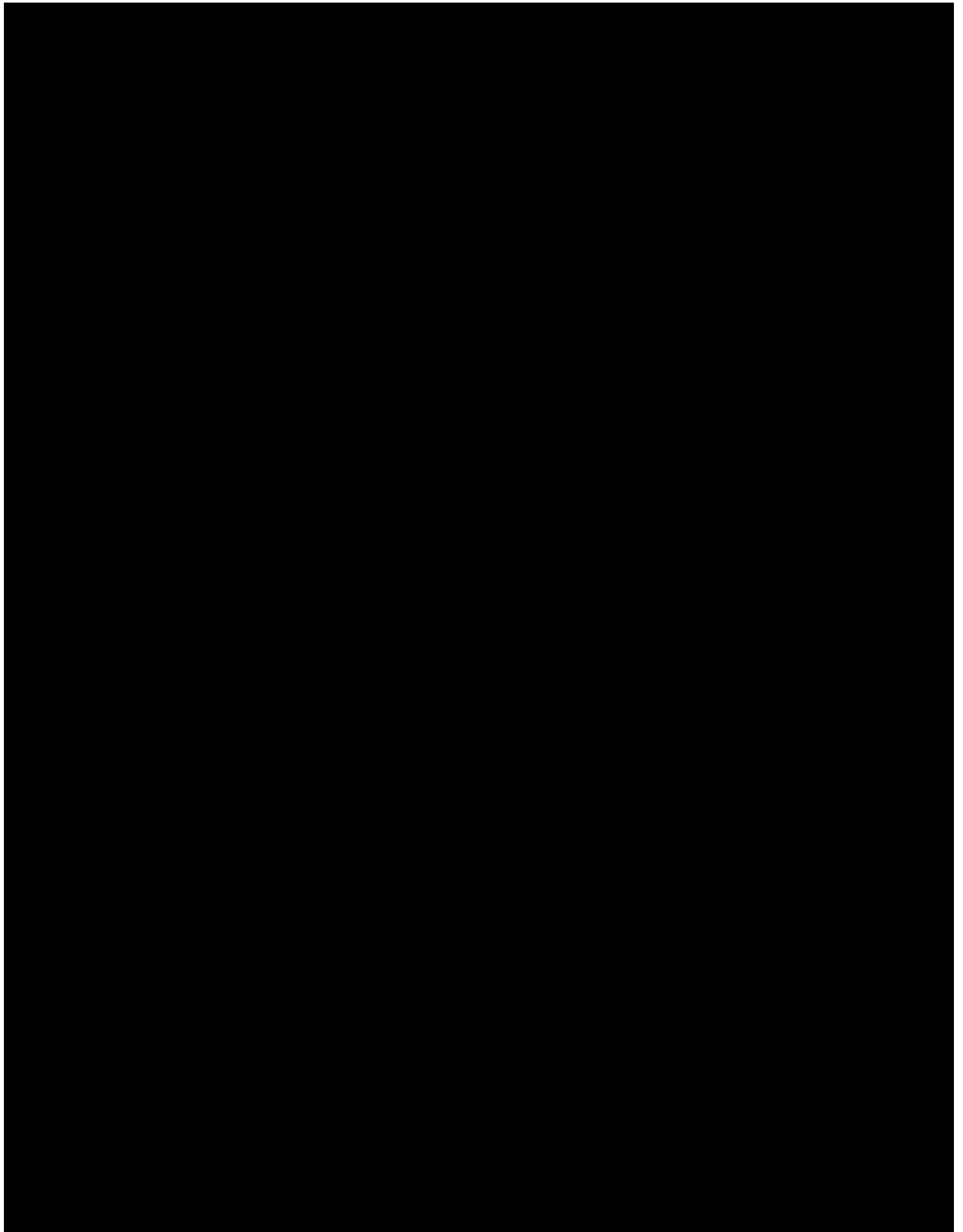
**\*\*\*Signature Page to Letter Agreement\*\*\***

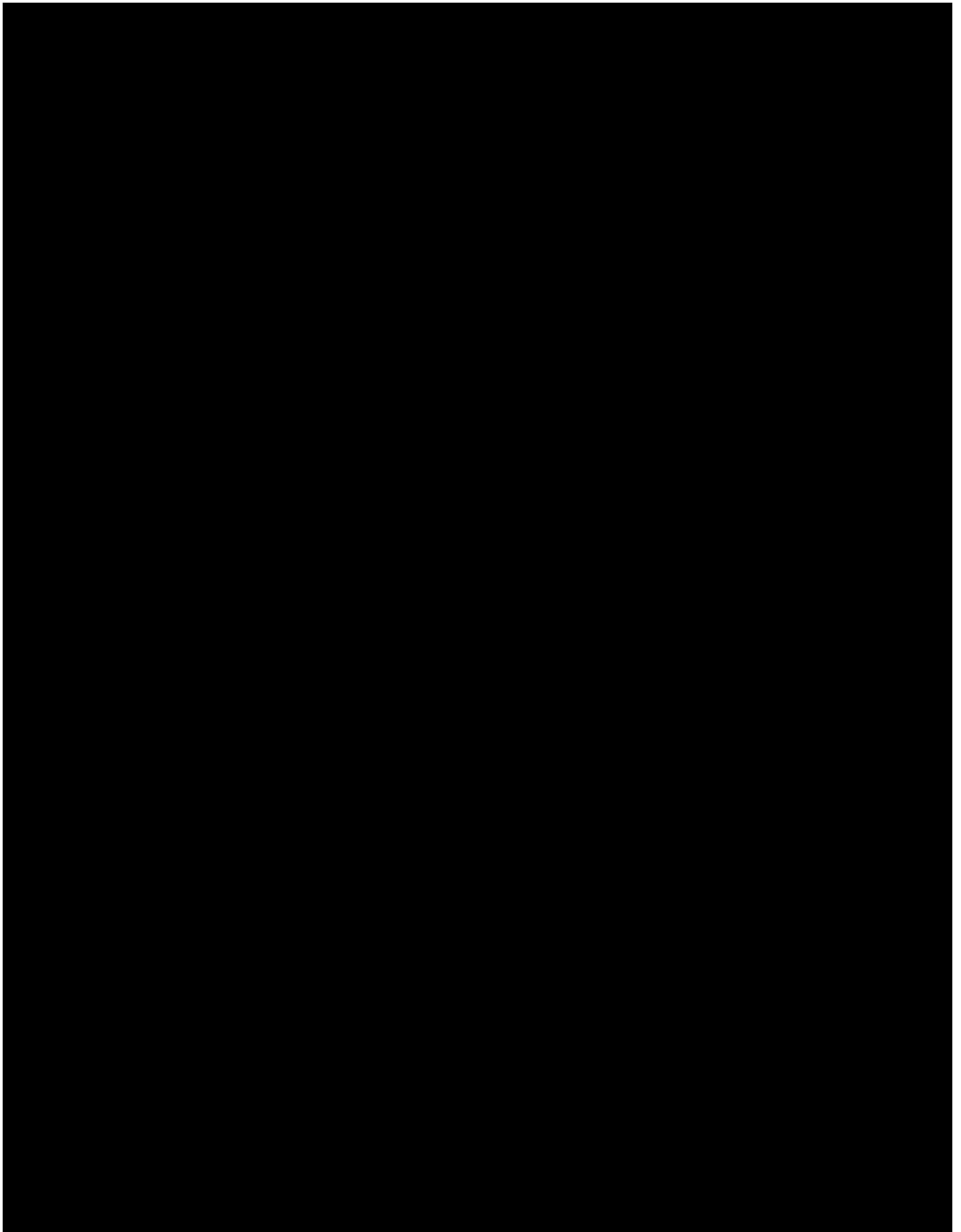
Exhibit A

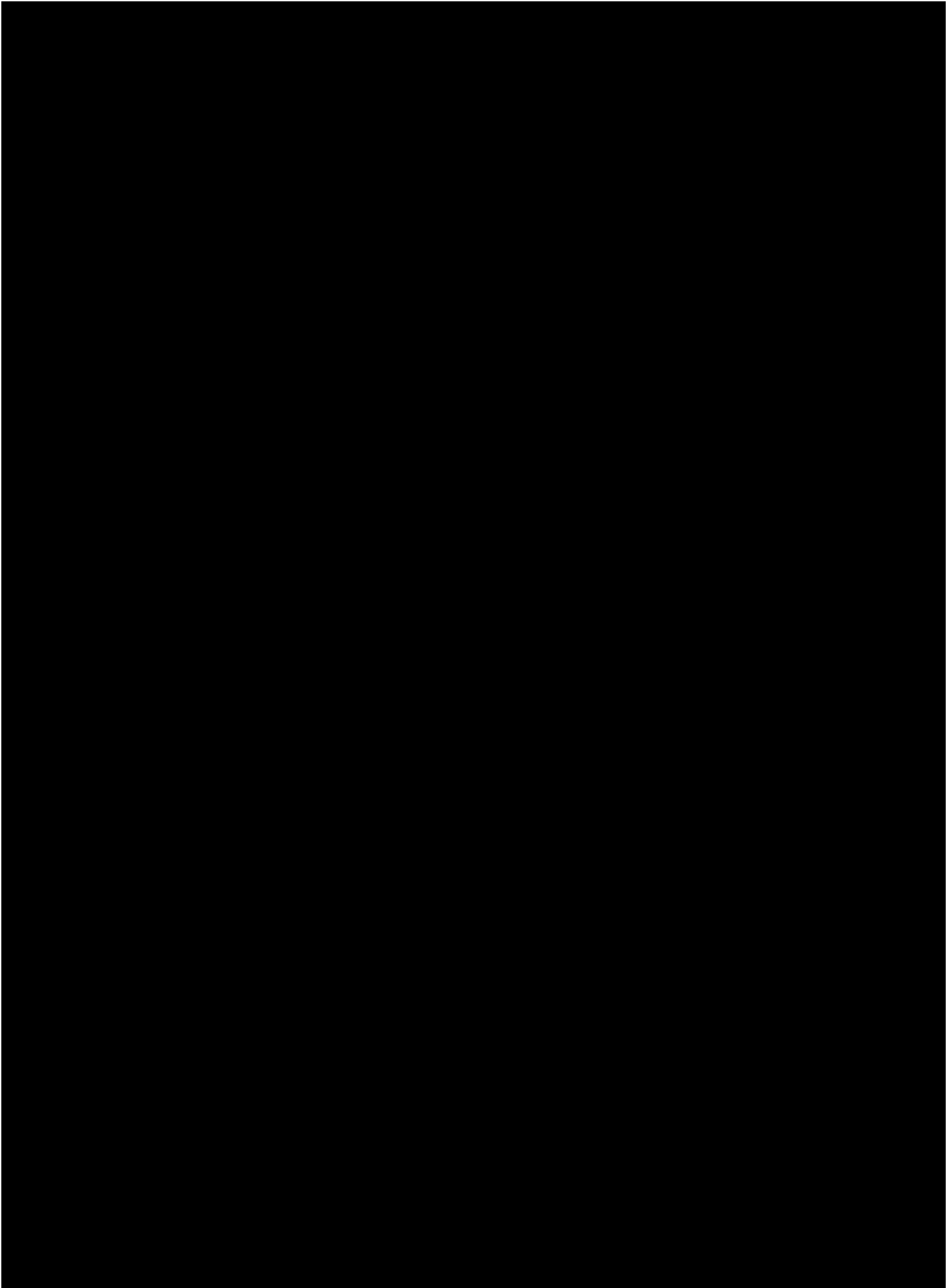


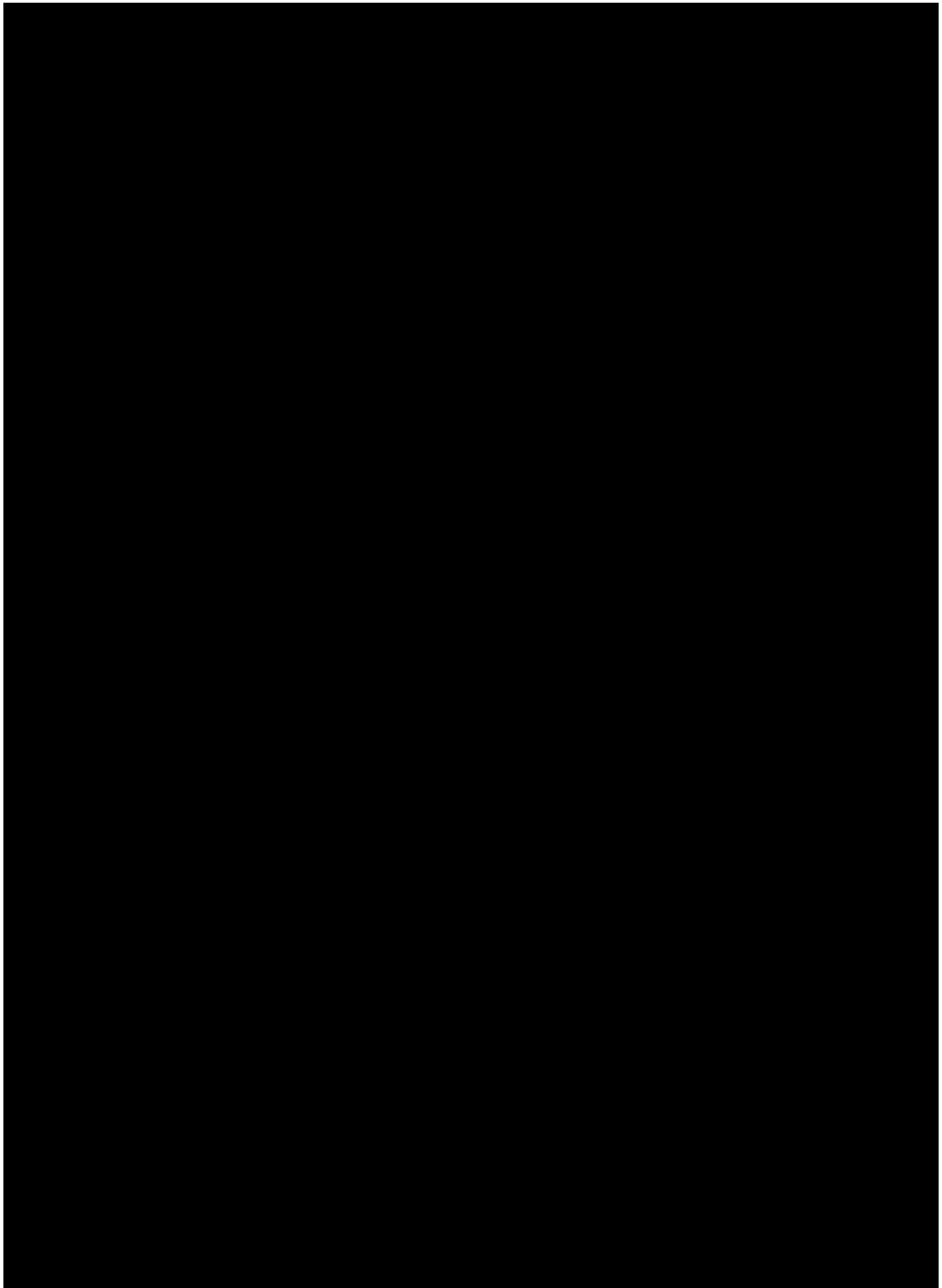


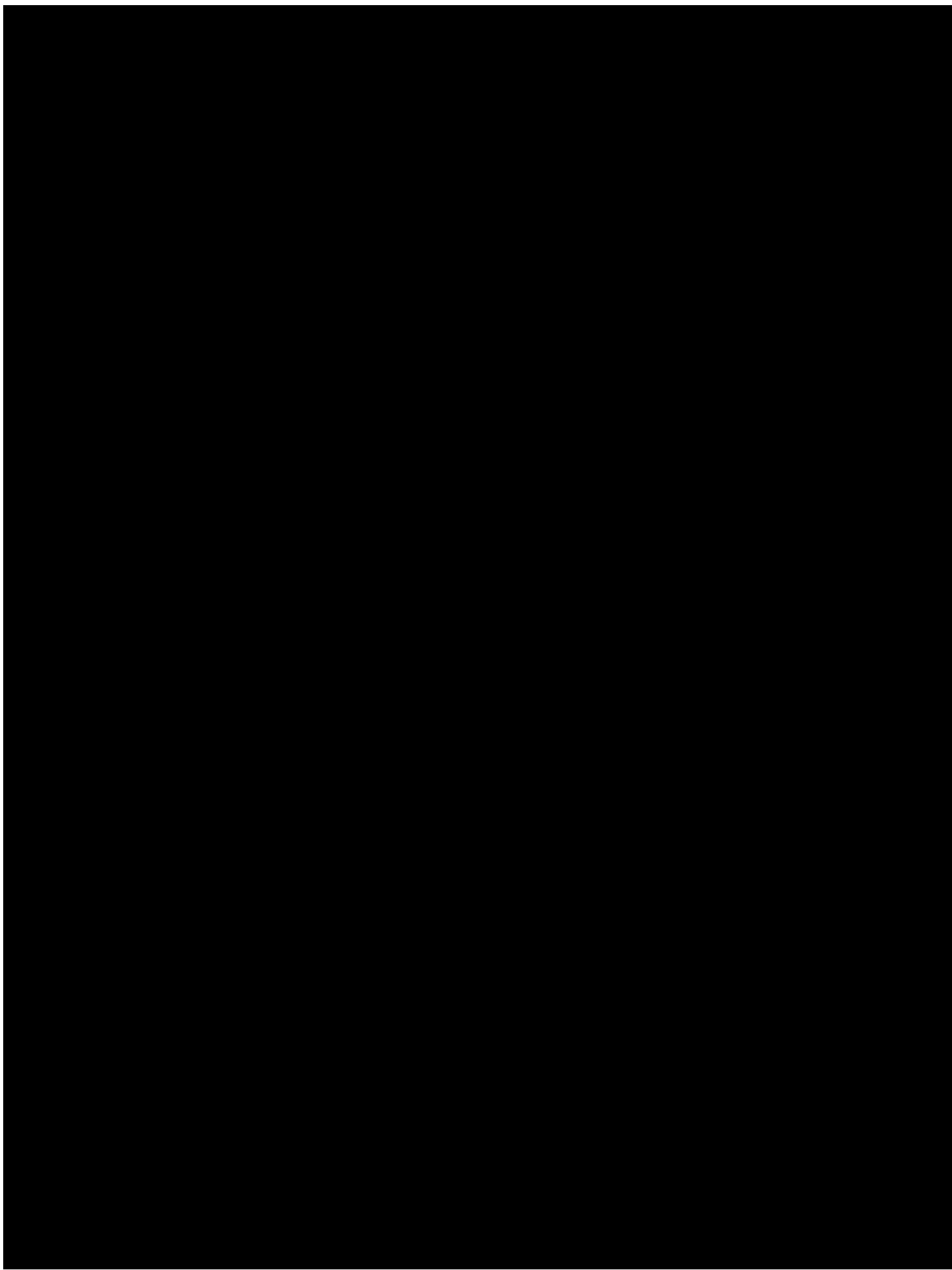


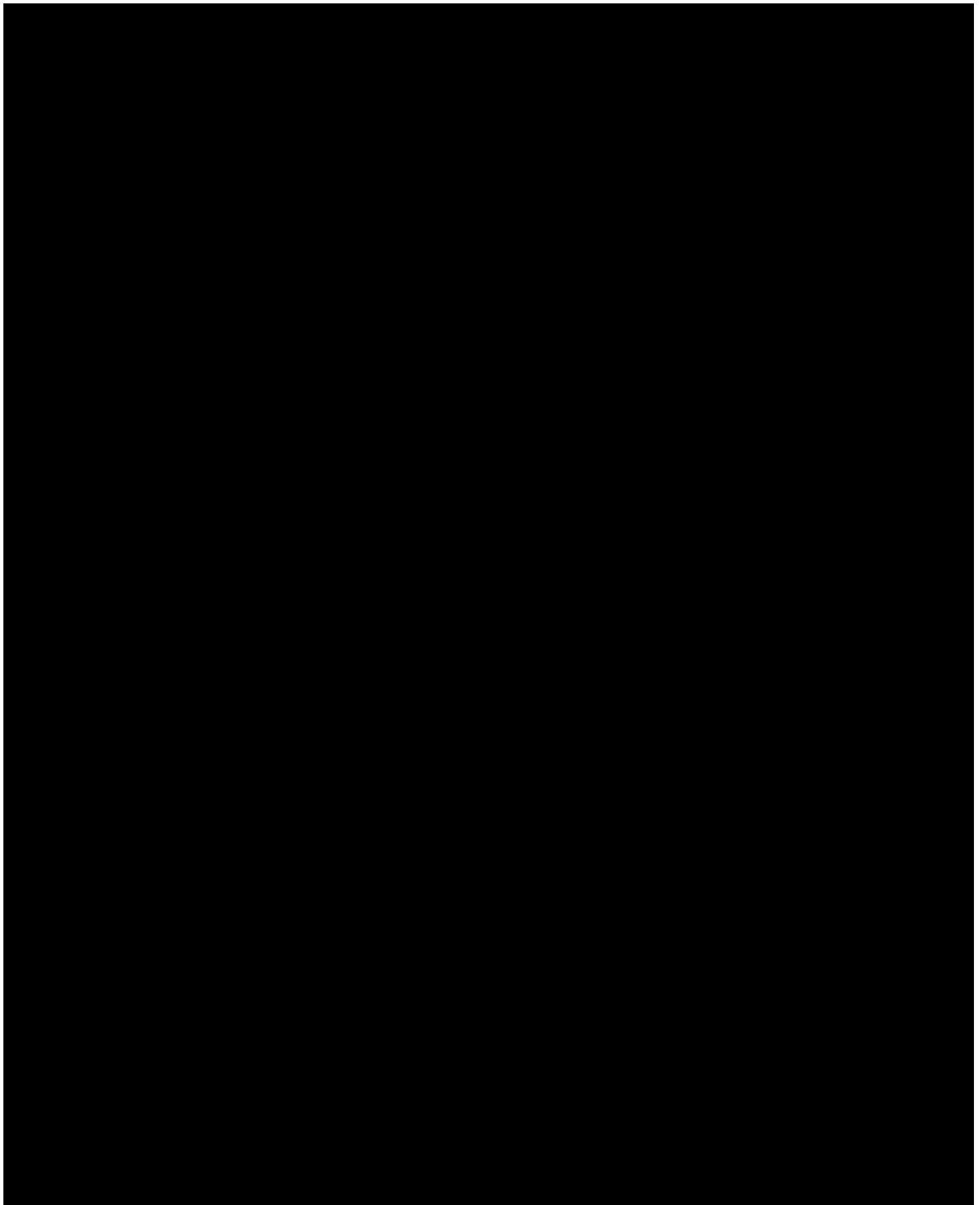


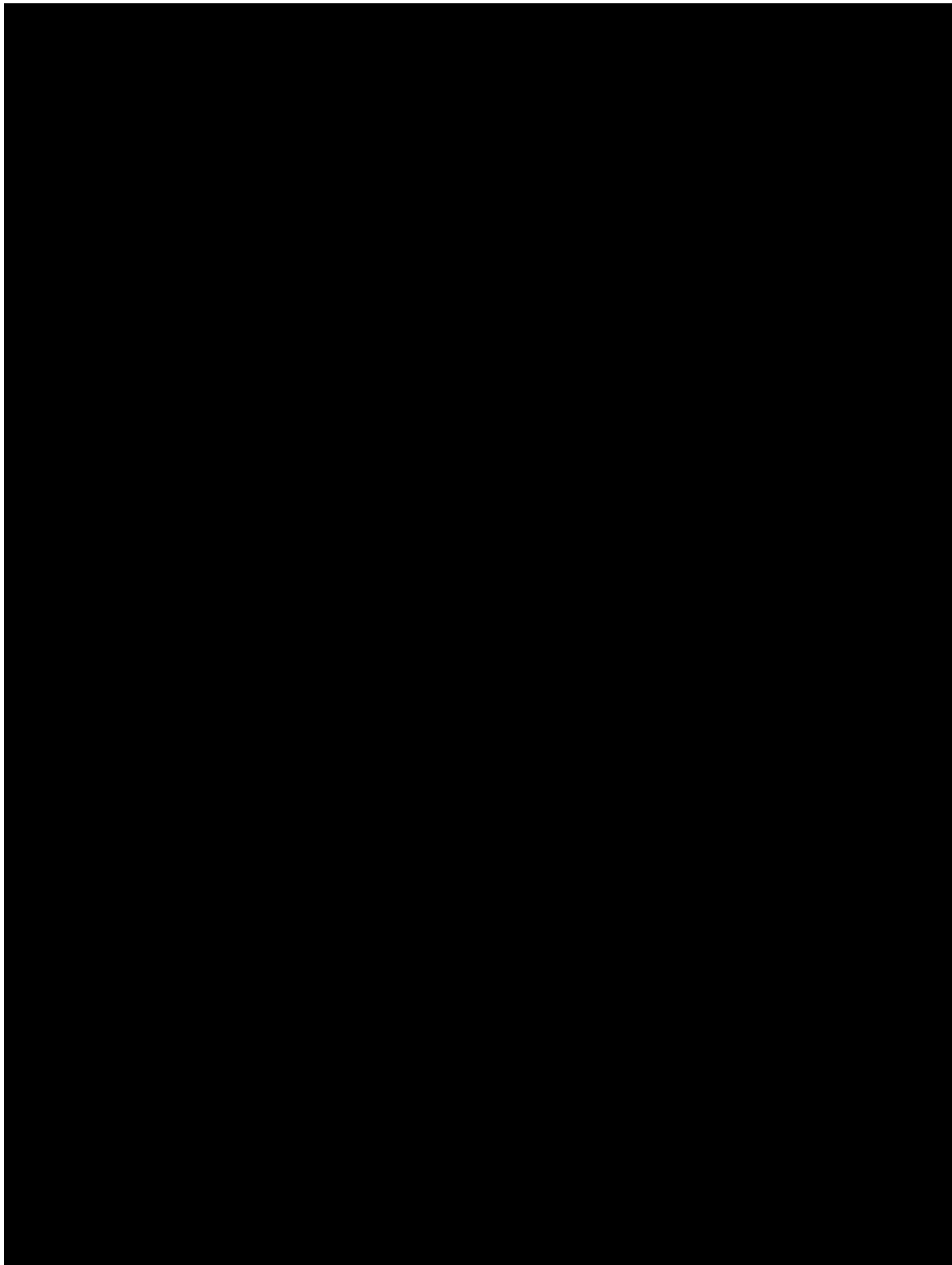












# EXHIBIT B-2



**ESCROW AGREEMENT**

THIS ESCROW AGREEMENT (the "Agreement") made this 14th day of May, 2020 by and between WRIGHT BROTHERS AIRCRAFT TITLE, INC., whose address is 928 SW 107<sup>th</sup> St., Oklahoma City, OK 73170 (the "Escrow Agent") and CCUR Holdings, Inc. (the "Depositor"), whose address is 6470 East Johns Crossing, Suite 490, Duluth, GA 90037 .

WITNESSETH

**WHEREAS**, South Aviation, Inc., as Buyer ("South Aviation"), and Aero Advisers Inc., as Seller ("AAI"), have entered into that certain Aircraft Purchase Agreement dated May 14, 2020 (the "APA"; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the APA) contemplating the purchase by South Aviation of that certain Boeing 777-367 (ER) having Manufacturer Serial Number 35301 and Registration Number K-BPH (the "Aircraft"), a copy of which is attached hereto (capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the APA); and

**WHEREAS**, South Aviation and Depositor have entered into a certain letter agreement (the "South Letter Agreement") pursuant to which Depositor has agreed to provide a portion of the fully Refundable Purchase Deposit contemplated by the APA (in the aggregate amount of Five Million and No/100 Dollars (\$5,000,000.00) in the amount of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00)(the "Deposit"), for the benefit of South Aviation, on and subject to the terms and conditions contained in the South Letter Agreement; and

**WHEREAS**, contemporaneously herewith, South Aviation has entered into letter agreements on substantially the same terms and conditions as the South Aviation Letter with each of JDS1, LLC ("JDS1") and Edidin Partners LLC ("EPLLC")(collectively, the "Remainder Letter Agreements"), pursuant to which JDS1 and EPLLC will provide the remaining portion of the fully Refundable Purchase Deposit contemplated by the APA (the "Remainder Deposit"); and

**WHEREAS**, the Depositor desires to deposit, or cause to be deposited for its benefit, funds constituting a portion of the fully Refundable Purchase Deposit with the Escrow Agent, and the Escrow Agent has consented to hold such funds, pursuant to the terms and conditions hereof.

**NOW THEREFORE**, the Escrow Agent and the Depositor agree as follows:

1. The Depositor hereby appoints Wright Brothers Aircraft Title, Inc. as Escrow Agent under this Agreement. The Escrow Agent hereby accepts such appointment and agrees to hold, invest and disburse all funds received from or on behalf of the Depositor in accordance with the terms of this Agreement.

2. The Escrow Funds constituting the Deposit shall consist of Two Million Five

Hundred Thousand and No/100 Dollars (\$2,500,000.00)(the “Escrow Funds”), representing a portion of the Refundable Purchase Deposit contemplated by the APA, which the Depositor shall deposit, or cause to be deposited for its benefit, with the Escrow Agent by wire transfer of immediately available funds to the account designated on Exhibit A attached hereto.

3. The Escrow Agent shall disburse the Escrow Funds to the Depositor by wire transfer of immediately available funds to the account designated on Exhibit B attached hereto upon the earlier of:

- a. the earlier of (x) the date prior to the date that South either commences the inspection contemplated by Exhibit C of the APA, and (y) the date the Replacement Deposit is received by the Escrow Agent;
- b. the date on which the APA is terminated, assigned, cancelled, modified or amended without the prior written consent of Depositor or otherwise terminated for any reason;
- c. the bankruptcy or insolvency of South or the Guarantor;
- d. not later than 4:59 pm, Eastern time, on September 14, 2020, if the transaction contemplated by the APA has not then been consummated in accordance with the terms of the APA and Depositor has elected not to grant an extension to South;
- e. failure by South to pay the Fee to Depositor directly no later than 1 business day after the Depositor funds into escrow held by Escrow Agent, or in the event the Deposit Period is extended to the Extension Period, payment of the Additional Fee (defined below) directly to Depositor two business days prior to the expiry of the Deposit Period;
- f. failure by the Remainder Depositors from depositing their portion of the Refundable Purchase Deposit within 3 Business Days of the Depositor funding the Refundable Deposit;
- g. upon the transfer of the Remainder Deposit to each of the Remainder Depositors or their designees;
- h. the written mutual agreement of Depositor and South; or
- i. (x) immediately upon written notice in the event of a non-curable breach by the other Party of the terms set forth herein or in the Remainder Letter Agreements, specifically including, but not limited to, breach of the representations, warranties and covenants in Section 4 and the confidentiality obligations in Section 6; (y) upon five (5) days’ prior written notice in the event of a curable breach by the other Party of any term or condition of this Letter Agreement, and the failure of the breaching Party to cure such breach during such five (5) day period; or (z) upon five (5) days’ prior written notice if there is any transfer in the controlling interest in, or a change in the management of South and if such change or transfer, in the sole judgment of Depositor, substantially impairs either Party’s ability to

perform the obligations under this Letter Agreement or the Remainder Letter Agreements.

4. In no event and under no circumstances shall the Escrow Agent disburse the Escrow Funds or any portion thereof to any party other than the Depositor.

5. The Escrow Funds escrowed hereunder shall be deposited in a non-interest bearing account or in a trust account. All accounts shall be held in financial institutions the deposits of which are insured by an agency of the United States. The Depositor shall not be entitled to earn interest on the Escrow Funds.

6. Neither this Agreement nor any of the terms or provisions hereof may be amended, modified, supplemented or waived except by a written instrument signed by all the parties hereto (or, in the case of a waiver, by the party or parties granting the waiver). No waiver of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. No failure of a party hereto to insist upon strict compliance by another party hereto with any obligation, covenant, agreement or condition contained in this Agreement shall operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

7. Each term and provision of this Agreement constitutes a separate and distinct undertaking, covenant, term and/or provision hereof. In the event that any term or provision hereof shall be determined to be unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other term or provision hereof, but this Agreement shall be construed as if such unenforceable, invalid or illegal term or provision had never been contained herein. Moreover, if any term or provision hereof shall for any reason be held to be excessively broad as to time, duration, activity, scope or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent permitted under applicable law as it shall then exist.

8. In the event of litigation between the parties to enforce the provisions of or with respect to this Agreement, the prevailing party shall be entitled to reimbursement of its costs of the litigation, including reasonable attorneys' fees.

9. This Agreement and the interpretation of its terms shall be governed by the laws of New York. In the event of any dispute arising hereunder, the parties agree and consent to the exclusive jurisdiction and venue in the state courts of New York County, New York.

10. All of the terms of this Agreement, as it may be amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective heirs, successors and assigns of the Depositor and the Escrow Agent. The Escrow Agent shall not have the right to transfer or assign its rights, or transfer or delegate its duties, under this Agreement without the prior written consent of the Depositor which may be given or withheld in the sole and absolute discretion of the Depositor.

[Signature Page Follows.]

**IN WITNESS WHEREOF**, the parties have executed this Escrow Agreement as of the day and year first above written.


**ESCROW AGENT:**

WRIGHT BROTHERS AIRCRAFT TITLE, INC.

By:   
Name: Debbie Mercer-Erwin  
Title: President

**DEPOSITOR:**

CCUR Holdings, Inc.

By:   
Name: Wayne Barr, Jr.  
Title: President and CEO

**Exhibit A**

**TRANSFER INSTRUCTIONS FOR ESCROW  
AGENT**

BANK NAME: BANK OF AMERICA, N.A.  
BANK ADDRESS: 5616 N. MAY AVENUE, OKLAHOMA CITY, OK 73112  
ABA ROUTING: [REDACTED]  
ACCOUNT NO: [REDACTED]  
ACCOUNT NAME: [REDACTED]  
| | [REDACTED]  
SWIFT CODE: [REDACTED]

**EXHIBIT B**

**Depositor Wire Instructions**

BANK NAME: Silicon Valley Bank

ABA ROUTING: [REDACTED]

ACCOUNT NO: [REDACTED]

ACCOUNT NAME: [REDACTED].

*Kindly contact Virginia Moyer (470-264-0993) or Warren Sutherland (770-305-6435) to confirm wire instructions prior to initiating a wire transfer.*

# EXHIBIT C-1

August 28, 2020

Federico A. Machado  
President  
South Aviation, Inc.  
1470 Lee Wagener Blvd, Suite 100  
Fort Lauderdale, Florida 33315

Dear Mr. Machado:

The purpose of this Letter Agreement is to set forth the terms and conditions by which CCUR Aviation Finance LLC (“Depositor”), a Delaware limited liability company with its principal place of business at 6470 East Johns Crossing, Suite 490, Duluth, GA 30097, will make available to South Aviation, Inc., a Florida corporation with its principal place of business located at 1470 Lee Wagener Boulevard, Suite 100, Ft. Lauderdale, FL 33315 (“South), and Federico A. Machado (“Guarantor”), a wholly refundable deposit of two million five hundred thousand dollars (\$2,500,000) (which is defined, for purposes of this Letter Agreement, as the “Refundable Deposit”) for use in connection with the purchase of that certain 2010 Boeing 767-32L (ER) having Manufacturer Serial Number 40343 and Registration Number 4K-AZ81 (the “Aircraft”), and the consideration that South owes Depositor in return for use of the Refundable Deposit.

The Refundable Deposit represents a portion of the fully refundable deposit (the “Refundable Purchase Deposit”) contemplated by that certain Letter of Intent dated August 27, 2020, between Innovative Aerospace Leasing LLC as Seller, and South Aviation Inc., as Buyer (the “LOI”; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the LOI), requiring the Buyer to place a deposit of Five million dollars (\$5,000,000) into escrow with the Escrow Agent (defined below) as a fully Refundable Purchase Deposit. The remaining portion of the Refundable Purchase Deposit (the “Remainder Deposit”) is being provided contemporaneously by EHC Aspen Properties LLC, JDS1, LLC and Edidin Partners LLC (collectively, the “Remainder Depositors”) pursuant to the letter agreements of even date herewith between South, on the one hand, and each of the Remainder Depositors, on the other hand (the “Remainder Letter Agreements”). South represents and warrants that the Refundable Purchase Deposit is fully refundable to Depositor under the LOI at all times pursuant to its express terms, a true, correct and complete copy of which has been provided to Depositor. By this Letter Agreement, the Depositor is agreeing that the deposit of the Refundable Deposit with the Escrow Agent shall be used to satisfy the deposit requirements under the LOI. Depositor and South acknowledge that it is South’s present intention to take acceptance of the Aircraft not later than November 26, 2020, whereupon the Refundable Deposit shall be returned immediately to Depositor. Based on this understanding, the parties agree to the following:

1. **Method of Deposit.** Depositor will cause the deposit of the Refundable Deposit into an escrow account with Wright Brothers Aircraft Title, Inc., 928 SW 107<sup>th</sup> Street, Oklahoma City, Oklahoma 73170 (the “Escrow Agent”) pursuant to a mutually agreed upon escrow agreement between Depositor and the Escrow Agent. Depositor and South acknowledge and agree



that the Refundable Deposit may not in any event be disbursed to any party other than Depositor and its designees and that the Refundable Deposit shall in all circumstances remain in escrow with the Escrow Agent until it is returned to Depositor.

2. **Return of Deposit and Termination.** The Refundable Deposit shall be returned in full to Depositor by the Escrow Agent and this Letter Agreement terminated (except with respect to its provisions that survive termination as set forth herein) upon the earliest to occur of the following:

- a. Immediately prior to the date that Buyer and Seller (or their permitted assigns) enter into an Aircraft Purchase Agreement (the "APA") or upon receipt of the Replacement Deposit (as defined in the LOI) from South;
- b. the date on which the LOI is cancelled, modified or amended without the prior written consent of Depositor or otherwise terminated for any reason;
- c. the bankruptcy or insolvency of South or the Guarantor or filing of a petition regarding the same;
- d. not later than 4:59 pm, Eastern time, on November 26, 2020, if the transaction contemplated by the LOI has not then been consummated and Depositor has elected not to grant an extension to South or December 26, 2020 if the Deposit Period is extended to the Extension Period;
- e. failure by South to pay (i) the Fee to Depositor directly no later than one (1) business day after the Depositor funds into escrow held by Escrow Agent, or (ii) in the event the Deposit Period is extended to the Extension Period, the Extension Fee, as defined herein, directly to Depositor within two (2) business days prior to expiration of the Deposit Period;
- f. failure by the Remainder Depositors from depositing their portion of the Refundable Purchase Deposit within 3 Business Days of the Depositor funding the Refundable Deposit;
- g. upon the transfer of the Refundable Deposit to any party other than Depositor and its designees or the Escrow Agent as set forth herein;
- h. upon the transfer of the Remainder Deposit to each of the Remainder Depositors or their designees;
- i. the written mutual agreement of Depositor and South; or
- j. (i) immediately upon written notice in the event of a non-curable breach by the other Party of the terms set forth herein or in the Remainder Letter Agreements, specifically including, but not limited to, breach of the representations, warranties and covenants in Section 4 and the confidentiality obligations in Section 6; (ii) upon five (5) days' prior written notice in the event of a curable breach by the other Party of any term or condition of this Letter Agreement, and

the failure of the breaching Party to cure such breach during such five (5) day period; or (iii) upon five (5) days' prior written notice if there is any transfer in the controlling interest in, or a change in the management of South and if such change or transfer, in the sole judgment of Depositor, substantially impairs either Party's ability to perform the obligations under this Letter Agreement or the Remainder Letter Agreements.

South shall provide immediate written notice to Depositor and Escrow Agent of the occurrence of any of the events covered in Section 2(a)-(c) above and the failure to provide such notice shall be deemed an uncurable breach of this agreement. Termination under this Section shall become effective upon the date specified (time being of the essence), the occurrence of the specified event or on the date set forth in the Party's written notice pursuant to this Section, provided that any notice requirements in the subsections immediately above are satisfied. Under no circumstance shall termination of this Letter Agreement, including Depositor's breach of this Letter Agreement, alter Depositor's right to return of the Refundable Deposit in full. Termination of the Letter Agreement shall (i) be in addition to all other rights available under law or equity, including, but not limited to, the Parties' rights to seek injunctive relief and specific performance without the need for posting any bond and (ii) not excuse a Party from liability for any breaches or amounts owed under this Agreement by such Party prior to termination.

3. **Payment Due; Extension.** In consideration for Depositor's deposit of the Refundable Deposit for the benefit of South pursuant to this Letter Agreement, South agrees to pay Depositor a fee of one hundred fifty thousand dollars (\$150,000) (the "Fee"), payable by South to Depositor pursuant to the terms of this Letter Agreement for a period expiring at 4:59 pm, Eastern time, on November 26, 2020 (the "Deposit Period"). The Fee shall be paid by South to the Escrow Agent prior to the time Depositor deposits the Refundable Deposit with the Escrow Agent. Upon confirmation that the Fee has been deposited with the Escrow Agent, Depositor shall deposit the Refundable Deposit *less* the Fee with the Escrow Agent such that the total Refundable Deposit then held by the Escrow Agent (and which amount shall be returned to Depositor at the termination hereof) shall be two million five hundred thousand dollars (\$2,500,000). Upon such deposit by the Depositor, the Fee shall be deemed fully earned by Depositor and entirely nonrefundable to South. The Deposit Period may be extended by South for one (1) additional 30-day period (the "Extension Period"). To extend the Deposit Period, South shall provide Depositor with written notice of South's desire to extend the Deposit Period not later than 48 hours prior to the expiration of the Deposit Period, which notice shall be accompanied by an additional fee equal to fifty thousand dollars (\$50,000) (the "Extension Fee") paid directly to Depositor.

4. **South's Representations, Warranties and Covenants.** South hereby represents and warrants to Depositor as follows:

- (a) A true, correct and complete copy of the LOI has been provided to Depositor, a copy of which is attached hereto as Exhibit A.
- (b) The Refundable Deposit is a portion of the fully refundable deposit under the LOI and is fully refundable to Depositor under the terms thereof.

- (c) South shall provide Depositor immediate notice of any scheduled execution date for the APA or of any transfer in the controlling interest in, or a change in the management of South.
- (d) Under no circumstances shall the Refundable Deposit be used to fund or secure any portion of the purchase price of the Aircraft under the APA or otherwise, including any deposits due, under or pursuant to the APA.
- (e) The LOI shall not be modified in any manner without the prior written consent of Depositor, which Depositor may grant or deny in its sole discretion for any reason.
- (f) South is a corporation validly existing under the laws of Florida and has full legal right and corporate power and authority to enter into this Letter Agreement and to consummate the transactions provided for herein.
- (g) The execution, delivery and performance by South of this Letter Agreement has been duly authorized by all requisite corporate action of South. This Letter Agreement, when executed and delivered by the Parties, will be a valid and binding agreement of South enforceable against South in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.
- (h) The execution and delivery of, and performance by South of South's obligations under this Letter Agreement does not and will not, to South's knowledge (after reasonable due diligence and consultation with its advisors), violate or conflict with, in any respect, (i) any provision of law, rule or regulation, (ii) any order, judgment or decree of any court or other agency or government applicable to South or (iii) any provision of the organizational documents of South or its affiliates, except for any such violations, conflicts, breaches, defaults or events that would not, individually or in the aggregate, impair the ability of South to consummate the transactions contemplated by this Letter Agreement.
- (i) All consents, approvals, authorizations and orders required for the execution and delivery of this Letter Agreement by South have been obtained and are in full force and effect, and the execution and delivery of this Agreement by South does not require any filings with any governmental authority or court, or body or arbitrator having jurisdiction over South, except, in each case, as have already been made, obtained or waived or where the failure to obtain any such consent, approval, authorization, order or filing would not impair the ability of South to consummate the transactions contemplated by this Letter Agreement.
- (j) There is no action, suit, proceeding or investigation pending or, to South's knowledge, currently threatened that questions the validity of this Agreement, or the right of South to enter into this Letter Agreement or to consummate the transactions contemplated by this Letter Agreement. There are presently no outstanding judgments, decrees or orders of any court or any governmental or administrative agency against South that question the validity

of this Letter Agreement, or the right of South to enter into this Letter Agreement or to consummate the transactions contemplated by this Letter Agreement.

- (k) Except as provided otherwise herein, South has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Letter Agreement for which Depositor could become liable or otherwise obligated.

5. **Conditions of Depositor's Obligations.** The obligation of Depositor to effectuate and satisfy its obligations as set forth in this Letter Agreement is subject to the fulfillment of each of the following conditions, unless otherwise waived:

- (a) The representations and warranties contained in Section 4 hereof shall be and remain true and correct in all respects.
- (b) South's principal, Federico A. Machado, by his signature below, hereby guaranties South's obligations herein and the Escrow Agent's obligations under that certain Escrow Agreement of even date herewith between Escrow Agent and Depositor. For purposes hereof, Mr. Machado acknowledges and agrees that the provision of the Refundable Deposit hereunder is a benefit to him individually as a result of his relationship and affiliation with South and that without the personal guaranty evidenced by Mr. Machado's signature hereto, Depositor would not make the Refundable Deposit contemplated hereunder.
- (c) South shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Letter Agreement that are required to be performed or complied with before performance of the respective obligation.
- (d) No government, court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction, order or other legal restraint (whether temporary, preliminary or permanent) which is in effect and which has the effect of making the respective obligation illegal or otherwise prohibiting or preventing the performance of such obligation by Depositor.
- (e) Depositor is satisfied that all of the other Remainder Depositors have executed (x) letter agreements substantially in the form of this Letter Agreement and (y) escrow agreements covering the Remainder Deposits substantially in the form of the Escrow Agreements.

6. **Confidentiality.**

- (a) **Confidential Material.** Under this Letter Agreement, Confidential Material shall refer to materials or information that is furnished by a Disclosing Party (defined below) to a Receiving Party (defined below) that the Disclosing Party identifies as Confidential Material in writing or verbally or to which the Receiving Party should reasonably expect to be treated as confidential based on customary business practices. Except as otherwise expressly permitted herein, neither Party which receives Confidential Material (a "Receiving Party") of the other Party (a "Disclosing Party") under this Agreement shall

disclose the Confidential Material to the public or any third party nor use it for any purpose other than as expressly contemplated by this Agreement. A Receiving Party may disclose Confidential Material to its agents, directors, officers, employees, attorneys and other advisors subject to a duty of confidentiality to the Receiving Party (all such parties are referred to herein as “Representatives”) to the extent necessary to effectuate the terms and conditions of this Agreement. The Parties agree to be responsible for any breaches of this Section by their respective Representatives or company affiliates.

- (b) Excluded Information. Confidential Material shall not include information that (i) is already in the Receiving Party’s possession, provided that such information is not known by that Party to be subject to another confidentiality agreement or other obligation of secrecy between the Parties, (ii) becomes generally available to the public other than as a result of a disclosure by the Receiving Party (including its agents, directors, officers, employees, attorneys and advisors) or (iii) becomes available to the Receiving Party on a non-confidential basis from a third party source, provided that such source is not known by the Receiving Party to be bound by a confidentiality agreement with or other obligation of secrecy to the Disclosing Party.
- (c) Permitted Disclosure. The Parties acknowledge that Depositor is subject to disclosure requirements under the rules and regulations of the Securities and Exchange Commission, OTC Market and other applicable laws and regulations and may be subject to judicial, administrative or governmental proceedings. The Parties acknowledge and agree that the Parties are permitted to disclose Confidential Material as required by applicable law, regulation or rules of any subject proceedings; provided, however, that unless prohibited by applicable law, regulation or rule (i) a Party must make the other Party aware of any obligation to make a public or third party disclosure of Confidential Material prior to such disclosure and (ii) if time permits, provide the other Party with an advance copy of the proposed disclosure and allow reasonable input as to the language of such disclosure. The Parties have the right, upon notice of a pending disclosure of Confidential Material, to seek an appropriate protective order and the other Party shall, if requested, reasonably cooperate with pursuit of such order at its own expense.
- (d) Destruction of Confidential Material. Upon a Disclosing Party’s demand, the Receiving Party shall promptly (a) destroy any Confidential Material it received and any copies thereof, or (b) return all Confidential Material and any copies thereof, and, in either case, confirm in writing to the Disclosing Party that all such material has been destroyed or returned, as applicable, in compliance with this Agreement. It is understood that information in an intangible or electronic format containing Confidential Material cannot be removed, erased or otherwise deleted from archival systems (also known as “computer or system back-ups”) but that such information will continue to be protected under the confidentiality requirements contained in this Agreement and that the Parties and their Representatives shall continue to be bound by the obligations of confidentiality hereunder.

7. No Assignment. Neither Party may transfer or assign this Letter Agreement or any rights or obligations hereunder, directly or indirectly, by operation of law or otherwise, without the prior written consent of the other Party (which may be withheld for any reason or no reason), and any such assignment without consent shall be null and void and of no effect. This Agreement

shall inure to the benefit of and be binding upon each Party's respective successors and permitted assigns.

8. **Further Assurances.** Subject to the terms and conditions of this Letter Agreement, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Letter Agreement.

9. **Indemnification.** South shall indemnify and hold harmless Depositor from and against any claim, loss or damage arising out of any breach of this Letter Agreement or the use of the Refundable Deposit. All of South's obligations under this Letter Agreement are hereby personally guaranteed by the undersigned, Federico A. Machado, an individual and resident of Florida.

10. **Costs.** South shall reimburse Depositor for any and all expenses incurred by it with the Escrow Agent. Except as otherwise expressly provided for herein, each Party will pay its own legal and other fees in connection with the negotiation and preparation of this Agreement; provided that any costs and fees, including but not limited to attorneys' fees, incurred by Depositor due to South's breach of this Letter Agreement, including but not limited to, any breach based on the representations, warranties and covenants in Section 4 herein, as well as any costs of collection incurred by Depositor in connection herewith shall be immediately recoverable and reimbursable by South.

11. **Independent Contractors/Third Party Rights.** The Parties are independent contractors and nothing contained in this Agreement, including any references by one Party to the other Party as a "partner," places the Parties in the relationship of principal and agent, partners, affiliates or joint venturers. Neither Party may, either expressly or by implication, represent itself as having any authority to make contracts or enter into any agreements on behalf of or in the name of the other Party, or to bind or obligate the other Party in any way whatsoever. No action or omission by either Party shall in any way be imputed on the other Party for any reason. This Letter Agreement is for the sole benefit of the Parties hereto and is not intended to create any rights as an intended or third-party beneficiary for any third party. South recognizes, acknowledges and agrees that the Refundable Deposit will not be subject to any right of interpleader or offset and the Refundable Deposit will not be controlled, governed or used pursuant to the terms of any other document or agreement unless consented to by Depositor in writing.

12. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. The Parties acknowledge that neither party nor their agents or attorneys have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this Letter Agreement for the purpose of inducing the other party to execute this agreement. The Parties acknowledge that they have executed this Letter Agreement in reliance only upon such promises as are contained herein.

13. **Modification.** It is expressly agreed that this Letter Agreement may not be altered, amended, modified or otherwise changed in any respect except by another written agreement that specifically refers to this agreement executed by each of the Parties.

14. **Severability.** If any provision of this Letter Agreement, or any part of any such provision, is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction and (c) such invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Letter Agreement and is separable from every other part of such provision.

15. **Notices.** All notices, requests and other communications to any Party required or permitted to be given hereunder shall be in writing and shall be delivered in person, to the signatories below. Each Party hereto shall be entitled to specify a different address or facsimile number for the receipt of subsequent notices or other communications by giving written notice thereof to the other party in accordance with this Section.

16. **Survival.** Any rights and obligations which by their nature should survive termination or expiration of this Agreement shall survive, specifically including, but not limited to, the indemnification and confidentiality obligations specifically set forth herein.

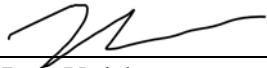
17. **Governing Law.** This Letter Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to its conflicts of laws rules. Depositor shall be entitled to recover any attorneys' fees it is obligated to incur in connection with enforcement of this Letter Agreement.

18. **Headings.** The headings contained in this Letter Agreement are included for purposes of convenience only and do not affect the meaning or interpretation of this agreement.

[Signature Page Follows.]



If the foregoing terms are acceptable to you, please indicate your acceptance in the space indicated below. Thank you.

**CCUR Aviation Finance LLC**

By:   
Name: Igor Volshteyn  
Title: President and COO of Member  
CCUR Holdings, Inc.

**Agreed to and accepted:**

**South Aviation, Inc.**

DocuSigned by:  
  
By: \_\_\_\_\_  
A17F325A82F046C...  
Name: Federico A. Machado  
Title: President  
DocuSigned by:  
  
A17F325A82F046C...

Federico A. Machado, in his individual capacity for the purpose of confirming his guaranty obligations set forth in this Letter Agreement.

**\*\*\*Signature Page to Letter Agreement\*\*\***



**EXHIBIT A**



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

<sup>DS</sup>  
FAM

<sup>DS</sup>  
SSI

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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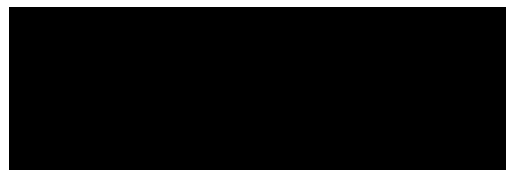
[REDACTED]

[REDACTED]

[REDACTED]

Exhibit A

Escrow Agent's Confirmation Letter



# EXHIBIT C-2

**ESCROW AGREEMENT**

THIS ESCROW AGREEMENT (the "Agreement") made this 28th day of August, 2020 by and between WRIGHT BROTHERS AIRCRAFT TITLE, INC., whose address is 13704 Portofino Strada, Oklahoma City, OK 73170 (the "Escrow Agent") and CCUR Aviation Finance LLC (the "Depositor"), whose address is 6470 East Johns Crossing, Suite 490, Duluth, GA 30097.

WITNESSETH

**WHEREAS**, South Aviation, Inc., as Buyer ("South Aviation"), and Innovative Aerospace Leasing LLC as Seller ("Seller"), have entered into that certain LOI dated August 27, 2020 (the "LOI") contemplating the purchase by South Aviation of that certain 2010 Boeing 767-32L (ER) having Manufacturer Serial Number 40343 and Registration Number 4K-AZ81 (the "Aircraft"), a copy of which is attached hereto (capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the LOI); and

**WHEREAS**, South Aviation and the Depositor have entered into a certain letter agreement (the "Letter Agreement") pursuant to which Depositor has agreed to provide a portion (two million five hundred thousand dollars (\$2,500,000)) (the "Deposit") of the fully Refundable Purchase Deposit (in the aggregate amount of five million dollars (\$5,000,000)) contemplated by the LOI and attached as an exhibit to the Letter Agreement, for the benefit of South Aviation, on and subject to the terms and conditions contained in the Letter Agreement; and

**WHEREAS**, contemporaneously herewith, South Aviation has entered into letter agreements on substantially the same terms and conditions as the Letter Agreement with each of EHC Aspen Properties LLC, JDS1, LLC and Edidin Partners LLC (collectively the "Remainder Letter Agreements"), pursuant to which these parties will provide the remaining portion of the fully Refundable Purchase Deposit contemplated by the LOI (the "Remainder Deposit"); and

**WHEREAS**, the Depositor desires to deposit, or cause to be deposited funds constituting all or a portion of the Deposit contemplated in the LOI with the Escrow Agent, and the Escrow Agent has consented to hold such funds, pursuant to the terms and conditions hereof.

**NOW THEREFORE**, the Escrow Agent and the Depositor agree as follows:

1. The Depositor hereby appoints Wright Brothers Aircraft Title, Inc. as Escrow Agent under this Agreement. The Escrow Agent hereby accepts such appointment and agrees to hold, invest and disburse all funds received from or on behalf of the Depositor in accordance with the terms of this Agreement.
2. The Depositor shall deposit, or cause to be deposited the Deposit with the Escrow Agent by wire transfer of immediately available funds to the account designated on Exhibit A attached hereto (the Deposit, together with any and all additional funds deposited with the Escrow Agent hereunder, the "Escrow Funds").

3. The Escrow Agent shall disburse the Escrow Funds to the Depositor by wire transfer of immediately available funds to the account designated on Exhibit B attached hereto upon the earlier of:

- a. Immediately prior to the date that Buyer and Seller (or their permitted assigns) enter into an Aircraft Purchase Agreement or upon receipt of the Replacement Deposit (as defined in the LOI) from South Aviation;
- b. the date on which the LOI is cancelled, modified or amended, in each case without the prior written consent of Depositor, or otherwise terminated for any reason;
- c. the bankruptcy or insolvency of South or the Guarantor or filing of a petition regarding the same;
- d. not later than 4:59 pm, Eastern time, on November 26, 2020, if the transaction contemplated by the LOI has not then been consummated and Depositor has elected not to grant an extension to South or December 26, 2020 if the Deposit Period is extended to the Extension Period;
- e. the delivery to the Escrow Agent by the Depositor of notice of the failure by South Aviation to pay (i) the Fee (as defined in the Letter Agreement) to Depositor no later than one (1) business day after the Depositor makes the Deposit with the Escrow Agent, or (ii) in the event the Deposit Period (as defined in the Letter Agreement) is extended to the Extension Period (as defined in the Letter Agreement), the Extension Fee (as defined in the Letter Agreement) to Depositor within two (2) business days prior to expiration of the Deposit Period;
- f. failure by the Remainder Depositors from depositing their portion of the Refundable Purchase Deposit within 3 Business Days of the Depositor funding the Refundable Purchase Deposit;
- g. upon the transfer of the Remainder Deposit to each of the Remainder Depositors or their designees;
- h. upon the attempted transfer of any portion of the Deposit to any party other than Depositor or its designees or the Escrow Agent as set forth herein;
- i. the written mutual agreement of Depositor and South Aviation; or
- j. (i) immediately upon written notice in the event of a non-curable breach by a party of the terms set forth in the Letter Agreement or in the Remainder Letter Agreements, specifically including, but not limited to, breach of the representations, warranties and covenants in Section 4 and the confidentiality obligations in Section 6 of that agreement; (ii) upon five (5) days' prior written notice in the event of a curable breach by a party of any term or condition of the Letter Agreement, and the failure of the breaching party to cure such breach during such five (5) day period; or (iii) upon five (5) days' prior written notice if there is any transfer in the controlling interest in, or a change in the management of South Aviation and if such change or transfer, in the sole judgment of Depositor, substantially impairs either party's ability to perform the obligations under this Letter Agreement or the Remainder Letter Agreements.

4. In no event and under no circumstances shall the Escrow Agent disburse the



Escrow Funds or any portion thereof to any party other than the Depositor.

5. The Escrow Funds escrowed hereunder shall be deposited in a non-interest bearing account or in a trust account. All accounts shall be held in financial institutions the deposits of which are insured by an agency of the United States. The Depositor shall not be entitled to earn interest on the Escrow Funds.

6. Neither this Agreement nor any of the terms or provisions hereof may be amended, modified, supplemented or waived except by a written instrument signed by all the parties hereto (or, in the case of a waiver, by the party or parties granting the waiver). No waiver of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. No failure of a party hereto to insist upon strict compliance by another party hereto with any obligation, covenant, agreement or condition contained in this Agreement shall operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

7. Each term and provision of this Agreement constitutes a separate and distinct undertaking, covenant, term and/or provision hereof. In the event that any term or provision hereof shall be determined to be unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other term or provision hereof, but this Agreement shall be construed as if such unenforceable, invalid or illegal term or provision had never been contained herein. Moreover, if any term or provision hereof shall for any reason be held to be excessively broad as to time, duration, activity, scope or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent permitted under applicable law as it shall then exist.

8. In the event of litigation between the parties to enforce the provisions of or with respect to this Agreement, the prevailing party shall be entitled to reimbursement of its costs of the litigation, including reasonable attorneys' fees.

9. This Agreement and the interpretation of its terms shall be governed by the laws of New York. In the event of any dispute arising hereunder, the parties agree and consent to the exclusive jurisdiction and venue in the state courts of New York County, New York.

10. All of the terms of this Agreement, as it may be amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective heirs, successors and assigns of the Depositor and the Escrow Agent. The Escrow Agent shall not have the right to transfer or assign its rights, or transfer or delegate its duties, under this Agreement without the prior written consent of the Depositor which may be given or withheld in the sole and absolute discretion of the Depositor.

[Signature Page Follows.]

**IN WITNESS WHEREOF**, the parties have executed this Escrow Agreement as of the day and year first above written.

**ESCROW AGENT:**

WRIGHT BROTHERS AIRCRAFT TITLE, INC.

By: \_\_\_\_\_  
  
5F2C7686CE8E451...  
Name: Debbie Mercer-Erwin  
Title: President

**DEPOSITOR:**

CCUR AVIATION FINANCE LLC

By: \_\_\_\_\_  
  
Name: Igor Volshteyn  
Title: President and COO of Member CCUR Holdings, Inc.

**Exhibit A**

**TRANSFER INSTRUCTIONS FOR ESCROW AGENT**

BANK NAME: BANK OF AMERICA, N.A.

BANK ADDRESS: 5616 N. MAY AVENUE, OKLAHOMA CITY, OK 73112

ABA ROUTING: [REDACTED]

ACCOUNT NO: [REDACTED]

ACCOUNT NAME: [REDACTED]

SWIFT CODE: [REDACTED]

**EXHIBIT B**

**Depositor Wire Instructions**

BANK NAME: Truist Bank

ABA ROUTING: [REDACTED]

ACCOUNT NO: [REDACTED]

ACCOUNT NAME: [REDACTED]

*Kindly contact Virginia Moyer (470-264-0993) or Warren Sutherland (770-305-6435) to confirm wire instructions prior to initiating a wire transfer.*

# EXHIBIT C-3

South Aviation, Inc.  
1470 Lee Wagener Drive  
Suite 100  
Ft. Lauderdale, FL 33315

November 27, 2020

CCUR Aviation Finance, LLC.  
6470 East Johns Crossing  
Suite 490  
Duluth, GA 30097

*Re: Aviation Deposit Letter Agreements: dated August 28, 2020*

Ladies and Gentlemen:

Reference is made to those certain Letter Agreements between South Aviation, Inc. ("South Aviation"), CCUR Aviation Finance, LLC, EHC Aspen Properties, LLC, JDS1, LLC and Edidin Partners LLC dated August 28, 2020 (the "Letter Agreements") pursuant to which the parties have collectively deposited \$10,000,000 with Wright Brothers Aircraft Title, Inc. on behalf of South Aviation in connection with aviation deposits required for a certain 2010 Boeing 767-32L (ER) having Manufacturer Serial Number 40343 and Registration Number 4K-AZ81; and 2010 Boeing 767-32L (ER) having Manufacturer Serial Number 40342 and Registration Number 4K-AI01. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Letter Agreements.

South Aviation requests and Depositor, CCUR Aviation Finance, LLC. agrees, subject to the conditions herein, to modify the Letter Agreements as follows:

- 1) As of Friday, November 27, 2020 the Remainder Depositors shall be CCUR Aviation Finance, LLC, EHC Aspen Properties, LLC and Edidin Partners, LLC;
- 2) As of 9:00 AM EST Monday, November 30, 2020 the Escrow Agent shall be directed to distribute that portion of the Refundable Deposit belonging to parties to the Letter Agreements that are discontinuing as Remainder Depositors;
- 3) Upon confirmation of receipt of funds by the discontinuing Remainder Depositors, CCUR Aviation Finance, LLC shall deposit funds with the Escrow Agent to fully fund the Remainder Deposit, using the wire instructions in Exhibit C attached hereto;
- 4) The parties agree that South Aviation's present intention is to take acceptance of the Aircraft not later than January 25, 2021;
- 5) Item d in Paragraph 2 shall be amended as follows:

"d. not later than 4:59 PM, Eastern time, on January 25, 2021, if the transaction contemplated by the LOI has not then been consummated;"

- 6) The Deposit Period referenced in paragraph 3 shall be amended to January 25, 2021;

The undersigned and South Aviation agree that as conditions precedent for the above modifications becoming effective:

- 1) South Aviation shall secure the agreement of all original parties to the Letter Agreements to the terms set forth herein; and
- 2) South Aviation shall secure and document an amendment to the LOI consistent with the terms set forth herein.

In furtherance of this agreement the Depositor agrees that the certain Escrow Agreement between the Depositor and Escrow Agent, dated as of the Letter Agreements shall be amended as follows:

1) Paragraph 2 (d) shall be amended as follows:

“d. not later than 4:59 PM, Eastern time, on January 25, 2021, if the transaction contemplated by the LOI has not then been consummated;”

In consideration for the Depositor agreeing to and accepting the modifications set forth herein, South Aviation shall by 3:00 PM on November 30, 2020 initiate a wire transfer in the total amount of \$330,000 to the undersigned Depositor, as shown on Exhibit A attached hereto, using the wire instructions in Exhibit B attached hereto.

Very truly yours,

South Aviation, Inc.

DocuSigned by:  
*Federico Andre Machado*  
By: \_\_\_\_\_  
A17F325A82F046C...  
Fred Machado  
President

Accepted and Agreed:

CCUR Aviation Finance, LLC

By: \_\_\_\_\_  
Igor Volshiteyn  
President

Accepted and Agreed:

Wright Brothers Aircraft Title, Inc.

DocuSigned by:  
*Debbie Mercer-Erwin*  
By: \_\_\_\_\_  
5F-2C/6886CE8E451...  
Debbie Mercer-Erwin  
President

**EXHIBIT A**

<b><u>Aircraft 40342</u></b>			
Extension Fee	\$300,000		
	<u>Amount Funded</u>	<u>%</u>	<u>Extension Fee</u>
CCUR Aviation Finance, LLC	\$2,750,000	55%	\$165,000
EHC Aspen Properties LLC	\$2,000,000	40%	\$120,000
Edidin Partners LLC	\$250,000	5%	\$15,000
	<u>\$5,000,000</u>	<u>100%</u>	<u>\$300,000</u>
<b><u>Aircraft 40343</u></b>			
Extension Fee	\$300,000		
	<u>Amount Funded</u>	<u>%</u>	<u>Extension Fee</u>
CCUR Aviation Finance, LLC	\$2,750,000	55%	\$165,000
EHC Aspen Properties LLC	\$2,000,000	40%	\$120,000
Edidin Partners LLC	\$250,000	5%	\$15,000
	<u>\$5,000,000</u>	<u>100%</u>	<u>\$300,000</u>
<b>CCUR Aviation Finance, LLC</b>			<b>\$330,000</b>
<b>EHC Aspen Properties LLC</b>			<b>\$240,000</b>
<b>Edidin Partners LLC</b>			<b>\$30,000</b>
			<u><b>\$600,000</b></u>



**EXHIBIT B**

**CCUR Aviation Finance LLC. Wire Instructions:**

BANK NAME:	Truist Bank
ABA ROUTING:	[REDACTED]
ACCOUNT NO:	[REDACTED]
ACCOUNT NAME:	[REDACTED]

Kindly contact Virginia Moyer (470-264-0993) to confirm wire instructions prior to initiating a wire transfer.

**EXHBIIT C**

**Escrow Fund Wire Instructions**

BANK NAME: BANK OF AMERICA, N.A.  
BANK ADDRESS: 5616 N. MAY AVENUE, OKLAHOMA CITY,  
OK 73112  
ABA ROUTING: [REDACTED]  
ACCOUNT NO: [REDACTED]

ACCOUNT NAME [REDACTED]  
[REDACTED]

SWIFT CODE: [REDACTED]  
[REDACTED]

# EXHIBIT D-1

August 28, 2020

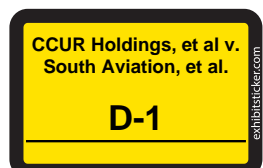
Federico A. Machado  
President  
South Aviation, Inc.  
1470 Lee Wagener Blvd, Suite 100  
Fort Lauderdale, Florida 33315

Dear Mr. Machado:

The purpose of this Letter Agreement is to set forth the terms and conditions by which CCUR Aviation Finance LLC (“Depositor”), a Delaware limited liability company with its principal place of business at 6470 East Johns Crossing, Suite 490, Duluth, GA 30097, will make available to South Aviation, Inc., a Florida corporation with its principal place of business located at 1470 Lee Wagener Boulevard, Suite 100, Ft. Lauderdale, FL 33315 (“South), and Federico A. Machado (“Guarantor”), a wholly refundable deposit of two million five hundred thousand dollars (\$2,500,000) (which is defined, for purposes of this Letter Agreement, as the “Refundable Deposit”) for use in connection with the purchase of that certain 2010 Boeing 767-32L (ER) having Manufacturer Serial Number 40342 and Registration Number 4K-AI01 (the “Aircraft”), and the consideration that South owes Depositor in return for use of the Refundable Deposit.

The Refundable Deposit represents a portion of the fully refundable deposit (the “Refundable Purchase Deposit”) contemplated by that certain Letter of Intent dated August 27, 2020, between Innovative Aerospace Leasing LLC as Seller, and South Aviation Inc., as Buyer (the “LOI”; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the LOI), requiring the Buyer to place a deposit of Five million dollars (\$5,000,000) into escrow with the Escrow Agent (defined below) as a fully Refundable Purchase Deposit. The remaining portion of the Refundable Purchase Deposit (the “Remainder Deposit”) is being provided contemporaneously by EHC Aspen Properties LLC, JDS1, LLC and Edidin Partners LLC (collectively, the “Remainder Depositors”) pursuant to the letter agreements of even date herewith between South, on the one hand, and each of the Remainder Depositors, on the other hand (the “Remainder Letter Agreements”). South represents and warrants that the Refundable Purchase Deposit is fully refundable to Depositor under the LOI at all times pursuant to its express terms, a true, correct and complete copy of which has been provided to Depositor. By this Letter Agreement, the Depositor is agreeing that the deposit of the Refundable Deposit with the Escrow Agent shall be used to satisfy the deposit requirements under the LOI. Depositor and South acknowledge that it is South’s present intention to take acceptance of the Aircraft not later than November 26, 2020, whereupon the Refundable Deposit shall be returned immediately to Depositor. Based on this understanding, the parties agree to the following:

1. **Method of Deposit.** Depositor will cause the deposit of the Refundable Deposit into an escrow account with Wright Brothers Aircraft Title, Inc., 928 SW 107<sup>th</sup> Street, Oklahoma City, Oklahoma 73170 (the “Escrow Agent”) pursuant to a mutually agreed upon escrow agreement between Depositor and the Escrow Agent. Depositor and South acknowledge and agree



that the Refundable Deposit may not in any event be disbursed to any party other than Depositor and its designees and that the Refundable Deposit shall in all circumstances remain in escrow with the Escrow Agent until it is returned to Depositor.

2. **Return of Deposit and Termination.** The Refundable Deposit shall be returned in full to Depositor by the Escrow Agent and this Letter Agreement terminated (except with respect to its provisions that survive termination as set forth herein) upon the earliest to occur of the following:

- a. Immediately prior to the date that Buyer and Seller (or their permitted assigns) enter into an Aircraft Purchase Agreement (the "APA") or upon receipt of the Replacement Deposit (as defined in the LOI) from South;
- b. the date on which the LOI is cancelled, modified or amended without the prior written consent of Depositor or otherwise terminated for any reason;
- c. the bankruptcy or insolvency of South or the Guarantor or filing of a petition regarding the same;
- d. not later than 4:59 pm, Eastern time, on November 26, 2020, if the transaction contemplated by the LOI has not then been consummated and Depositor has elected not to grant an extension to South or December 26, 2020 if the Deposit Period is extended to the Extension Period;
- e. failure by South to pay (i) the Fee to Depositor directly no later than one (1) business day after the Depositor funds into escrow held by Escrow Agent, or (ii) in the event the Deposit Period is extended to the Extension Period, the Extension Fee, as defined herein, directly to Depositor within two (2) business days prior to expiration of the Deposit Period;
- f. failure by the Remainder Depositors from depositing their portion of the Refundable Purchase Deposit within 3 Business Days of the Depositor funding the Refundable Deposit;
- g. upon the transfer of the Refundable Deposit to any party other than Depositor and its designees or the Escrow Agent as set forth herein;
- h. upon the transfer of the Remainder Deposit to each of the Remainder Depositors or their designees;
- i. the written mutual agreement of Depositor and South; or
- j. (i) immediately upon written notice in the event of a non-curable breach by the other Party of the terms set forth herein or in the Remainder Letter Agreements, specifically including, but not limited to, breach of the representations, warranties and covenants in Section 4 and the confidentiality obligations in Section 6; (ii) upon five (5) days' prior written notice in the event of a curable breach by the other Party of any term or condition of this Letter Agreement, and

the failure of the breaching Party to cure such breach during such five (5) day period; or (iii) upon five (5) days' prior written notice if there is any transfer in the controlling interest in, or a change in the management of South and if such change or transfer, in the sole judgment of Depositor, substantially impairs either Party's ability to perform the obligations under this Letter Agreement in the Remainder Letter Agreements.

South shall provide immediate written notice to Depositor and Escrow Agent of the occurrence of any of the events covered in Section 2(a)-(c) above and the failure to provide such notice shall be deemed an incurable breach of this agreement. Termination under this Section shall become effective upon the date specified (time being of the essence), the occurrence of the specified event or on the date set forth in the Party's written notice pursuant to this Section, provided that any notice requirements in the subsections immediately above are satisfied. Under no circumstance shall termination of this Letter Agreement, including Depositor's breach of this Letter Agreement, alter Depositor's right to return of the Refundable Deposit in full. Termination of the Letter Agreement shall (i) be in addition to all other rights available under law or equity, including, but not limited to, the Parties' rights to seek injunctive relief and specific performance without the need for posting any bond and (ii) not excuse a Party from liability for any breaches or amounts owed under this Agreement by such Party prior to termination.

3. **Payment Due; Extension.** In consideration for Depositor's deposit of the Refundable Deposit for the benefit of South pursuant to this Letter Agreement, South agrees to pay Depositor a fee of one hundred fifty thousand dollars (\$150,000) (the "Fee"), payable by South to Depositor pursuant to the terms of this Letter Agreement for a period expiring at 4:59 pm, Eastern time, on November 26, 2020 (the "Deposit Period"). The Fee shall be paid by South to the Escrow Agent prior to the time Depositor deposits the Refundable Deposit with the Escrow Agent. Upon confirmation that the Fee has been deposited with the Escrow Agent, Depositor shall deposit the Refundable Deposit *less* the Fee with the Escrow Agent such that the total Refundable Deposit then held by the Escrow Agent (and which amount shall be returned to Depositor at the termination hereof) shall be two million five hundred thousand dollars (\$2,500,000). Upon such deposit by the Depositor, the Fee shall be deemed fully earned by Depositor and entirely nonrefundable to South. The Deposit Period may be extended by South for one (1) additional 30-day period (the "Extension Period"). To extend the Deposit Period, South shall provide Depositor with written notice of South's desire to extend the Deposit Period not later than 48 hours prior to the expiration of the Deposit Period, which notice shall be accompanied by an additional fee equal to fifty thousand dollars (\$50,000) (the "Extension Fee") paid directly to Depositor.

4. **South's Representations, Warranties and Covenants.** South hereby represents and warrants to Depositor as follows:

- (a) A true, correct and complete copy of the LOI has been provided to Depositor, a copy of which is attached hereto as Exhibit A.
- (b) The Refundable Deposit is a portion of the fully refundable deposit under the LOI and is fully refundable to Depositor under the terms thereof.

- (c) South shall provide Depositor immediate notice of any scheduled execution date for the APA or of any transfer in the controlling interest in, or a change in the management of South.
- (d) Under no circumstances shall the Refundable Deposit be used to fund or secure any portion of the purchase price of the Aircraft under the APA or otherwise, including any deposits due, under or pursuant to the APA.
- (e) The LOI shall not be modified in any manner without the prior written consent of Depositor, which Depositor may grant or deny in its sole discretion for any reason.
- (f) South is a corporation validly existing under the laws of Florida and has full legal right and corporate power and authority to enter into this Letter Agreement and to consummate the transactions provided for herein.
- (g) The execution, delivery and performance by South of this Letter Agreement has been duly authorized by all requisite corporate action of South. This Letter Agreement, when executed and delivered by the Parties, will be a valid and binding agreement of South enforceable against South in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.
- (h) The execution and delivery of, and performance by South of South's obligations under this Letter Agreement does not and will not, to South's knowledge (after reasonable due diligence and consultation with its advisors), violate or conflict with, in any respect, (i) any provision of law, rule or regulation, (ii) any order, judgment or decree of any court or other agency or government applicable to South or (iii) any provision of the organizational documents of South or its affiliates, except for any such violations, conflicts, breaches, defaults or events that would not, individually or in the aggregate, impair the ability of South to consummate the transactions contemplated by this Letter Agreement.
- (i) All consents, approvals, authorizations and orders required for the execution and delivery of this Letter Agreement by South have been obtained and are in full force and effect, and the execution and delivery of this Agreement by South does not require any filings with any governmental authority or court, or body or arbitrator having jurisdiction over South, except, in each case, as have already been made, obtained or waived or where the failure to obtain any such consent, approval, authorization, order or filing would not impair the ability of South to consummate the transactions contemplated by this Letter Agreement.
- (j) There is no action, suit, proceeding or investigation pending or, to South's knowledge, currently threatened that questions the validity of this Agreement, or the right of South to enter into this Letter Agreement or to consummate the transactions contemplated by this Letter Agreement. There are presently no outstanding judgments, decrees or orders of any court or any governmental or administrative agency against South that question the validity

of this Letter Agreement, or the right of South to enter into this Letter Agreement or to consummate the transactions contemplated by this Letter Agreement.

- (k) Except as provided otherwise herein, South has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Letter Agreement for which Depositor could become liable or otherwise obligated.

5. **Conditions of Depositor's Obligations.** The obligation of Depositor to effectuate and satisfy its obligations as set forth in this Letter Agreement is subject to the fulfillment of each of the following conditions, unless otherwise waived:

- (a) The representations and warranties contained in Section 4 hereof shall be and remain true and correct in all respects.
- (b) South's principal, Federico A. Machado, by his signature below, hereby guaranties South's obligations herein and the Escrow Agent's obligations under that certain Escrow Agreement of even date herewith between Escrow Agent and Depositor. For purposes hereof, Mr. Machado acknowledges and agrees that the provision of the Refundable Deposit hereunder is a benefit to him individually as a result of his relationship and affiliation with South and that without the personal guaranty evidenced by Mr. Machado's signature hereto, Depositor would not make the Refundable Deposit contemplated hereunder.
- (c) South shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Letter Agreement that are required to be performed or complied with before performance of the respective obligation.
- (d) No government, court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction, order or other legal restraint (whether temporary, preliminary or permanent) which is in effect and which has the effect of making the respective obligation illegal or otherwise prohibiting or preventing the performance of such obligation by Depositor.
- (e) Depositor is satisfied that all of the other Remainder Depositors have executed (x) letter agreements substantially in the form of this Letter Agreement and (y) escrow agreements covering the Remainder Deposits substantially in the form of the Escrow Agreements.

6. **Confidentiality.**

- (a) **Confidential Material.** Under this Letter Agreement, Confidential Material shall refer to materials or information that is furnished by a Disclosing Party (defined below) to a Receiving Party (defined below) that the Disclosing Party identifies as Confidential Material in writing or verbally or to which the Receiving Party should reasonably expect to be treated as confidential based on customary business practices. Except as otherwise expressly permitted herein, neither Party which receives Confidential Material (a "Receiving Party") of the other Party (a "Disclosing Party") under this Agreement shall



disclose the Confidential Material to the public or any third party nor use it for any purpose other than as expressly contemplated by this Agreement. A Receiving Party may disclose Confidential Material to its agents, directors, officers, employees, attorneys and other advisors subject to a duty of confidentiality to the Receiving Party (all such parties are referred to herein as “Representatives”) to the extent necessary to effectuate the terms and conditions of this Agreement. The Parties agree to be responsible for any breaches of this Section by their respective Representatives or company affiliates.

- (b) Excluded Information. Confidential Material shall not include information that (i) is already in the Receiving Party’s possession, provided that such information is not known by that Party to be subject to another confidentiality agreement or other obligation of secrecy between the Parties, (ii) becomes generally available to the public other than as a result of a disclosure by the Receiving Party (including its agents, directors, officers, employees, attorneys and advisors) or (iii) becomes available to the Receiving Party on a non-confidential basis from a third party source, provided that such source is not known by the Receiving Party to be bound by a confidentiality agreement with or other obligation of secrecy to the Disclosing Party.
- (c) Permitted Disclosure. The Parties acknowledge that Depositor is subject to disclosure requirements under the rules and regulations of the Securities and Exchange Commission, OTC Market and other applicable laws and regulations and may be subject to judicial, administrative or governmental proceedings. The Parties acknowledge and agree that the Parties are permitted to disclose Confidential Material as required by applicable law, regulation or rules of any subject proceedings; provided, however, that unless prohibited by applicable law, regulation or rule (i) a Party must make the other Party aware of any obligation to make a public or third party disclosure of Confidential Material prior to such disclosure and (ii) if time permits, provide the other Party with an advance copy of the proposed disclosure and allow reasonable input as to the language of such disclosure. The Parties have the right, upon notice of a pending disclosure of Confidential Material, to seek an appropriate protective order and the other Party shall, if requested, reasonably cooperate with pursuit of such order at its own expense.
- (d) Destruction of Confidential Material. Upon a Disclosing Party’s demand, the Receiving Party shall promptly (a) destroy any Confidential Material it received and any copies thereof, or (b) return all Confidential Material and any copies thereof, and, in either case, confirm in writing to the Disclosing Party that all such material has been destroyed or returned, as applicable, in compliance with this Agreement. It is understood that information in an intangible or electronic format containing Confidential Material cannot be removed, erased or otherwise deleted from archival systems (also known as “computer or system back-ups”) but that such information will continue to be protected under the confidentiality requirements contained in this Agreement and that the Parties and their Representatives shall continue to be bound by the obligations of confidentiality hereunder.

7. **No Assignment**. Neither Party may transfer or assign this Letter Agreement or any rights or obligations hereunder, directly or indirectly, by operation of law or otherwise, without the prior written consent of the other Party (which may be withheld for any reason or no reason), and any such assignment without consent shall be null and void and of no effect. This Agreement

shall inure to the benefit of and be binding upon each Party's respective successors and permitted assigns.

8. **Further Assurances.** Subject to the terms and conditions of this Letter Agreement, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Letter Agreement.

9. **Indemnification.** South shall indemnify and hold harmless Depositor from and against any claim, loss or damage arising out of any breach of this Letter Agreement or the use of the Refundable Deposit. All of South's obligations under this Letter Agreement are hereby personally guaranteed by the undersigned, Federico A. Machado, an individual and resident of Florida.

10. **Costs.** South shall reimburse Depositor for any and all expenses incurred by it with the Escrow Agent. Except as otherwise expressly provided for herein, each Party will pay its own legal and other fees in connection with the negotiation and preparation of this Agreement; provided that any costs and fees, including but not limited to attorneys' fees, incurred by Depositor due to South's breach of this Letter Agreement, including but not limited to, any breach based on the representations, warranties and covenants in Section 4 herein, as well as any costs of collection incurred by Depositor in connection herewith shall be immediately recoverable and reimbursable by South.

11. **Independent Contractors/Third Party Rights.** The Parties are independent contractors and nothing contained in this Agreement, including any references by one Party to the other Party as a "partner," places the Parties in the relationship of principal and agent, partners, affiliates or joint venturers. Neither Party may, either expressly or by implication, represent itself as having any authority to make contracts or enter into any agreements on behalf of or in the name of the other Party, or to bind or obligate the other Party in any way whatsoever. No action or omission by either Party shall in any way be imputed on the other Party for any reason. This Letter Agreement is for the sole benefit of the Parties hereto and is not intended to create any rights as an intended or third-party beneficiary for any third party. South recognizes, acknowledges and agrees that the Refundable Deposit will not be subject to any right of interpleader or offset and the Refundable Deposit will not be controlled, governed or used pursuant to the terms of any other document or agreement unless consented to by Depositor in writing.

12. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. The Parties acknowledge that neither party nor their agents or attorneys have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this Letter Agreement for the purpose of inducing the other party to execute this agreement. The Parties acknowledge that they have executed this Letter Agreement in reliance only upon such promises as are contained herein.

13. **Modification.** It is expressly agreed that this Letter Agreement may not be altered, amended, modified or otherwise changed in any respect except by another written agreement that specifically refers to this agreement executed by each of the Parties.

14. **Severability.** If any provision of this Letter Agreement, or any part of any such provision, is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction and (c) such invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Letter Agreement and is separable from every other part of such provision.

15. **Notices.** All notices, requests and other communications to any Party required or permitted to be given hereunder shall be in writing and shall be delivered in person, to the signatories below. Each Party hereto shall be entitled to specify a different address or facsimile number for the receipt of subsequent notices or other communications by giving written notice thereof to the other party in accordance with this Section.

16. **Survival.** Any rights and obligations which by their nature should survive termination or expiration of this Agreement shall survive, specifically including, but not limited to, the indemnification and confidentiality obligations specifically set forth herein.

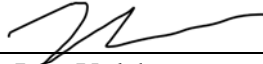
17. **Governing Law.** This Letter Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to its conflicts of laws rules. Depositor shall be entitled to recover any attorneys' fees it is obligated to incur in connection with enforcement of this Letter Agreement.

18. **Headings.** The headings contained in this Letter Agreement are included for purposes of convenience only and do not affect the meaning or interpretation of this agreement.

[Signature Page Follows.]


If the foregoing terms are acceptable to you, please indicate your acceptance in the space indicated below. Thank you.

**CCUR Aviation Finance LLC**

By:   
Name: Igor Volshteyn  
Title: President and COO of Member  
CCUR Holdings, Inc.

**Agreed to and accepted:**

**South Aviation, Inc.**

DocuSigned by:  
  
By: \_\_\_\_\_  
A17F325A82F046C...  
Name: Federico A. Machado  
Title: President

DocuSigned by:  
  
A17F325A82F046C...

Federico A. Machado, in his individual capacity for the purpose of confirming his guaranty obligations set forth in this Letter Agreement.

**\*\*\*Signature Page to Letter Agreement\*\*\***

**EXHIBIT A**



[REDACTED]

[REDACTED]

[REDACTED]

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# EXHIBIT D-2

**ESCROW AGREEMENT**

THIS ESCROW AGREEMENT (the "Agreement") made this 28th day of August, 2020 by and between WRIGHT BROTHERS AIRCRAFT TITLE, INC., whose address is 13704 Portofino Strada, Oklahoma City, OK 73170 (the "Escrow Agent") and CCUR Aviation Finance LLC (the "Depositor"), whose address is 6470 East Johns Crossing, Suite 490, Duluth, GA 30097.

WITNESSETH

**WHEREAS**, South Aviation, Inc., as Buyer ("South Aviation"), and Innovative Aerospace Leasing LLC as Seller ("Seller"), have entered into that certain LOI dated August 27, 2020 (the "LOI") contemplating the purchase by South Aviation of that certain 2010 Boeing 767-32L (ER) having Manufacturer Serial Number 40342 and Registration Number 4K-AI01 (the "Aircraft"), a copy of which is attached hereto (capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the LOI); and

**WHEREAS**, South Aviation and the Depositor have entered into a certain letter agreement (the "Letter Agreement") pursuant to which Depositor has agreed to provide a portion (two million five hundred thousand dollars (\$2,500,000)) (the "Deposit") of the fully Refundable Purchase Deposit (in the aggregate amount of five million dollars (\$5,000,000)) contemplated by the LOI and attached as an exhibit to the Letter Agreement, for the benefit of South Aviation, on and subject to the terms and conditions contained in the Letter Agreement; and

**WHEREAS**, contemporaneously herewith, South Aviation has entered into letter agreements on substantially the same terms and conditions as the Letter Agreement with each of EHC Aspen Properties LLC, JDS1, LLC and Edidin Partners LLC (collectively the "Remainder Letter Agreements"), pursuant to which these parties will provide the remaining portion of the fully Refundable Purchase Deposit contemplated by the LOI (the "Remainder Deposit"); and

**WHEREAS**, the Depositor desires to deposit, or cause to be deposited funds constituting all or a portion of the Deposit contemplated in the LOI with the Escrow Agent, and the Escrow Agent has consented to hold such funds, pursuant to the terms and conditions hereof.

**NOW THEREFORE**, the Escrow Agent and the Depositor agree as follows:

1. The Depositor hereby appoints Wright Brothers Aircraft Title, Inc. as Escrow Agent under this Agreement. The Escrow Agent hereby accepts such appointment and agrees to hold, invest and disburse all funds received from or on behalf of the Depositor in accordance with the terms of this Agreement.
2. The Depositor shall deposit, or cause to be deposited the Deposit with the Escrow Agent by wire transfer of immediately available funds to the account designated on Exhibit A attached hereto (the Deposit, together with any and all additional funds deposited with the Escrow Agent hereunder, the "Escrow Funds").

3. The Escrow Agent shall disburse the Escrow Funds to the Depositor by wire transfer of immediately available funds to the account designated on Exhibit B attached hereto upon the earlier of:

- a. Immediately prior to the date that Buyer and Seller (or their permitted assigns) enter into an Aircraft Purchase Agreement or upon receipt of the Replacement Deposit (as defined in the LOI) from South Aviation;
- b. the date on which the LOI is cancelled, modified or amended, in each case without the prior written consent of Depositor, or otherwise terminated for any reason;
- c. the bankruptcy or insolvency of South or the Guarantor or filing of a petition regarding the same;
- d. not later than 4:59 pm, Eastern time, on November 26, 2020, if the transaction contemplated by the LOI has not then been consummated and Depositor has elected not to grant an extension to South or December 26, 2020 if the Deposit Period is extended to the Extension Period;
- e. the delivery to the Escrow Agent by the Depositor of notice of the failure by South Aviation to pay (i) the Fee (as defined in the Letter Agreement) to Depositor no later than one (1) business day after the Depositor makes the Deposit with the Escrow Agent, or (ii) in the event the Deposit Period (as defined in the Letter Agreement) is extended to the Extension Period (as defined in the Letter Agreement), the Extension Fee (as defined in the Letter Agreement) to Depositor within two (2) business days prior to expiration of the Deposit Period;
- f. failure by the Remainder Depositors from depositing their portion of the Refundable Purchase Deposit within 3 Business Days of the Depositor funding the Refundable Purchase Deposit;
- g. upon the transfer of the Remainder Deposit to each of the Remainder Depositors or their designees;
- h. upon the attempted transfer of any portion of the Deposit to any party other than Depositor or its designees or the Escrow Agent as set forth herein;
- i. the written mutual agreement of Depositor and South Aviation; or
- j. (i) immediately upon written notice in the event of a non-curable breach by a party of the terms set forth in the Letter Agreement or in the Remainder Letter Agreements, specifically including, but not limited to, breach of the representations, warranties and covenants in Section 4 and the confidentiality obligations in Section 6 of that agreement; (ii) upon five (5) days' prior written notice in the event of a curable breach by a party of any term or condition of the Letter Agreement, and the failure of the breaching party to cure such breach during such five (5) day period; or (iii) upon five (5) days' prior written notice if there is any transfer in the controlling interest in, or a change in the management of South Aviation and if such change or transfer, in the sole judgment of Depositor, substantially impairs either party's ability to perform the obligations under this Letter Agreement or the Remainder Letter Agreements.

4. In no event and under no circumstances shall the Escrow Agent disburse the

Escrow Funds or any portion thereof to any party other than the Depositor.

5. The Escrow Funds escrowed hereunder shall be deposited in a non-interest bearing account or in a trust account. All accounts shall be held in financial institutions the deposits of which are insured by an agency of the United States. The Depositor shall not be entitled to earn interest on the Escrow Funds.

6. Neither this Agreement nor any of the terms or provisions hereof may be amended, modified, supplemented or waived except by a written instrument signed by all the parties hereto (or, in the case of a waiver, by the party or parties granting the waiver). No waiver of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. No failure of a party hereto to insist upon strict compliance by another party hereto with any obligation, covenant, agreement or condition contained in this Agreement shall operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

7. Each term and provision of this Agreement constitutes a separate and distinct undertaking, covenant, term and/or provision hereof. In the event that any term or provision hereof shall be determined to be unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other term or provision hereof, but this Agreement shall be construed as if such unenforceable, invalid or illegal term or provision had never been contained herein. Moreover, if any term or provision hereof shall for any reason be held to be excessively broad as to time, duration, activity, scope or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent permitted under applicable law as it shall then exist.

8. In the event of litigation between the parties to enforce the provisions of or with respect to this Agreement, the prevailing party shall be entitled to reimbursement of its costs of the litigation, including reasonable attorneys' fees.

9. This Agreement and the interpretation of its terms shall be governed by the laws of New York. In the event of any dispute arising hereunder, the parties agree and consent to the exclusive jurisdiction and venue in the state courts of New York County, New York.

10. All of the terms of this Agreement, as it may be amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective heirs, successors and assigns of the Depositor and the Escrow Agent. The Escrow Agent shall not have the right to transfer or assign its rights, or transfer or delegate its duties, under this Agreement without the prior written consent of the Depositor which may be given or withheld in the sole and absolute discretion of the Depositor.

[Signature Page Follows.]

**IN WITNESS WHEREOF**, the parties have executed this Escrow Agreement as of the day and year first above written.

**ESCROW AGENT:**

WRIGHT BROTHERS AIRCRAFT TITLE, INC.

DocuSigned by:  
  
5F2C7686CE8E451...

By: \_\_\_\_\_

Name: Debbie Mercer-Erwin  
Title: President

**DEPOSITOR:**

CCUR AVIATION FINANCE LLC

By: \_\_\_\_\_

  
Name: Igor Volshteyn  
Title: President and COO of Member CCUR Holdings, Inc.

**Exhibit A**

**TRANSFER INSTRUCTIONS FOR ESCROW AGENT**

BANK NAME: BANK OF AMERICA, N.A.

BANK ADDRESS: 5616 N. MAY AVENUE, OKLAHOMA CITY, OK 73112

ABA ROUTING: [REDACTED]

ACCOUNT NO: [REDACTED]

ACCOUNT NAME: [REDACTED]

SWIFT CODE: [REDACTED]

**EXHIBIT B**

**Depositor Wire Instructions**

BANK NAME: Truist Bank

ABA ROUTING: [REDACTED]

ACCOUNT NO: [REDACTED]

ACCOUNT NAME: [REDACTED] [REDACTED]

*Kindly contact Virginia Moyer (470-264-0993) or Warren Sutherland (770-305-6435) to confirm wire instructions prior to initiating a wire transfer.*



# EXHIBIT E

**FILED**

FEB 24 2021

Clerk, U.S. District Court  
Texas Eastern

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

UNITED STATES OF AMERICA

v.

DEBRA LYNN MERCER-ERWIN (1)  
KAYLEIGH MOFFETT (2)  
GUILLERMO GARCIA MENDEZ (3)  
FEDERICO ANDRES MACHADO (4)  
CARLOS ROCHA VILLAURRUTIA (5)  
ALBAN GERARDO AZOFEIFA-CHACON (6)  
AARON BELLO-MILLAN (7)  
MICHAEL ASSAD MARCOS (8)

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No. 4:20-CR-212  
Judge Mazzant

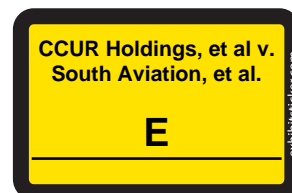
**THIRD SUPERSEDING INDICTMENT**

THE UNITED STATES GRAND JURY CHARGES:

At all times material to this Third Superseding Indictment:

**INTRODUCTION**

1. Aircraft Guaranty Corporation (AGC) registered thousands of aircraft in Onalaska Texas, an East Texas town without an airport. The true owners of many of these aircraft are foreign nationals. Non-citizens can register aircraft with the United States Federal Aviation Administration if the aircraft is placed in a trust managed by a United States trustee. 14 C.F.R. § 47.7(c). In exchange for entering into this arrangement, the foreign national receives a coveted “N” tail number for his aircraft. This “N” number is valuable because foreign countries are less likely to inspect an U.S.-registered aircraft for airworthiness or force down an American aircraft. It also avoids



foreign taxes related to the aircraft's importation to that foreign country and increases the aircraft's resell value.

2. To register an aircraft held in a U.S. Trust, the U.S. Trustee submits at least three documents for FAA review: (1) the Trust Agreement; (2) an Affidavit of Citizenship of the Owner Trustee; and (3) the Operating Agreement or Lease Agreement. The FAA then issues a reasoned opinion about whether the aircraft is eligible for registration. AGC followed this procedure, but made several fraudulent representations or filings in the process. It then received an opinion letter from the FAA stating, "we have reviewed both the Trust Agreement and the Affidavit for compliance with 14 C.F.R. § 47.7(c). "Regarding the Trust Agreement, . . . Article 6.2(c) directs the owner trustee to effect registration of the aircraft with the FAA." Article 6.2 of AGC's standard Trust Agreement outlines the actions the Trustee "covenants and agrees to take." Article 6.2(c) requires the Trustee to "take all actions which the Trustee deems necessary or advisable to register any Aircraft which comprises a portion of the Trust Property with the United States Federal Aviation Administration and to insure that the Aircraft maintains its registration and *complies with related regulations and requirements.*" (emphasis added). After reading this provision, and others, the FAA concluded that "the form of the Trust Agreement . . . satisfies the requirements of Sections 47.7(c)(2)(i) and 47.7(c)(2)(iii)." It determined the aircraft was "eligible for United States registration in the name of the Owner Trustee." Without this representation, the FAA would not register the aircraft.

3. Upon entering this arrangement, the trustee is responsible for complying with aircraft reporting obligations, which they cannot delegate to third parties. In June

2013, the FAA stressed, “The regulatory obligations of an owner trustee with regard to an aircraft registered in the U.S. using a non-citizen trust are, and always have been, the same as the regulatory obligations of all owners of U.S. registered aircraft.” Fed. Reg. Vol 78, No. 117 (June 18, 2013). “The FAA Registry is an ‘owner’ registry; it is not an ‘operator’ registry.” *Id.* “Once the FAA completes the registration process, the registered owner is the owner for all purposes under the regulations.” *Id.* “The FAA has determined that there is nothing inherent in the status of a trustee owner of a U.S.-registered aircraft that would affect or limit its responsibilities for ensuring compliance with applicable laws and regulations.” *Id.* Thus, “an owner of an aircraft on the U.S. registry cannot avoid a regulatory obligation imposed on it by the FAA simply by entering into a private contract with another party.” *Id.*

4. The aircraft is subject to United States regulations and requirements, including those issued by the Department of Commerce. The Owner Trustee promised the FAA compliance. If the aircraft is exported, then the Trustee must insure the required Electronic Export Information is filed under 15 C.F.R. §§ 30.3, 758.1(b)(5), and 758.2. AGC refused to comply, even when confronted by United States authorities.

5. The defendants circumvent United States laws and regulations by placing “N” numbers in the hands of drug traffickers and prohibited foreign nationals. Each named individual participated in the scheme. The defendants use their status as United States citizens with United States corporations to execute a three-part scheme furthering international drug trafficking activity. *First*, the defendants violate FAA and Department of Commerce regulations to register aircraft with the United States while concealing the

aircraft's true ownership and exportation. *Second*, when law enforcement seizes a registered aircraft laden with drugs, the defendants deregister or otherwise transfer ownership of the aircraft. *Finally*, the defendants participated in a series of bogus aircraft sales transactions in order to conceal the movement of illegally obtained funds.

**THE DEFENDANTS AND THEIR CORPORATE ENTITIES**

6. **Aircraft Guaranty Corporation Holdings (AGC)**, was founded in Onalaska, Texas, Eastern District of Texas. In December 2014, Debbie Mercer-Erwin purchased AGC and continued registering aircraft in Onalaska, Texas. On or about January 22, 2020, AGC changed its address to 928 SW 107<sup>th</sup> St. Oklahoma City, Oklahoma 73170.

7. **Wright Brothers Aircraft Title, Inc. (WBAT)** is an Oklahoma corporation with a principle place of business in Oklahoma at 928 SW 107<sup>th</sup> Street, Oklahoma City, Oklahoma 73170. WBAT often acts as an escrow agent in aircraft purchase transactions involving AGC and other co-conspirators. WBAT shares resources, office space, and employees with AGC. At times, it makes FAA filings related to AGC aircraft.

8. **GMAVIATION S.A. de C.V.** is listed on AGC's website as its Mexican-based location.

9. **Debra Lynn Mercer-Erwin** owns AGC and WBAT.

10. **Kayleigh Moffett** is an officer of AGC and WBAT.

11. **Guillermo Garcia Mendez** owns and operates GMAVIATION. Guillermo Garcia Mendez and GMAVIACION S.A. de C.V. are listed on AGC's website as its representatives in Mexico.

12. **South Aviation, Inc. (SAI)** is a Florida corporation, with its principal place of business located at 1470 Lee Wagener Boulevard, Suite 100, Ft. Lauderdale, Florida 33315. SAI acts as a broker for third-party buyers of aircraft.

13. **Pampa Aircraft Financing (PAF)** is a Florida corporation, with its principal place of business located at 1470 Lee Wagener Blvd, Suite 100, Ft. Lauderdale, Florida 33315. PAF acts as a broker for third-party buyers of aircraft.

14. **Federico Andres Machado** owns and operates SAI and PAF.

15. **Ford Electric Co.** is a Wyoming company, with a principle place of business at 1712 Pioneer Ave. STE 1461, Cheyenne, Wyoming 82001.

16. **Texton Enterprises, LLC (Texton)** is a Wyoming corporation, with its principle place of business at 1712 Pioneer Ave #500 Cheyenne, Wyoming 82001.

17. **TWA International, Inc. (TWA)** is a Wyoming corporation, with its principle place of business at 17122 Pioneer Ave #500 Cheyenne, Wyoming 82001.

18. **Carlos Rocha Villaurrutia** purchases aircraft and illegally exports them to foreign countries using Texton, TWA, and Ford Electric Co.

19. **Alban Gerardo Azofeifa-Chacon** is a Costa Rican national and pilot.

20. **Aaron Bello-Millan** is a Mexican national and pilot.

21. **Projets Inc.** is a Texas corporation with its principle place of business at 8620 West Monroe Rd., Suite 204 Houston, Texas 77061.

22. **Jetnet, LLC** is a Delaware limited liability corporation with its principle place of business at 2711 Centerville Rd Suite #400 Wilmington, Delaware, 19808.

23. **Global Jets LLC** is a Delaware limited liability corporation with its principle place of business at 5444 Westheimer Rd. Ste. 1090 Houston, Texas 77056

24. **Michael Assad Marcos** is the Managing Member of Jetnet, LLC and the President of Projets, Inc. He also owns Global Jets.

25. The above-mentioned companies are interrelated. For example, GMAVIACION is the Mexican representative of AGC. AGC and WBAT comingle leadership, employees, resources, and office space. Texton and TWA have similarly comingled their operations. SAI and PAF contract with WBAT as an escrow agent and TWA transacts business with WBAT. In November 2018, WBAT received three wires comprising \$220,000 from TWA for the purchase of an aircraft. WBAT was also involved in the purchase of aircraft used by Marcos.

### **OFFENDING AIRCRAFT TRANSACTIONS**

26. The Department of Commerce (DOC), Bureau of Industry and Security (BIS), Office of Export Enforcement (OEE), and Homeland Security Investigation (HSI) initiated their investigation of Defendants after noticing irregularities in aircraft filings and learning that several defendant-registered aircraft were seized or destroyed while smuggling drugs internationally. The following paragraphs provide non-exhaustive examples by aircraft.

27. **N8286M / N456PF**. On or about February 11, 2020, N8286M and N456PF were registered with the FAA to Irvin A. Romero Lozano, an illegal alien with an

apartment in San Jose, California. In the registration documents, Lozano claimed to be a U.S. Citizen (in violation of 49 U.S.C. § 46306 and 18 U.S.C. § 1001). That same day, Declarations of International Operation were filed for both “N” numbers listing Guadalajara, Mexico as the final destination. The associated bills of sale for this aircraft were dated December 10, 2019 for N8286M and December 27, 2019 for N456PF. These transactions were brokered by Guillermo Garcia of GMAVIATION. Because Lozano is an illegal alien, he cannot legally register an aircraft as an individual with the United States. DOC notified Lozano that his aircraft had been seized. Lozano signed a notice of abandonment for the aircraft and stated that he believed his identity had been stolen.

28. **N260RC.** On or about January 31, 2020, N260RC was scheduled to depart Brownsville, Texas to Monterrey, Mexico. 19 C.F.R. 122.22(c) requires private aircraft pilots or their designees departing the U.S. to provide CBP Automated Passenger Information System filings for each passenger at least one hour before departure. This information was not provided, and the aircraft was seized. Agents reviewed the ownership documents for the aircraft and determined that on September 15, 2017, the Mescalero Apache Tribe sold this aircraft to ITRC, LLC. On or about October 20, 2017, ITRC and AGC entered into a Trust Agreement for this aircraft. Rodolfo Camarillo Montemayor—a foreign national—was the manager of ITRC. ITRC., a Mexican corporation, held 100% of the membership shares of ITRC and Montemayor was the president, CEO, and 99% shareholder of ITRC. A bill of sale showed transfer of this aircraft to AGC and a corresponding Lease Agreement dated October 20, 2017, leased the aircraft to Camro Transportes, S.A. de C.V. Montemayor signed the Lease Agreement



as the “Sole-Administrator.” AGC is a Texas corporation and the sales records show an address for AGC of POB 2547 Onalaska, Texas, which subjects its purchase to Texas’s 6.25% sales tax. Rather than pay this tax, AGC filed a Texas Aircraft Exemption Certificate on or about October 30, 2017, stating that AGC did not owe the tax because “the aircraft will be registered in Onalaska, Texas” but will “be hangered in Apodaca, NL, Mexico and is not purchased for use in Texas.” The aircraft has been outside of the United States for three years without any export filings.

29. **N18BA.** On or about September 15, 2014, Daniel Regalado Orta signed a bill of sale for N18BA to AGC. That same day, AGC registered the aircraft with the FAA. On or about July 24, 2014, AGC executed an Amended Dry Lease Agreement leasing the aircraft to Orta. On or about January 13, 2016, WBAT filed for a duplicate certificate with the FAA. On or about March 10, 2019, N18BA crashed in Mexico killing one pilot. Mexican authorities seized 1,215 kilograms of cocaine from the aircraft. Approximately five years earlier, in 2014, Connie Wood (who died in 2019 of natural causes) placed this aircraft in a trust controlled by AGC. AGC continued to file registration documents for this aircraft under the leadership of Debbie Mercer and Kayleigh Moffett. On or about March 21, 2019, AGC employee Dawna Peters, the Executive Vice President of Trust Administration, wrote the lessee of N18BA, Daniel Regalado Orta.

We have received reports that N18BA was involved in a fatal accident in Mexico, March 10<sup>th</sup>. Please confirm if this is accurate, and if not, where is N18BA currently located? This is an urgent request, we are being asked by a US government entity to provide the current location of your aircraft, British Aerospace HS 125-700A, s/n NA0316, N18BA.

Mr. Orta responded, “This information is false. The aircraft is currently located in Toluca airport in hangar 6A. It is currently in maintenance and therefore grounded.” Continuing its investigation, the Department of Commerce served a subpoena on AGC. AGC provided a written response, which claimed that the crashed aircraft falsely displayed the N18BA tail number, which belongs to a different AGC aircraft. “The aircraft which crashed, Beechcraft 256046, was formerly registered in the U.S. under N299GS and was held by AGC in ‘Trust 1936’ from October 3, 2011 to May 29, 2014.” The beneficiary of the trust was Administración Aeronáutica Internacional S.A. de C.V. and Marco Antonio Alvarado Padilla was the manager of that company. According to AGC, the aircraft was transferred to the foreign beneficiary before the crash on or about March 29, 2015, and the FAA Registration for this aircraft was canceled on or about February 15, 2018. AGC and its co-conspirators did not make any export filings for this transaction. On or about January 22, 2020, Kayleigh Moffett filed an address update with the FAA for N18BA.

30. **N305AG.** On or about October 5, 2012, N305AG was registered to AGC. That same day, a Declaration of International Operation was filed by AGC for this aircraft. On or about September 11, 2018, Kayleigh Moffett filed a FAA Registration renewal. On or about January 27, 2020, N305AG was seized in Guatemala with approximately 1,700 kilograms of cocaine. The aircraft was taken into Guatemalan custody, where it has remained ever since. On or about January 29, 2020, news reports published the seizure. Two days later, on or about January 31, 2020, Kayleigh Moffett transferred ownership of the aircraft to Arrendadora THH SA de CV, a foreign company.

AGC and its co-conspirators did not make any export filings for this transaction. On or about February 6, 2020, an open source video of N305AG flying out of the Guatemalan jungle went viral. On or about February 20, 2020, Moffett filed a bill of sale with the FAA and asked to deregister the aircraft.

31. **N311BD.** On or about December 16, 2019, Kayleigh Moffett filed a bill of sale for N311BD, which transferred the aircraft from Gastelum—a convicted drug trafficker located in Sinaloa, Mexico<sup>1</sup>—to AGC. That same day, Kayleigh Moffett filed for a Declaration of International Operation to Mexico on behalf of N311BD as trustee. On or about February 27, 2020, the aircraft was seized in Belize with approximately 2,310 kilograms of cocaine. The aircraft was taken into government custody, where it remains. The news broadcasted this seizure on or about March 1, 2020. Approximately four days later, Debbie Mercer sent Gastelum a letter stating that AGC will begin the reassignment and deregistration of N311BD. On or about April 14, 2020, Kayleigh Moffett filed a bill of sale transferring the aircraft to Gastelum despite the fact that the aircraft was in government custody in Belize. AGC and its co-conspirators did not make any export filings. In July 2020, the FAA advised Gastelum that he does not meet the U.S. citizenship requirements to register an aircraft.

32. **N569LM.** On or about May 16, 2016, AGC entered into a trust agreement with Ancheta SA. de C.V. for the purposes of holding N56LM in a trust. It then leased the aircraft back to Ancehta, SA. de CV. On or about June 16, 2016, Kayleigh Moffett

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<sup>1</sup> A simple Google search yield articles related to Gastelum's US drug conviction. <https://www.cleveland19.com/story/7488478/mexican-drug-ring-busted-2-million-in-cocaine-seized/>

registered N569LM with the FAA. That same day, Ancheta, S.A. de C.V., a Mexican company, sold N569LM to AGC. Robert Miguel Gonzalez Barragan signed on behalf of Ancheta. On or about June 16, 2016, Debra Mercer-Erwin filed a Declaration of International Operations as president of AGC. On or about January 3, 2020, the government learned that the aircraft is located in Mexico 90% of the time. AGC and its co-conspirators did not make any export filings for this aircraft. On or about January 15, 2020, Kayleigh Moffett filed a change of address for trustee AGC.

33. **N515BA.** On or about June 25, 2020, AGC entered into a trust agreement with Jorge Alberto Torres Isalas. This document was certified as a true and correct copy by Moffett noting WBAT. AGC then leased the aircraft back to Torres Isalas. AGC and its co-conspirators did not file export documents for this plane. On or about June 28, 2020, HSI learned of a suspicious flight leaving Mexican airspace in violation of a filed flight plan. The aircraft left Mexican airspace and entered Venezuelan airspace. Authorities located the flight and photographed the aircraft. It bore tail number N515BA. Authorities continued to monitor the aircraft and noticed that false tail number N5674 was later applied to the aircraft. N5674 is tied to a deregistered aircraft that differs substantially in appearance from the targeted aircraft. The Venezuelan military attempted to force the aircraft down but lost tracking near a clandestine runway. The following morning, a destroyed aircraft was located on the clandestine runway. Photos of the destroyed aircraft briefly appeared on a social media account and identified the aircraft as N515BA.

34. **N770SW.** From approximately January 5, 2018 until April 16, 2019, N770SW was registered with the FAA as belonging to AGC. On or about April 16, 2019, Kayleigh Moffett as secretary of AGC sent the FAA a bill of sale transferring the aircraft to Aircraft Finance Aircorp, Inc. The bill of sale was dated April 17, 2019. On or about June 17, 2019, Federico Andres Machado told the government that Aircraft Finance Aircorp, Inc. was his company and that it had not purchased N770SW. On or about June 18, 2019, a bill of sale transferred ownership of N700SW to EOLO Air Corp. This form is DocuSigned by Federico Machado as company secretary. On or about June 20, 2019, EOLO filed a Declaration of International Operations for N770SW to fly from Opa-Locka, Florida to Toluco, Mexico. EOLO asked the FAA to fax the flight wire to WBAT. EOLO Air Corp. is listed as the owner of the aircraft. A document on WBAT letterhead asked the FAA to return all un-recordable documents to WBAT. AGC and its co-conspirators did not make any export filings for this aircraft.

35. **N224EA.** On or about March 10, 2017, TWA purchased N224EA. The aircraft was registered with the FAA under TWA. Villaurrutia is the sole owner and president of TWA. That same day, Villaurrutia filed a Declaration of International Operations to fly the aircraft from Pompano, Florida to Cancun, Mexico. TWA and its co-conspirators did not make any export filings. On or about November 9, 2018, TWA sold N224EA to VICA Aviation, Inc. This company is wholly owned and operated by a relative of Villaurrutia. Despite TWA's representations that it owned the aircraft, other entities funded and operated the aircraft. On or about December 19, 2018, N224EA

crashed in Honduras while transporting drugs. On or about January 7, 2019, VICA Aviation requested the deregistration of the aircraft for export to Mexico.

36. **N241CW.** On or about October 11, 2018, TWA purchased N241CW. That same day, Villaurrutia registered N241CW with the FAA under TWA and filed a Declaration of International Operations to fly the aircraft from Phoenix, Arizona to Ciudad Juarez, Mexico. TWA did not make any export filings. On or about December 9, 2018, N241CW crashed in Venezuela while delivering 1,200 kilograms of cocaine for the Sinaloa Cartel. On or about January 7, 2019, TWA submitted a deregistration request for export to Mexico.

37. **N322BC.** On or about January 11, 2019, TWA purchased N322BC and registered it with the FAA under TWA. On or about January 14, 2019, Villaurrutia filed a Declaration of International Operation to fly the aircraft from McAllen, Texas to Monterrey, Mexico. On or about September 11, 2019, Villaurrutia submitted a deregistration request for export to Mexico. TWA and its co-conspirators did not make any export filings. On or about October 19, 2019, the aircraft landed on a clandestine airstrip in Cayo District, Belize, where it was found abandoned. The seats had been removed and the aircraft was configured for narcotics transportation.

38. **N35531.** On or about February 14, 2019, Texton purchased N35531, but never registered it. An unregistered aircraft should not be flown by anyone at any time. From approximately April 4, 2019 to November 13, 2019, the FAA sent letters to Texton notifying Texton that the aircraft was not registered. On or about February 15, 2019, a flight plan was filed for N35531. It disclosed a departure from Fort Worth, Texas to

Tampico, Mexico. On or about June 6, 2019, the aircraft was found abandoned in Guatemala. TWA did not make any export filings.

39. **N465BC.** On or about August 16, 2019, TWA purchased N465BC and registered it with the FAA under TWA. Despite TWA's representations that it owned the aircraft, other entities funded and operated the aircraft. On or about August 19, 2019, TWA filed a Declaration of International Operations to fly the aircraft from Memphis, Tennessee to Merida, Mexico. TWA and its co-conspirators did not make any export filings. On or about October 25, 2019, the aircraft landed on a clandestine airstrip in Guatemala. The aircraft was configured for narcotics transportation. That same day, TWA filed a request to deregister the aircraft for export to Mexico.

40. **N530GA.** On or about March 2, 2018, TWA purchased N530GA and registered it with the FAA under TWA. On or about June 6, 2018, Villaurrutia filed a Declaration of International Operations to fly the aircraft from Chino, California to Tijuana, Mexico. TWA and its co-conspirators did not make any export filings. On or about October 26, 2019, the aircraft landed on a clandestine airstrip in Guatemala. The aircraft was configured for narcotics transportation. As of December 11, 2020, N530GA was still registered to TWA.

41. **N939RR.** On or about January 11, 2017, Texton purchased N939RR and registered it with the FAA under Texton. Villaurrutia is the sole owner and president of Texton. Despite Texton's representations that it owned the aircraft, other entities funded and operated the aircraft. On or about May 29, 2018, Villaurrutia deregistered the aircraft for export to Mexico. On or about December 16, 2019, the aircraft was seized in

Guatemala with approximately 2,572 kilograms of cocaine. TWA did not make any export filings.

42. **N990PA.** On or about May 9, 2018, Villaurrutia purchased N990PA and registered it with the FAA under TWA. Despite TWA's representations that it owned the aircraft, other entities funded and operated the aircraft. On or about March 22, 2019, the aircraft crashed in Honduras with one kilogram of cocaine and one firearm. On or about March 25, 2019, Villaurrutia deregistered the aircraft with the acknowledgement that it was exported and destroyed. TWA and its co-conspirators did not make any export filings.

43. **N368AG.** On or about August 2, 2019, Villaurrutia purchased N368AG and registered it with the FAA under TWA. Villaurrutia entered into an Aircraft Security Agreement with AW Asset Holdings, LLC, a company located in Plano, Texas. AW Asset Holdings entered into this agreement with TWA on or about August 2, 2019. On or about August 2, 2019, Villaurrutia filed a Declaration of International Operation to fly from Wichita, Kansas to Cancun, Mexico. TWA and its co-conspirators did not make any export filings. On or about October 15, 2019, this aircraft was sold to SMB G-IV IX LLC.

44. **N2000.** On or about October 29, 2016, Villaurrutia registered N2000 with the FAA through Ford Electric Co. On or about October 31, 2016, Hadid Design and Management LLC sold N2000 to Ford Electric Co. On or about November 1, 2016, Villaurrutia filed a Declaration of International Operations for a flight from Nassau, Bahamas to Opa Locka, Florida. In approximately March 2017, Michael Marcos



attempted to use N2000 to conduct a narcotics delivery. On or about December 11, 2017, Carlos Villaurrutia through Ford Electronic Co. sold N2000 to Soto Santiago William.

The corresponding Bill of Sale was filed on or about January 10, 2018.

45. **N466MM / NN886N.** On or about November 25, 2015, Exmegs Marketing, LLC, sold N466MM to Projets, Inc. On or about December 25, 2015, Projets, Inc. registered N466MM with the FAA. On or about October 30, 2018, Projets, Inc. sold N466MM to Jetnet LLC. N466MM was a Hawker 700A. On or about November 30, 2018, a Hawker 700A attempted to land on a clandestine airstrip in Belize, but aborted its landing plans and landed in the Chetumal Airport in Mexico. This aircraft bore a modified registration number—NN886N. The pilot abandoned the aircraft. The aircraft contained approximately 1,556 kilograms of cocaine. The aircraft also had two Honeywell TFE731 series engines with serial numbers P84284 and P76292. According to FAA documents, these serial numbers are assigned to N466MM, the aircraft registered to Jetnet, LLC by Michael Marcos and leased to Mexican national Luis Alberto Romero Rosales. On or about December 14, 2018, Marcos deregistered the aircraft noted that it was sold to a foreign purchaser and exported to Mexico while it was in the custody of the Mexican government. No export filing was made for this aircraft.

46. **N884AB.** On or about August 10, 2020, Horizons Ahead, LLC sold N384AB to Projets, Inc. On or about August 14, 2020, Projets, Inc. filed a Declaration of International Operation for a flight to Monterrey, Mexico. On or about August 17, 2020, the registration number N384AB was changed to N884AB. On or about August 25, 2020, Marcos filed a Declaration of International Operation with the FAA for a flight

from Houston, Texas to Monterrey, Mexico. On or about August 26, 2020, Marcos deregistered N884AB with the FAA and sold it to Vander Servicios y Comercial, SA de CV, a Mexican company. An export filing listing Vander Servicios was made for this aircraft. After August 26, 2020, it is illegal to display tail number N884AB on any aircraft because it is a de-registered number. On or about August 29, 2020, the Mexican government seized N884AB as a stateless aircraft. According to its pilots, the aircraft's true owner is Hector Sanchez Garcia in Guadalajara, Jalisco, Mexico. This individual should have been listed on the export filing.

47. **N740HB.** On or about June 10, 2019, N740HB was sold by PIBSA Ignorio Construcccion Industrial (PIBSA) to Victor Gilberto Alvarez, a Mexican citizen. On or about May 24, 2020, an aircraft with fictitious registration number N740HBH arrived at Hobby Airport in Houston, Texas from Durango, Mexico. This number was a clerical error. The true registration number for this aircraft was N740HB. FAA registration documents for N740HB list Global Jets LLC—a company owned by Michael Marcos—as the trustee owner and PIBSA Ignorio Construcccion Industrial (PIBSA) as the operator. However, the Automated Passenger Information System filing for N740HB listed Global Jets LLC as the operator and Victor Gilberto Alvarez, in Toluca Mexico as the owner. Victor Gilberto Alvarez is not listed on the FAA registration. No export filing was made for this aircraft.

48. **N777EH.** On or about January 26, 2018, the FAA received a Bill of Sale for N777EH noting that Projets, Inc. purchased N777EH from Charter Equipment Leasing LLC. That same day, Michael Marcos filed an Aircraft Registration Application

for N777EH on the behalf of Projets, Inc. On or about February 27, 2018, the FAA received a bill of sale noting the sale of N777EH from Projets Inc. to Jet Net LLC as Trustee. On or about January 26, 2020, Passengers waiting to board the N777EH were detained on the tarmac with approximately 168 kilograms of cocaine. The Aircraft was taken into Colombian custody. On or about January 27, 2020, Michael Marcos, as the Managing Member of Jetnet, LLC, sold N777EH to Jesus Arteaga Morales. That same day Michael Marcos deregistered the aircraft with the FAA for export to Mexico. These filings occurred while the aircraft was in Colombian custody. No export filings were made for this aircraft.

### **THE TRUST SCHEME**

49. AGC typically enters into a (1) Trust Agreement, (2) Purchase Agreement and corresponding Bill of Sale, and (3) Dry Lease Agreement with a corporation owned by a foreign national. On at least one occasion, this foreign national was a convicted drug trafficker. Typically, the documents are structured as follows:

50. **Trust Agreement.** The Trust Agreement creates a legal structure in which AGC holds the title to the aircraft for the benefit of the drug dealer's corporation. As explained earlier, the FAA requires this arrangement for a non-citizen to register his aircraft with the United States. AGC does not specifically identify any aircraft in its trust agreements by unique identifier. This runs contrary to the model trust agreement promulgated by the FAA in 2013.

FAA Model	AGC Agreement
<p>“Aircraft” means the Aircraft, serial number [], FAA Registration Number N [], together with the [] engines, bearings, manufacturer’s serial numbers and [], which are transferred to the Owner Trustee in trust under this Trust Agreement</p>	<p>“Aircraft” means those certain airplanes or helicopters, including engines and parts, for which the Trustee holds title for the benefit of Beneficiary, and which shall constitute the Trust Property.”</p> <p><i>*Note, the Aircraft is not identified anywhere in AGC’s trust agreements.</i></p>

The following provisions are noteworthy:

- *Section 2.4 Activities* — “The Trust may engage in the following activities: (i) the ownership, management, registration and leasing of the Trust property, (ii) activities which are necessary, suitable or convenient to accomplish the foregoing, and (iii) other such activities as may be required in connection with conserving the Trust Property and making distributions to the Beneficiaries.”
- *Section 3.2. Limitations on Transfer* — allows the Beneficiary to transfer his beneficial interest in the trust but requires Trustee approval.
- *Section 4.3 Beneficiary’s Duties to Provide Information under the FAA Trust Policy* — Beneficiary acknowledges that Trustee has reporting obligations to the FAA and agrees to provide information to fulfill those obligations.
- *Section 6.2 Specific Authority* — explains authorized activities of the Trustee including authorization to “take all actions which the Trustee deems necessary or advisable to register any Aircraft which comprises the Trust Property with the [FAA] and to insure that such Aircraft maintains its registration and complies with related regulations and requirements.”
- *Section 6.4 (d)* — “nothing in this Agreement shall relieve any of the Beneficiary, Trustee or any other Person of any obligation to comply with any law, rule or regulation of any governmental authority with respect to the ownership and operation of the Aircraft.”
- *Section 11.13 Beneficiary Compliance with US Law.* — The Beneficiary acknowledges that the aircraft may be subject to export and re-export restrictions and that these laws and OFAC regulations bind the Trustee.
- *Exhibit 1 Trustee Fee Schedule* — This form sets out payments owed to the Trustee for maintaining the trust. In the AGC trust agreements on file with the FAA, this form is blank.
- *Exhibit 2 FAA Trust Policy Certificate* — This is the form the Beneficiary fills out to aid the Trustee in meeting its FAA reporting obligations. In the AGC trust agreements on file with the FAA, this form is blank.

51. **Bill of Sale.** AGC's Trust Agreements create the trust, but do not transfer the aircraft from the foreign owner to the trustee. AGC executes an Aircraft Purchase Agreement and files a one-page Bill of Sale that appears to transfer the aircraft into AGC's possession in exchange for a nominal amount, usually from \$1 to \$10.

52. **Dry Lease Agreement.** After transferring the aircraft into the newly created trust, AGC leases the aircraft back to the foreign national through his corporation in a Dry Lease Agreement. A Dry Lease Agreement allows the Lessee to operate the aircraft and select his own crew. AGC also attempts to shirk its responsibilities by delegating regulation obligations to the foreign national. As explained above, the FAA publicly rejected this arrangement. The following are notable provisions:

- *Lease Agreement Section 3.1. Operation and Control* — “Lessee is responsible for operating the Aircraft in accordance and compliance with all laws, ordinances and regulations relating to the possession, use, operation, or maintenance of the Aircraft, including but not limited to, Federal Aviation Regulations.”
- *Lease Agreement Section 3.4. Limits of Operations* — Lessee warrants it will not use the aircraft for an illegal purpose.
- *Lease Agreement Section 5.1 Lessor's Warranty* — Lessor warrants, among other things, that the aircraft is properly registered in the name of the Lessor in accordance with U.S. law.
- *Lease Agreement Section 6.13 FAA Trust Policy* — Lessee agrees to provide Lessor with the information needed to fulfill FAA reporting obligations.
- *Exhibit A* — Lessee provides name and contact information as well as the location where the aircraft will be primarily hangered. This location is usually foreign.
- *Exhibit B Addendum to Dry Lease Agreement Section 2. Compliance with US Law* — Lessee affirms it is in compliance with OFAC regulations and acknowledges that the aircraft may be subject to export restrictions.
- *Exhibit 1 to Exhibit B Addendum to Dry Lease Agreement FAA Trust Policy Certificate* — provides the address, contact information, and Jurisdiction of incorporation for the Lessee. This is usually a foreign corporation. It also

identifies the airport where the aircraft is “normally based” and the jurisdiction where the “aircraft is normally operated.” These typically are foreign locations.

53. After executing these agreements, the aircraft receives an “N” number. Now, it must adhere to all United States laws and regulations. The Trustee agrees to comply with to all of the reporting obligations for the aircraft. This streamlines the reporting process for the FAA by designating a U.S. citizen that is responsible for providing the FAA (and other agencies) with information related to the aircraft.

### THE PONZI SCHEME

54. WBAT, through its principals and agents, and its co-conspirators funnel money through refundable deposits placed on un-sellable aircraft during bogus sales transactions. Beginning on a date unknown, but no later than 2016, Mercer-Erwin, Moffett, and Machado devised a scheme and artifice, namely a “Ponzi” scheme, to defraud persons and to obtain money by means of false and fraudulent pretenses, representations, and promises.

55. This scheme took advantage of the typical aircraft purchase transaction to dupe investors into depositing money in the WBAT escrow account. The typical aircraft purchase transaction proceeds as follows:

- **Step 1:** The buyer identifies an aircraft he would like to purchase. There is usually a period of time during which the buyer will perform due diligence on the aircraft. In order to ensure the seller does not continue marketing the aircraft, the buyer will agree to provide a refundable deposit of money. The buyer and seller will agree to conditions that, if met, render the deposit non-refundable. Usually, the “hardening” of the deposit into a non-refundable deposit depends on whether the aircraft has passed an inspection initiated by the buyer.

- **Step 2:** The buyer typically secures a lender to help provide funds for the full-purchase price of the aircraft. The loan is for the purchase of the aircraft, not the deposit. If a buyer cannot afford the deposit, it signals to the seller that he is not capable of purchasing the aircraft.
- **Step 3:** The buyer and seller enter into an escrow agreement with an escrow agent. The escrow agent holds the buyer's refundable deposit in a separate account and controls disbursement of the funds. If there is a dispute between the buyer and seller about whether the deposit has become nonrefundable under the conditions of the parties' agreement, the escrow agent will decide the dispute and disburse the funds accordingly.
- **Step 4:** After completion of the sale, the buyer usually sells the aircraft to a company for a higher asking price. Sometimes the buyer will already have this second purchaser lined-up before he purchases the aircraft from the seller.

56. The WBAT Ponzi scheme differs from this model in two key respects.

*First*, the loan money is for the refundable deposit, not the purchase of the aircraft.

*Second*, the sale of the aircraft is never consummated because the aircraft either does not exist or belongs to someone else. The WBAT Ponzi scheme is as follows:

- **Step 1:** The lender agrees to lend the fraudulent buyer a refundable deposit. The fraudulent buyer secures a loan and now owes the lender interest. The "hardening" of the deposit into a non-refundable deposit is contingent upon the illegitimate buyer's successful inspection of the aircraft and other things.
- **Step 2:** The lender's deposit money is placed into a WBAT's escrow account, which is always designated by the fraudulent buyer.
- **Step 3:** The fraudulent buyer never inspects the aircraft because the aircraft either does not exist (e.g., has been decommissioned) or is not actually for sale (e.g., belongs to a commercial airline). WBAT transfers the refundable deposit into accounts designated by the fraudulent buyer to be used for other purposes, and not for the purchase of the designated aircraft. WBAT is compensated for these fraudulent transactions with money taken from the escrow account as well. As a result, the deal falls through and the deposit does not harden.

- **Step 4:** The fraudulent buyer then secures another loan from another lender for the purchase of another unsellable aircraft. This loan pays for the principle and interest owed to the previous lender for the previous aircraft transaction involving WBAT and the fraudulent buyer.

57. On or about September 27, 2019, SAI, and WBAT entered into a series of agreements for the sale of an unsellable plane. The plane was unsellable because it belonged to a private airline and was located in China. On or about September 27, 2019, a company known to the grand jury as “UC1” and SAI entered into a letter agreement regarding a refundable deposit on an aircraft. Machado signed this agreement on behalf of SAI. That same day, UC1 entered into an Escrow Agreement with WBAT. Mercer signed this agreement on behalf of WBAT.

58. In or about December 2019, UC1 approached a legitimate bank known to the grand jury as “LB1” to secure a loan to perpetuate the scheme. On or about January 14, 2020, Machado spoke with the CEO of LB1 over the phone about the proposed transaction. The proposed buyer in this transaction was SAI and the proposed escrow company was WBAT. UC1 engaged LB1 in a series of negotiations surrounding this proposal. UC1 provided LB1 the serial number and registration of the aircraft. It did not correspond to any existing aircraft records. When asked about the discrepancy, UC1 responded that the information it originally provided was incorrect. UC1 provided a new registration number. This number corresponded to an aircraft that was decommissioned in 2017.



59. On or about February 28, 2019, SAI and WBAT entered into a series of agreements for the sale of an unsellable aircraft. The aircraft was unsellable because the aircraft has belonged to All Nippon Airways Co., LTD. since 2010 and is registered in Japan. On February 28, 2019, UC1 and SAI entered into a letter agreement regarding a refundable deposit on an aircraft. Machado signed this agreement on behalf of SAI. That same day, UC1 and SAI entered into an escrow agreement with WBAT. Machado signed this agreement on behalf of SAI.

60. On or about November 12, 2020, PAF, and Rusty 115 Corp entered into an agreement for the sale of an unsellable aircraft utilizing WBAT. The aircraft was unsellable because the aircraft belonged to Air India and was not for sale. This agreement was for \$5,000,000 refundable deposit on the unsellable aircraft. Machado signed this agreement on behalf of PAF. \$550,000 was subsequently transferred to Machado by WBAT for use other than the purchase of the aircraft.

61. To further the Ponzi scheme, Mercer-Erwin and Moffett directed funds from the WBAT escrow account to Machado within hours of the lender depositing them. Machado then used those funds for purposes other than the purchase of the aircraft.

62. The below table provides a non-exhaustive list of transactions that Mercer-Erwin, Moffett, and Machado engaged in to further the Ponzi scheme.<sup>2</sup> This list shows transactions occurring in 2016 and 2017.

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<sup>2</sup> Unindicted third-party participants are listed by initials.

Month/Year	Depositor	Wire in	Wire Out	Recipient
Oct. 2016	A.H.	\$6,777,725	\$50,000.00	Escrow Fee
			\$530,000.00	S
			\$85,190.15	W
			\$230,000.00	I
			\$203,500.00	G.G.
			275,000.00	N.G.
			\$172,445.00	N272TX/ N488AM
			\$1,700,000.00	N51NM Ghotic
			\$275,000.00	South Aviation
Nov. 2016	N272TX	\$168,418.32	\$1,120,613.86	N951DP BAM
			\$262,500.00	N.C.
Nov. 2016	C	\$7,600,000.00	\$5,088,333.33	P.G.
			\$1,000,388.89	R
Nov. 2016	P.B.F.E.	\$1,971.69	\$220,000.00	I
			\$200,000.00	C.A.
			\$2,725.00	Escrow fee
			\$50,000.00	K.J.C.
			\$58,830.00	Bond Cost
			\$50,000.00	Escrow Fee
			\$347,135.22	J.A
			\$200,000.00	N752CS
			\$100,000.00	N425SU
			\$84,444.14	W.
			\$20,188.10	South Aviation
Dec. 2016	G.	\$8,550,00.00		
			\$7,950,000.00	S.G.V.
Dec. 2016	G5 Buyer	\$36,960.41	\$150,00.00	K.J.
Dec. 2016	N272TX	\$108,000.00	\$96,960.00	C
			\$102,695.00	A.L.G.
			\$50,000.00	Escrow Fee
			\$200,345.00	South Aviation
			\$250,000.00	A.C.
			\$200,000.00	South Aviation
			\$17,341.87	O
Dec. 2016	H.	\$6,000,000.00		
			\$4,010,961.67	C
			\$230,000.00	I
			\$200,000.00	A
			\$50,000.00	Escrow Fee

Month/Year	Depositor	Wire in	Wire Out	Recipient
			\$23,320.00	Insurance extra
			\$275,000.00	South Aviation
			\$480,000.00	H.
Dec. 2016	N1904W	\$1,200,000.00	\$1,000,000.00	C
			\$100,000.00	K
			\$90,839.92	S
			\$150,000.00	South
			\$84,500.00	W
			\$177,340.00	N425SU
			\$5,398.82	Escrow
Jan. 2017	N272TX	\$84,209.16		
			\$200,000.00	South
Jan. 2017	C	\$4,000,000.00	\$1,450,000.00	N752CS
			\$1,043,062.50	H.A.
			\$125,000.00	G
			\$210,000.00	C
			\$540,000.00	N
			\$105,000.00	I
			\$250,000.00	South
			\$25,000.00	Escrow Fee
			\$15,650.90	Insurance
			\$19,604.70	Insurance
			\$95,000.00	K
			\$5,891.06	Escrow
Jan. 2017	N1904W	\$118,795.82	\$92,600.00	W
			\$26,453.95	South Aviation
Feb. 2017	N1904W	\$100,000.00	\$154,500.00	W.N.
			\$83,703.38	W
			\$177,719.18	BAM
Mar. 2017	N272TX	\$84,209.16	\$102,695.00	A.L.G.
Mar. 2017	N752CS	\$960,000.00	\$75,000.00	South Aviation
			\$220,000.00	I
			\$192,500.00	A.C.
			\$10,000.00	Escrow Fee
			\$140,000.00	C.
Apr. 2017	N1904W	\$100,000.00	\$83,703.38	W.
Apr. 2017	H.	\$3,000,000.00	\$319,196.66	C
			\$210,000.00	G.R.
			\$102,695.00	A.L.G.
			\$15,000.00	Escrow Fee

Month/Year	Depositor	Wire in	Wire Out	Recipient
			\$750,000.00	N.C.
			\$375,000.00	South Aviation
			\$75,000.00	H
			\$137,450.00	D, V, B
			\$799,583.33	C
			\$220,463.23	South
Apr. 2017	N272TX	\$168,418.32	\$102,695.00	A.L.G.
May 2017	N1904W	\$100,000.00	\$300,000.00	M.G.
			\$2,744.69	E Invoice
May 2017	N272TX	\$84,209.16	\$83,820.72	W
			\$75,000.00	H
May 2017	I	\$500,000.00	\$386,420.00	C
			\$66,921.00	A.L.G.
June 2017	South Aviation	\$60,973.93		
June 2017	C	\$6,000,000.00	\$360,000.00	C
			\$250,000.00	N.C.
			\$50,000.00	Escrow Fee
			\$236,000.00	M4L
			\$5,000,000.00	A.C.
June 2017	JTG	\$100,000.00	\$435,000.00	H
June 2017	N862VP	\$1,450,000.00	\$1,312,500.00	G.A.
June 2017	N272TX	\$84,209.16	\$80,000.00	C
June 2017	H.A.	\$1,880,000.00	\$4,209.16	Escrow
			\$1,250,000.00	G
			\$630,000.00	D,V,B
June 2017	G.R.	\$200,000.00	\$2,500.00	Escrow Fee
July 2017	N1904W	\$100,000.00	\$520,000.00	G
July 2017	N272TX	\$84,209.16	\$30,000.00	S.I.
July 2017	S.I.	\$750,000.00	\$750,000.00	G.
July 2017	B.G.	\$1,846,685.00	\$1,000,000.00	C
		;	\$75,000.00	H
			\$278,920.00	South
July 2017	W.P.	\$3,000,000.00	\$4,500,000.00	S.E.
July 2017	A.C.	\$1,800,000.00	\$3,00,000.00	C
July 2017	G.C.	\$200,000.00		
July 2017	C	\$4,000,000.00	\$2,000,000.00	C
July 2017	C	\$3,000,000.00	\$480,000.00	C
			\$213,600.00	W.P.
			\$533,664.50	N546MG
			\$840,000.00	S

Month/Year	Depositor	Wire in	Wire Out	Recipient
			\$168,055.68	W
			\$291,653.98	South
			\$100,000.00	Escrow Fee
			\$120,000.00	South
Aug. 2017	W.P.	\$3,000,000.00	\$2,000,000.00	N272TX
Aug. 2017	S.I.	\$750,000.00	\$250,000.00	G.E.R.
			\$157,500.00	W.P.
			\$50,000.00	Escrow Fee
			\$50,000.00	W
			\$30,000.00	S.I.
			\$50,000.00	South
			\$150,000.00	H.A.
			\$657,285.00	C
			\$75,000.00	H
Aug. 2017	A.C.	\$1,400,000.00	\$78,000.00	N.C.
			\$350,000.00	A.F.A.
			\$107,270.00	South
			\$10,000.00	Escrow Fee
			\$46,220.00	South
			\$133,780.00	C
			\$50,000.00	A.F.A.
			\$100,000.00	South
Sept. 2017	SN7	\$100,000.00	\$100,000.00	South
Sept. 2017	W.P.	\$2,000,000.00	\$1,450,000.00	H.A.
			\$292,500.00	G
			\$100,000.00	W.P.
			\$75,000.00	H
Sept. 2017	KCL6	\$750,000.00	\$450,000.00	ACA
			\$430,000.00	G.R.
			\$50,000.00	South
Sept. 2017	P.	\$1,450,000.00	\$20,000.00	Escrow Fee
			\$212,780.00	C
			\$750,000.00	S.I.
			\$319,720.00	South
Sept. 2017	Spe.	\$1,000,000.00	\$60,000.00	South
Sept. 2017	C	\$1,500,000.00	\$2,427,005.28	W
Sept. 2017	C	\$5,000,000.00	\$40,000.00	S.I.
			\$300,000.00	C
			\$60,000.00	C
			\$50,000.00	Escrow Fee

Month/Year	Depositor	Wire in	Wire Out	Recipient
			\$150,000.00	A.F.A.
			\$105,000.00	S.C.
			\$231,500.00	2E
			\$4,500,000.00	E
Oct. 2017	P.I.	\$708,173.00	\$200,000.00	South
Oct. 2017	E	\$9,000,000.00	\$540,000.00	ES
			\$2,000,000.00	WP
			\$3,000,000.00	H
			\$1,500,000.00	A.C.
			\$230,000.00	G.R.
			\$300,000.00	Ghm
			\$100,000.00	S.C.
			\$50,00.00	Escrow Fee
			\$180,000.00	C
			\$300,000.00	South Aviation
			\$100,000.00	K
			\$184,667.72	South
Oct. 2017	T.B.	\$250,000.00	\$100,000.00	A.C.
Nov. 2017	T.B.	\$440,000.00	\$780,000.00	G.A.T.
Nov. 2017	G.A.T.	\$2,805,000.00	\$690,000.00	T.B.
			\$2,285,000.00	N770SW
			\$50,000.00	Escrow Fee
			\$90,000.00	South Aviation
Nov. 2017	E	\$5,000,000.00	\$3,000,000.00	W.P
			\$1,500,000.00	A.C.
			\$50,000.00	Escrow Fee
			\$268,33.32	F.W.
Nov. 2017	C	\$500,000.00	\$356,400.00	J.A.A.
Nov. 2017	H.A.	\$1,880,000.00	\$2,000,000.00	W.P.F. 2000
			\$10,000.00	Escrow Fee
			\$40,000.00	G.C.
Nov. 2017	N546MG	\$550,000.00	\$117,000.00	C
			\$217,000.00	2E
			\$100,000.00	South Aviation
			\$78,000.00	Insurance
			\$46,296.59	J.A.A.
			\$100,000.00	P.S.
			\$50,000.00	T
Nov. 2017	WP	\$7,000,000.00	\$4,000,000.00	C
			\$567,000.00	WP

Month/Year	Depositor	Wire in	Wire Out	Recipient
			\$312,000.00	G.R.
			\$1,000,000.00	S.I.
			\$40,000.00	L.B.
			\$82,000.00	S
			\$50,000.00	Escrow Fee
			\$57,970.09	South Aviation
Dec. 2017	S	\$750,000.00	\$311,238.00	J.S.C.X.
			\$80,000.00	A.F.
			\$60,000.00	C
Dec. 2017	C	\$9,000,000.00	\$9,000,000.00	G MD
			\$450,000.00	C MD
			\$50,000.00	Escrow Fee
Dec. 2017	Spe	\$1,500,000.00	\$75,000.00	S.I.
	Spe	\$500,000.00	\$25,000.00	S.I.
			\$1,500,000.00	C
Dec. 2017	G.A.T.	\$1,870,000.00	\$1,750,000.00	C
			\$20,000.00	Escrow Fee
			\$100,000.00	South Aviation
Dec. 2017	N770SW	\$1,937,719.96	\$250,000.00	South Aviation
			\$180,000.00	H.A.
			\$280,000.00	C
			\$4,000,000.00	H
Dec. 2017	C	\$3,000,000.00	\$50,000.00	Escrow Fee

### COUNT ONE

Violation: 21 U.S.C. § 846 (Conspiracy to Manufacture and Distribute Cocaine)

That sometime in or about 2012, and continuously thereafter up to and including December 18, 2020, in the Eastern District of Texas, and elsewhere, **Debra Lynn Mercer-Erwin, Kayleigh Moffett, Guillermo Garcia Mendez, Federico Andres Machado, Carlos Rocha Villaurrutia, Alban Gerardo Azofeifa-Chacon, Aaron Bello-Millan, and Michael Assad Marcos**, defendants, did knowingly and intentionally combine, conspire, and agree with other persons known and unknown to the United

States Grand Jury, to knowingly and intentionally possess with the intent to distribute five kilograms or more of a mixture and substance containing a detectable amount of cocaine, a schedule II controlled substance, a violation of 21 U.S.C. § 841(a)(1).

In violation of 21 U.S. § 846.

**COUNT TWO**

Violation: 21 U.S.C. § 963 (Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States)

That sometime in or about 2012, and continuously thereafter up to and including December 18, 2020, in Colombia, Ecuador, Panama, Costa Rica, Guatemala, Mexico, Belize, Venezuela, and elsewhere, **Debra Lynn Mercer-Erwin, Kayleigh Moffett, Guillermo Garcia Mendez, Federico Andres Machado, Carlos Rocha Villaurrutia, Alban Gerardo Azofeifa-Chacon, Aaron Bello-Millan, and Michael Assad Marcos**, defendants, did knowingly and intentionally combine, conspire, and agree with other persons known and unknown to the United States Grand Jury, to knowingly and intentionally manufacture and distribute five kilograms or more of a mixture and substance containing a detectable amount of cocaine, a schedule II controlled substance, intending, knowing, and having reasonable cause to believe that such substance would be unlawfully imported into the United States, in violation of 21 U.S.C. §§ 959(a) and 960.

In violation of 21 U.S.C. § 963.



**COUNT THREE**

Violation: 21 U.S.C. § 959, 18 U.S.C. § 2 (Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States)

That sometime in or about 2012, and continuously thereafter up to and including December 18, 2020, in Colombia, Ecuador, Panama, Costa Rica, Guatemala, Mexico, Belize, Venezuela, and elsewhere, **Debra Lynn Mercer-Erwin, Kayleigh Moffett, Guillermo Garcia Mendez, Federico Andres Machado, Carlos Rocha Villaurrutia, Alban Gerardo Azofeifa-Chacon, Aaron Bello-Millan, and Michael Assad Marcos,** defendants, aided and abetted by each other, did knowingly and intentionally manufacture and distribute five kilograms or more of a mixture and substance containing a detectable amount of cocaine, a Schedule II controlled substance, intending, knowing, and with reasonable cause to believe that such cocaine would be unlawfully imported into the United States.

In violation of 21 U.S.C. § 959.

**COUNT FOUR**

Violation: 18 U.S.C. § 1956(h) (Conspiracy to Commit Money Laundering)

From in or about 2016, and continuing thereafter up to and including December 18, 2020, in the Eastern District of Texas, and elsewhere, **Debra Lynn Mercer-Erwin, Kayleigh Moffett, Guillermo Garcia Mendez, Federico Andres Machado, Carlos Rocha Villaurrutia, and Michael Assad Marcos,** defendants, did knowingly combine,

conspire, and agree together and with others known and unknown to the Grand Jury, to commit offenses against the United States in violation of 18 U.S.C. §§ 1956 and 1957, that is:

(a) to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud in violation of 18 U.S.C. §§ 1343, 1349; distribution or conspiracy to distribute or possess with the intent to distribute a controlled substance in violation of 21 U.S.C. § 846; and distribution or conspiracy to distribute or possess with the intent to distribute a controlled substance to a place in the United States from or through a place outside the United States in violation of 21 U.S.C. §§ 959 and 963, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(B)(i);

(b) to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud and conspiracy to commit wire fraud in violation of 18 U.S.C. §§ 1343, 1349; distribution or conspiracy to distribute or possess with the intent to distribute a controlled substance in violation of 21 U.S.C. § 846; distribution or conspiracy to distribute or possess with the intent to distribute a

controlled substance to a place in the United States from or through a place outside the United States in violation of 21 U.S.C. §§ 959 and 963; and interstate and foreign transportation of stolen property in violation of 18 U.S.C. § 2314, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. § 1956(a)(2)(B)(i); and

(c) to knowingly engage and attempt to engage, in monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, and such property having been derived from a specified unlawful activity, that is, wire fraud; distribution or conspiracy to distribute or possess with the intent to distribute a controlled substance; and distribution or conspiracy to distribute or possess with the intent to distribute a controlled substance to a place in the United States from or through a place outside the United States, in violation of 18 U.S.C. § 1957.

In violation of 18 U.S.C. § 1956(h).

**COUNT FIVE**

Violation: 18 U.S.C. § 371 (Conspiracy to Commit Export Violations)

All prior allegations are re-alleged and incorporated by reference as though fully set forth herein.

**Introduction**

The U.S. Department of Commerce, through the U.S. Census Bureau and the U.S. Department of Homeland Security, Customs and Border Protection, participates in and maintains the Automated Export System (AES), an electronic portal of information for exports of goods from the United States. Both the Census Bureau and the Bureau of Industry and Security, also within the Department of Commerce, require the filing of electronic export information (EEI) through the AES (using AESDirect) pursuant to 13 C.F.R. Part 30 and 15 C.F.R. Part 758. The EEI is also known as a shipper's export declaration (SED). The purpose of these requirements is to strengthen the U.S. Government's ability to prevent the export of certain items to unauthorized destinations and end users because the AES aids in targeting, identifying, and, when necessary, confiscating suspicious or illegal shipments prior to exportation. 15 C.F.R. § 30.1(b). Exporters file EEI by entering data into AES via a computer. 15 C.F.R. § 30.6(a). EEI includes the date of export, the U.S. principle party of interest, the description of the commodity to be exported, the intermediate consignee's name and address (if applicable), the ultimate consignee's name and address, and the country of ultimate destination. 15 C.F.R. § 30.6. Each filing can be identified by a unique Internal Transaction Number.

Exporters, shippers, and freight forwarders, with limited exceptions inapplicable here, are required to file an EEI for every export of goods or technology from the United States that has a value greater than \$2,500 or for which an export license was required. 15 C.F.R. § 758.1(b)(5); 15 C.F.R. § 30.2.

### **The Agreement**

Sometime in or about 2014, and continuously thereafter up to and including December 18, 2020, in the Eastern District of Texas, and elsewhere, the defendants **Debra Lynn Mercer-Erwin, Kayleigh Moffett, and Michael Assad Marcos** did knowingly conspire with each other and with other persons, both known and unknown to the Grand Jury, to commit offenses against the United States, specifically:

- (i) Knowingly failing to file an EEI, in violation of 13 U.S.C. § 305; and
- (ii) Fraudulently and knowingly attempting to export or send from the United States any merchandise, article, and object contrary to 13 U.S.C. § 305, a law and regulation of the United States, in violation of 18 U.S.C. § 554.

### **Manner and Means**

It was part of the conspiracy that Debra Mercer-Erwin, Kayleigh Moffett, and Michael Assad Marcos would file or cause to be filed with the FAA documents that either concealed the true ownership of the aircraft, falsely identified the citizenship of the aircraft owner, or that established a trust. If the documents established the trust, the documents would contain misrepresentation and false assurances that the trustee would comply with United States regulations and laws as explained in more detail above in the section titled “The Trust Scheme.” These aircraft were then shipped overseas without the requisite exportation filings under 15 C.F.R. §§ 30.3, 758.1. and 758.2.

### **Overt Acts**

In furtherance of the conspiracy and to accomplish its objects, at least one of the Defendants committed or cause to be committed, in the Eastern District of Texas and elsewhere, the overt acts described in the section titled “Offending Aircraft Transactions” above.

In violation of 18 U.S.C. §§ 371 and 554, 13 U.S.C. § 305.

### **COUNT SIX**

Violation: 18 U.S.C. § 371 (Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306)

All prior allegations are re-alleged and incorporated by reference as though fully set forth herein.

That sometime in or about 2014, and continuously thereafter up to and including December 18, 2020, **Debra Lynn Mercer-Erwin, Kayleigh Moffett, Guillermo Garcia Mendez, and Carlos Rocha Villaurrutia**, defendants, did knowingly and intentionally combine, conspire, and agree with other persons known and unknown to the United States Grand Jury, to intentionally obtain and cause to be obtained a certificate authorized to be issued under Title 49, United States Code, Section 44103, that is, an owner’s certificate of registration, by knowingly and willfully falsifying and concealing the following material facts with respect to the below aircraft:

<b>“N” Number</b>	<b>Material Misrepresentation</b>
N8286M/N456F	Irvine A. Romero Lozano was the owner of the aircraft and was a United States citizen.
N260RC	That AGC would adhere to all regulatory and statutory requirements under United States law.
N18BA	That AGC would adhere to all regulatory and statutory requirements under United States law.
N305AG	That AGC would adhere to all regulatory and statutory requirements under United States law.
N311BD	That AGC would adhere to all regulatory and statutory requirements under United States law.
N35531	Texton did not submit a registration filing and yet operated the aircraft in violation of United States law.
N515BA	That AGC would adhere to all regulatory and statutory requirements under United States law.
N770SW	The true owner of N770SW.
N224EA	The true owner of N224EA.
N465BC	The true owner of N465BC.
N939RR	The true owner of N939RR.
N990PA	The true owner of N990PA.

### **Objects of the Conspiracy**

The objects of the conspiracy were: (1) to illegally enrich the conspirators by providing United States registration for aircraft that otherwise would not qualify for registration; (2) avoid compliance with United State regulatory and statutory requirements; and (3) to conceal the prohibited activities from the United States government as to avoid penalties, deregistration of the above listed aircraft, and disruption of the illegal activity.

### **Manner and Means of the Conspiracy**

It was part of the conspiracy and among the manner and means that some of the defendants, aided and abetted by each other and others: (1) either entered into a series of contracts that hid ownership, possessory, and citizenship information related to the aircraft; (2) to transmit this information or cause this information to be transmitted to the FAA by wire in foreign or interstate commerce; and (3) to obscure the true end use of the aircraft and compliance with United States laws.

### **Overt Acts**

In furtherance of the conspiracy and to accomplish its objects, at least one of the Defendants committed or cause to be committed, in the Eastern District of Texas and elsewhere, the overt acts described in in the section titled “Offending Aircraft Transactions” above.

In violation of 18 U.S.C. § 371 and 49 U.S.C. § 46306.

### **COUNT SEVEN**

Violation: 18 U.S.C. § 1349 (Conspiracy to Commit Wire Fraud)

All prior allegations are re-alleged and incorporated by reference as though fully set forth herein. From in or about 2016, and through in or about December 18, 2020, the exact dates being unknown to the Grand Jury, in the Eastern District of Texas and elsewhere, **Debra Lynn Mercer-Erwin, Kayleigh Moffett, and Federico Andres Machado**, along with others, both known and unknown to the Grand Jury, did knowingly and willfully combine, conspire, confederate, and agree to violate 18 U.S.C. § 1343, wire



fraud, that is to transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce any writings, signs, signals, pictures, and sounds for the purpose of executing a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises.

### **Purpose of the Conspiracy**

It was the general purpose of the conspiracy for the defendants and their co-conspirators to defraud victim investors, illegally funnel investment money designated for aircraft purchases into foreign investments, and to conceal from the victim investors that their investment funds were not being used to purchase aircraft.

### **Manner and Means of the Conspiracy**

The manner and means by which the defendants and their co-conspirators sought to accomplish the object and purpose of the conspiracy included, among others, the following:

- **Step 1:** The lender agrees to lend the fraudulent buyer a refundable deposit. The fraudulent buyer secures a loan and now owes the lender interest. The “hardening” of the deposit into a non-refundable deposit is contingent upon the illegitimate buyer’s successful inspection of the aircraft and other things.
- **Step 2:** The lender’s deposit money is placed into an escrow company’s escrow account, which is always designated by the fraudulent buyer, i.e. WBAT.
- **Step 3:** The fraudulent buyer never inspects the aircraft because the aircraft either does not exist (e.g., has been decommissioned) or is not actually for sale (e.g., belongs to a commercial airline). WBAT transfers the refundable deposit into accounts designated by the fraudulent buyer to be used for other purposes, and not for the purchase of the designated aircraft. WBAT is compensated for

these fraudulent transactions with money taken from the escrow account as well. As a result, the deal falls through and the deposit does not harden.

- **Step 4:** The fraudulent buyer then secures another loan from another lender for the purchase of another unsellable aircraft. This loan pays for the principle and interest owed for the previous aircraft transaction involving WBAT and the fraudulent buyer.

### **Acts in Furtherance of the Conspiracy**

In furtherance of the conspiracy and to achieve its objects and purpose, at least one of the defendants committed and caused to be committed, in the Eastern District of Texas and elsewhere, the acts described in in the section titled “The Ponzi Scheme.”

All in violation of 18 U.S.C. § 1349.

### **NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE**

18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), and 982(a)(2); 21 U.S.C. §§ 853, 881(a), and 970; 28 U.S.C. § 2461; 49 U.S.C. § 46306(d); and 50 U.S.C. § 4819(d)

As a result of committing the offenses as alleged in this Third Superseding Indictment, defendants shall forfeit to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), and 982(a)(2); 21 U.S.C. §§ 853, 881(a), and 970; 28 U.S.C. § 2461; and 49 U.S.C. § 46306(d) any property constituting, or derived from, proceeds obtained directly, or indirectly, as a result of the said violations, and any property used, or intended to be used in any manner or part, to commit or to facilitate the commission of the said violations, including but not limited to the following:

### **Money Judgment**

A sum of money equal to \$350,000,000 in United States currency, and all interest and proceeds traceable thereto, representing the amount of proceeds obtained by defendants as a result of the offenses alleged in this Third Superseding Indictment.

### **Aircraft**

- a. A Cessna T210K, Serial No. 21059286, United States Registered Number N8286M
- b. A Beech 200, Serial No. BB413, United States Registration number N456PF
- c. A Lear 31A, Serial No. 080, United States Registered Number N260RC
- d. A Gulfstream G-1159, Serial No. 236, United States Registered Number N311BD
- e. A British Aerospace BAE 125-800A, Serial No. 258013, United States Registered Number N305AG
- f. A Cessna 560, Serial No. 560-0068, United States Registered Number N569LM
- g. A Gulfstream G-1159A, Serial No. 332, United States Registered Number N939RR
- h. A Gulfstream G-IV, Serial No. 1087, United States Registered Number N368AG
- i. A Hawker 800 XP, Serial No. 258740, United States Registered Number N740HB

### **Substitute Assets**

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of defendants up to the value of the above forfeitable property, including but not limited to all property, both real and personal, owned by the defendants.

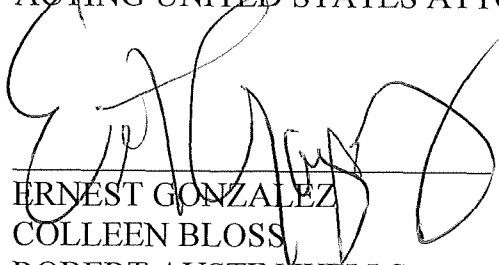
By virtue of the commission of the felony offenses charged in this First Superseding Indictment, any and all interest defendants have in the above-described property is vested in the United States and hereby forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461.

A TRUE BILL

*MCF*

\_\_\_\_\_  
GRAND JURY FOREPERSON

NICHOLAS J. GANJEI  
ACTING UNITED STATES ATTORNEY



\_\_\_\_\_  
ERNEST GONZALEZ  
COLLEEN BLOSS  
ROBERT AUSTIN WELLS  
Assistant United States Attorneys

*2/24/21*  
\_\_\_\_\_  
Date

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

UNITED STATES OF AMERICA

v.

DEBRA LYNN MERCER-ERWIN (1)  
KAYLEIGH MOFFETT (2)  
GUILLERMO GARCIA MENDEZ (3)  
FEDERICO ANDRES MACHADO (4)  
CARLOS ROCHA VILLAUURUTIA (5)  
ALBAN GERARDO AZOFEIFA-CHACON (6)  
AARON BELLO-MILLAN (7)  
MICHAEL ASSAD MARCOS (8)

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No. 4:20-CR-212  
Judge Mazzant

**NOTICE OF PENALTY**

**Count One**

Violation: 21 U.S.C. § 846

Penalty: If 5 kilograms or more of a mixture or substance containing a detectable amount of cocaine – not less than 10 years and not more than life imprisonment, a fine not to exceed \$10 million, or both. A term of supervised release of at least five years

Special Assessment: \$100.00

**Count Two**

Violation: 21 U.S.C. § 963

Penalty: Violation: 21 U.S.C. § 963

Penalty: Imprisonment for not less than ten years or more than life, a fine not to exceed \$10,000,000.00 or both. A term of supervised release of at least five years.

Special Assessment: \$100.00

**Count Three**

Violation: 21 U.S.C. § 959

Penalty: Imprisonment for not less than ten years or more than life, a fine not to exceed \$10,000,000.00 or both. A term of supervised release of at least five years

Special Assessment: \$100.00

**Count Four**

Violation: 18 U.S.C. § 1956(h) and 1956(a)(2)(A) and (a)(2)(B)(i)

Penalty: Not more than 20 years imprisonment; a fine not to exceed \$250,000 or twice the pecuniary gain or loss. A term of supervised release of not more than 3 years.

Special Assessment: \$100.00

**Count Five**

Violation: 18 U.S.C. § 371 (Conspiracy to Commit Export Violations)

Penalty: Not more than 10 years imprisonment; a fine not to exceed \$250,000 or both. A term of supervised release of not more than 3 years.

Special Assessment: \$100.00

**Count Six**

Violation: 18 U.S.C. § 371 (Conspiracy to Commit Registration Violations Involving Aircraft, Not Providing Air Transportation in violation of 49 U.S.C. § 46306)

Penalty: Not more than 5 years imprisonment to be served in addition to, and not, concurrently with, any other term of imprisonment imposed on the

individual; a fine not to exceed \$250,000, or both. A term of supervised release of not more than 3 years.

Special Assessment: \$100.00

**Count Seven**

Violation: 18 U.S.C. § 1349 (Conspiracy to Commit Wire Fraud)

Penalty: Not more than 20 years imprisonment; a fine not to exceed \$250,000 or both. A term of supervised release of not more than 5 years.

Special Assessment: \$100.00

# EXHIBIT F



**U.S. District Court  
Eastern District of TEXAS [LIVE] (Sherman)  
CRIMINAL DOCKET FOR CASE #: 4:20-cr-00212-ALM-KPJ All Defendants**

Case title: USA v. Mercer-Erwin et al.

Date Filed: 08/12/2020

Assigned to: District Judge Amos L. Mazzant, III  
Referred to: Magistrate Judge Kimberly C Priest Johnson

**Defendant (1)**

**Debra Lynn Mercer-Erwin**

represented by **Rafael De La Garza , II**  
The De La Garza Law Firm  
3941 Legacy Dr Ste 204-A192  
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Email: rdelagarzalaw@yahoo.com  
*LEAD ATTORNEY*  
*ATTORNEY TO BE NOTICED*  
*Designation: Retained*

**William Brett Behenna**  
Coyle Law Firm  
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Oklahoma City, OK 73102  
405-415-4551  
Fax: 405-272-9859  
Email: bb@coylelaw.com  
*ATTORNEY TO BE NOTICED*  
*Designation: Retained*

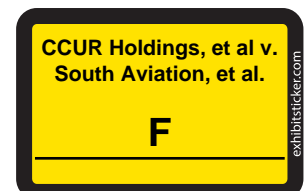
**Pending Counts**

CONSPIRACY TO MANUFACTURE  
AND DISTRIBUTE COCAINE

- (1)  
Conspiracy to Manufacture and Distribute Cocaine
- (1s)  
Conspiracy to Manufacture and Distribute Cocaine
- (1ss)  
Conspiracy to Manufacture and Distribute Cocaine

21 U.S.C. § 846 (Conspiracy to Manufacture and Distribute Cocaine)  
(1sss)

**Disposition**



CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE, INTENDING, KNOWING, AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(2)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2s)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2ss)

21 U.S.C. § 963 (Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States)

(2sss)

MANUFACTURING AND DISTRIBUTING FIVE KILOGRAMS OR MORE OF COCAINE INTENDING, KNOWING AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(3)

Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully into the United States

(3s)

(Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(3ss)

MANUFACTURE/DISTRIBUTE FOR ILLEGAL IMPORTATION - NARCOTICS

(3sss)

CONSPIRACY TO COMMIT MONEY LAUNDERING

(4)

Conspiracy to Commit Money Laundering

(4s)

Conspiracy to Commit Money Laundering

(4ss)

18 U.S.C. § 1956(h) (Conspiracy to Commit Money Laundering)

(4sss)

Conspiracy to Commit Export Violations

(5s)

Conspiracy to Commit Export Violations

(5ss)

18 U.S.C. § 371 (Conspiracy to Commit Export Violations)

(5sss)

Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306

(6s)

Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306

(6ss)

18 U.S.C. § 371 (Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306)

(6sss)

Conspiracy to commit interstate and foreign transport of stolen property in violation of 18 U.S.C. § 2314

(7ss)

18 U.S.C. § 1349 (Conspiracy to Commit Wire Fraud)

(7sss)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

None

**Disposition**

**Highest Offense Level (Terminated)**

None

**Complaints**

**Disposition**

None

Assigned to: District Judge Amos L. Mazzant, III  
Referred to: Magistrate Judge Kimberly C Priest Johnson

**Defendant (2)**

**Kayleigh Moffett**

represented by **Vicki Zemp Behenna**  
Behenna, Goerke, Krahl & Meyer  
210 W. Park Avenue  
Suite 3030  
Oklahoma City, OK 73102  
405-232-3800  
Fax: 405-232-8999  
Email: [vzb@lawfirmokc.com](mailto:vzb@lawfirmokc.com)  
*LEAD ATTORNEY*  
*PRO HAC VICE*  
*ATTORNEY TO BE NOTICED*  
*Designation: Retained*

**Pending Counts**

CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE

(1)

Conspiracy to Manufacture and Distribute Cocaine

(1s)

Conspiracy to Manufacture and Distribute Cocaine

(1ss)

21 U.S.C. § 846 (Conspiracy to Manufacture and Distribute Cocaine)

(1sss)

CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE, INTENDING, KNOWING, AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(2)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2s)

**Disposition**

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2ss)

21 U.S.C. § 963 (Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States)

(2sss)

MANUFACTURING AND DISTRIBUTING FIVE KILOGRAMS OR MORE OF COCAINE INTENDING, KNOWING AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(3)

Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully into the United States

(3s)

(Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(3ss)

MANUFACTURE/DISTRIBUTE FOR ILLEGAL IMPORTATION - NARCOTICS

(3sss)

CONSPIRACY TO COMMIT MONEY LAUNDERING

(4)

Conspiracy to Commit Money Laundering

(4s)

Conspiracy to Commit Money Laundering

(4ss)

18 U.S.C. § 1956(h) (Conspiracy to Commit Money Laundering)

(4sss)

Conspiracy to Commit Export Violations

(5s)

Conspiracy to Commit Export Violations

(5ss)

18 U.S.C. § 371 (Conspiracy to Commit Export Violations)  
(5sss)

Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306  
(6s)

Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306  
(6ss)

18 U.S.C. § 371 (Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306)  
(6sss)

Conspiracy to commit interstate and foreign transport of stolen property in violation of 18 U.S.C. § 2314  
(7ss)

18 U.S.C. § 1349 (Conspiracy to Commit Wire Fraud)  
(7sss)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

None

**Disposition**

**Highest Offense Level (Terminated)**

None

**Complaints**

None

**Disposition**

Assigned to: District Judge Amos L. Mazzant, III  
Referred to: Magistrate Judge Kimberly C Priest Johnson

**Defendant (3)**

**Guillermo Garcia Mendez**

**Pending Counts**

**Disposition**

CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE

(1)

Conspiracy to Manufacture and Distribute Cocaine

(1s)

Conspiracy to Manufacture and Distribute Cocaine

(1ss)

21 U.S.C. § 846 (Conspiracy to Manufacture and Distribute Cocaine)

(1sss)

CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE, INTENDING, KNOWING, AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(2)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2s)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2ss)

21 U.S.C. § 963 (Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States)

(2sss)

MANUFACTURING AND DISTRIBUTING FIVE KILOGRAMS OR MORE OF COCAINE INTENDING, KNOWING AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(3)

Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully

into the United States

(3s)

(Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(3ss)

MANUFACTURE/DISTRIBUTE FOR ILLEGAL IMPORTATION - NARCOTICS

(3sss)

CONSPIRACY TO COMMIT MONEY LAUNDERING

(4)

Conspiracy to Commit Money Laundering

(4s)

Conspiracy to Commit Money Laundering

(4ss)

18 U.S.C. § 1956(h) (Conspiracy to Commit Money Laundering)

(4sss)

Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306

(6s)

Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306

(6ss)

18 U.S.C. § 371 (Conspiracy to Commit Registration Violations Involving Aircraft Not Providing Air Transportation in violation of 49 U.S.C. § 46306)

(6sss)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

None

**Disposition**

**Highest Offense Level (Terminated)**

None

**Complaints**

**Disposition**



None

Assigned to: District Judge Amos L. Mazzant, III  
Referred to: Magistrate Judge Kimberly C Priest Johnson

**Defendant (4)**

**Federico Andres Machado**

represented by **Dan Calvin Guthrie , Jr**  
Law Offices of Dan C. Guthrie, Jr.  
3131 McKinney Avenue  
Suite 600  
Dallas, TX 75204  
214-953-1000  
Fax: 214-953-1119  
Email: dan@whitecollardefense.com  
*LEAD ATTORNEY*  
*ATTORNEY TO BE NOTICED*  
*Designation: Retained*

**Pending Counts**

CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE

(1)

Conspiracy to Manufacture and Distribute Cocaine

(1s)

Conspiracy to Manufacture and Distribute Cocaine

(1ss)

21 U.S.C. § 846 (Conspiracy to Manufacture and Distribute Cocaine)

(1sss)

CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE, INTENDING, KNOWING, AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(2)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2s)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with

**Disposition**

Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2ss)

21 U.S.C. § 963 (Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States)

(2sss)

MANUFACTURING AND DISTRIBUTING FIVE KILOGRAMS OR MORE OF COCAINE INTENDING, KNOWING AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(3)

Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully into the United States

(3s)

(Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(3ss)

MANUFACTURE/DISTRIBUTE FOR ILLEGAL IMPORTATION - NARCOTICS

(3sss)

CONSPIRACY TO COMMIT MONEY LAUNDERING

(4)

Conspiracy to Commit Money Laundering

(4s)

Conspiracy to Commit Money Laundering

(4ss)

18 U.S.C. § 1956(h) (Conspiracy to Commit Money Laundering)

(4sss)

Conspiracy to commit interstate and foreign transport of stolen property in violation of 18 U.S.C. § 2314

(7ss)

18 U.S.C. § 1349 (Conspiracy to Commit Wire Fraud)

(7sss)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

None

**Disposition**

**Highest Offense Level (Terminated)**

None

**Complaints**

None

**Disposition**

Assigned to: District Judge Amos L. Mazzant, III  
Referred to: Magistrate Judge Kimberly C Priest Johnson  
Appeals court case number: 20-40872 5th Circuit

**Defendant (5)**

**Carlos Rocha Villaurrutia**

represented by **Carlos A Garcia**  
Attorney at Law  
1305 E Griffin Pkwy  
Mission, TX 78572  
956/584-1448  
Fax: 956/584-7402  
Email: email@thegarciafirm.com  
*LEAD ATTORNEY*  
*ATTORNEY TO BE NOTICED*  
*Designation: Retained*

**Pending Counts**

CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE

(1)

Conspiracy to Manufacture and Distribute Cocaine

(1s)

Conspiracy to Manufacture and Distribute Cocaine

(1ss)

21 U.S.C. § 846 (Conspiracy to Manufacture and Distribute Cocaine)

(1sss)

CONSPIRACY TO MANUFACTURE AND DISTRIBUTE COCAINE,

**Disposition**

INTENDING, KNOWING, AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(2)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2s)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2ss)

21 U.S.C. § 963 (Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States)

(2sss)

MANUFACTURING AND DISTRIBUTING FIVE KILOGRAMS OR MORE OF COCAINE INTENDING, KNOWING AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(3)

Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully into the United States

(3s)

(Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(3ss)

MANUFACTURE/DISTRIBUTE FOR ILLEGAL IMPORTATION - NARCOTICS

(3sss)

CONSPIRACY TO COMMIT MONEY LAUNDERING

(4)

Conspiracy to Commit Money Laundering  
(4s)

Conspiracy to Commit Money Laundering  
(4ss)

18 U.S.C. § 1956(h) (Conspiracy to Commit  
Money Laundering)  
(4sss)

Conspiracy to Commit Registration  
Violations Involving Aircraft Not Providing  
Air Transportation in violation of 49 U.S.C.  
§ 46306  
(6s)

Conspiracy to Commit Registration  
Violations Involving Aircraft Not Providing  
Air Transportation in violation of 49 U.S.C.  
§ 46306  
(6ss)

18 U.S.C. § 371 (Conspiracy to Commit  
Registration Violations Involving Aircraft  
Not Providing Air Transportation in  
violation of 49 U.S.C. § 46306)  
(6sss)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

None

**Disposition**

**Highest Offense Level (Terminated)**

None

**Complaints**

None

**Disposition**

Assigned to: District Judge Amos L.  
Mazzant, III  
Referred to: Magistrate Judge Kimberly C  
Priest Johnson

**Defendant (6)**

**Alban Gerardo Azoifeifa-Chacon**

**Pending Counts**

CONSPIRACY TO MANUFACTURE  
AND DISTRIBUTE COCAINE  
(1)

**Disposition**

Conspiracy to Manufacture and Distribute  
Cocaine

(1s)

Conspiracy to Manufacture and Distribute  
Cocaine

(1ss)

21 U.S.C. § 846 (Conspiracy to  
Manufacture and Distribute Cocaine)

(1sss)

CONSPIRACY TO MANUFACTURE  
AND DISTRIBUTE COCAINE,  
INTENDING, KNOWING, AND WITH  
REASONABLE CAUSE TO BELIEVE  
THAT THE COCAINE WILL BE  
UNLAWFULLY IMPORTED INTO THE  
UNITED STATES

(2)

Conspiracy to Manufacture and Distribute  
Cocaine Intending, Knowing, and with  
Reasonable Cause to Believe that the  
Cocaine will be Unlawfully Imported into  
the United States

(2s)

Conspiracy to Manufacture and Distribute  
Cocaine Intending, Knowing, and with  
Reasonable Cause to Believe that the  
Cocaine will be Unlawfully Imported into  
the United States

(2ss)

21 U.S.C. § 963 (Conspiracy to  
Manufacture and Distribute Cocaine  
Intending, Knowing, and with Reasonable  
Cause to Believe that the Cocaine will be  
Unlawfully Imported into the United States)

(2sss)

MANUFACTURING AND  
DISTRIBUTING FIVE KILOGRAMS OR  
MORE OF COCAINE INTENDING,  
KNOWING AND WITH REASONABLE  
CAUSE TO BELIEVE THAT THE  
COCAINE WILL BE UNLAWFULLY  
IMPORTED INTO THE UNITED STATES

(3)

Manufacturing and Distributing Five  
Kilograms or More of Cocaine Intending,  
Knowing and with Reasonable Cause to  
Believe that the Cocaine will be Unlawfully  
into the United States

(3s)

(Manufacturing and Distributing Five

Kilograms or More of Cocaine Intending,  
Knowing and with Reasonable Cause to  
Believe that the Cocaine will be Unlawfully  
Imported into the United States  
(3ss)

MANUFACTURE/DISTRIBUTE FOR  
ILLEGAL IMPORTATION - NARCOTICS  
(3sss)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

**Disposition**

None

**Highest Offense Level (Terminated)**

None

**Complaints**

**Disposition**

None

Assigned to: District Judge Amos L.  
Mazzant, III  
Referred to: Magistrate Judge Kimberly C  
Priest Johnson

**Defendant (7)**

**Aaron Bello-Millan**

**Pending Counts**

**Disposition**

CONSPIRACY TO MANUFACTURE  
AND DISTRIBUTE COCAINE  
(1)

Conspiracy to Manufacture and Distribute  
Cocaine  
(1s)

Conspiracy to Manufacture and Distribute  
Cocaine  
(1ss)

21 U.S.C. § 846 (Conspiracy to  
Manufacture and Distribute Cocaine)  
(1sss)

CONSPIRACY TO MANUFACTURE  
AND DISTRIBUTE COCAINE,  
INTENDING, KNOWING, AND WITH  
REASONABLE CAUSE TO BELIEVE  
THAT THE COCAINE WILL BE

UNLAWFULLY IMPORTED INTO THE UNITED STATES

(2)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2s)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(2ss)

21 U.S.C. § 963 (Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States)

(2sss)

MANUFACTURING AND DISTRIBUTING FIVE KILOGRAMS OR MORE OF COCAINE INTENDING, KNOWING AND WITH REASONABLE CAUSE TO BELIEVE THAT THE COCAINE WILL BE UNLAWFULLY IMPORTED INTO THE UNITED STATES

(3)

Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully into the United States

(3s)

(Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States

(3ss)

MANUFACTURE/DISTRIBUTE FOR ILLEGAL IMPORTATION - NARCOTICS

(3sss)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

None

**Disposition**



**Highest Offense Level (Terminated)**

None

**Complaints**

None

**Disposition**

Assigned to: District Judge Amos L. Mazzant, III  
Referred to: Magistrate Judge Kimberly C Priest Johnson

**Defendant (8)**

**Michael Assad Marcos**

represented by **J Craig Jett**  
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*LEAD ATTORNEY*  
*ATTORNEY TO BE NOTICED*  
*Designation: Retained*

**Pending Counts**

Conspiracy to Manufacture and Distribute Cocaine  
(1)

Conspiracy to Manufacture and Distribute Cocaine  
(1s)

21 U.S.C. § 846 (Conspiracy to Manufacture and Distribute Cocaine)  
(1ss)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States  
(2)

Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States  
(2s)

**Disposition**

21 U.S.C. § 963 (Conspiracy to Manufacture and Distribute Cocaine Intending, Knowing, and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States) (2ss)

Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully into the United States (3)

(Manufacturing and Distributing Five Kilograms or More of Cocaine Intending, Knowing and with Reasonable Cause to Believe that the Cocaine will be Unlawfully Imported into the United States (3s)

MANUFACTURE/DISTRIBUTE FOR ILLEGAL IMPORTATION - NARCOTICS (3ss)

Conspiracy to Commit Money Laundering (4)

Conspiracy to Commit Money Laundering (4s)

18 U.S.C. § 1956(h) (Conspiracy to Commit Money Laundering) (4ss)

Conspiracy to Commit Export Violations (5)

Conspiracy to Commit Export Violations (5s)

18 U.S.C. § 371 (Conspiracy to Commit Export Violations) (5ss)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts**

None

**Disposition**

**Highest Offense Level (Terminated)**

None

**Complaints**

None

**Disposition**

**Plaintiff**

**USA**

represented by **Ernest Gonzalez**  
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**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**  
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*Designation: Assistant US Attorney*

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**ATTORNEY TO BE NOTICED**

Date Filed	#	Docket Text
08/12/2020	<a href="#"><u>1</u></a>	SEALED INDICTMENT as to Debra Lynn Mercer-Erwin (1) count(s) 1, 2, 3, 4, Kayleigh Moffett (2) count(s) 1, 2, 3, 4, Guillermo Garcia Mendez (3) count(s) 1, 2, 3, 4, Federico Andres Machado (4) count(s) 1, 2, 3, 4, Carlos Rocha Villaurrutia (5) count(s) 1, 2, 3, 4, Alban Gerardo Azofeifa-Chacon (6) count(s) 1, 2, 3, Aaron Bello-Millan (7) count(s) 1, 2, 3. (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#"><u>3</u></a>	E-GOV SEALED Form AO 257 filed as to Debra Lynn Mercer-Erwin (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#"><u>4</u></a>	E-GOV SEALED Form AO 257 filed as to Kayleigh Moffett (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#"><u>5</u></a>	E-GOV SEALED Form AO 257 filed as to Guillermo Garcia Mendez (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#"><u>6</u></a>	E-GOV SEALED Form AO 257 filed as to Federico Andres Machado (mem) (Entered: 08/14/2020)

08/12/2020	<a href="#">7</a>	E-GOV SEALED Form AO 257 filed as to Carlos Rocha Villaurrutia (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#">8</a>	E-GOV SEALED Form AO 257 filed as to Alban Gerardo Azofeifa-Chacon (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#">9</a>	E-GOV SEALED Form AO 257 filed as to Aaron Bello-Millan (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#">17</a>	REDACTED INDICTMENT as to Debra Lynn Mercer-Erwin. (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#">18</a>	REDACTED INDICTMENT as to Kayleigh Moffett. (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#">19</a>	REDACTED INDICTMENT as to Guillermo Garcia Mendez. (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#">20</a>	REDACTED INDICTMENT as to Federico Andres Machado. (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#">22</a>	REDACTED INDICTMENT as to Alban Gerardo Azofeifa-Chacon. (mem) (Entered: 08/14/2020)
08/12/2020	<a href="#">23</a>	REDACTED INDICTMENT as to Aaron Bello-Millan. (mem) (Entered: 08/14/2020)
08/19/2020		Arrest of Carlos Rocha Villaurrutia in Southern District of Texas (McAllen). (mem) (Entered: 08/31/2020)
08/28/2020	<a href="#">24</a>	EMERGENCY MOTION for Stay of Magistrate Court's Order of Release by USA as to Carlos Rocha Villaurrutia. (Attachments: # <a href="#">1</a> Text of Proposed Order)(mem) (Entered: 08/28/2020)
08/31/2020	<a href="#">26</a>	Rule 5(c)(3) Documents Received as to Carlos Rocha Villaurrutia (mem) (Entered: 08/31/2020)
08/31/2020	<a href="#">27</a>	NOTICE of Attorney Appearance - Pro Hac Vice. Filing fee \$ 100, receipt number 0540-7976166. (Garcia, Carlos) (Entered: 08/31/2020)
09/10/2020	<a href="#">29</a>	SEALED FIRST SUPERSEDING INDICTMENT as to Debra Lynn Mercer-Erwin (1) count(s) 1s, 2s, 3s, 4s, 5s, 6s, Kayleigh Moffett (2) count(s) 1s, 2s, 3s, 4s, 5s, 6s, Guillermo Garcia Mendez (3) count(s) 1s, 2s, 3s, 4s, 6s, Federico Andres Machado (4) count(s) 1s, 2s, 3s, 4s, Carlos Rocha Villaurrutia (5) count(s) 1s, 2s, 3s, 4s, 6s, Alban Gerardo Azofeifa-Chacon (6) count(s) 1s, 2s, 3s, Aaron Bello-Millan (7) count(s) 1s, 2s, 3s, Michael Assad Marcos (8) count(s) 1, 2, 3, 4, 5. (mem, ) (Entered: 09/15/2020)
09/10/2020	<a href="#">30</a>	E-GOV SEALED Form AO 257 filed as to Debra Lynn Mercer-Erwin (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">31</a>	E-GOV SEALED Form AO 257 filed as to Kayleigh Moffett (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">32</a>	E-GOV SEALED Form AO 257 filed as to Guillermo Garcia Mendez (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">33</a>	E-GOV SEALED Form AO 257 filed as to Federico Andres Machado (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">34</a>	E-GOV SEALED Form AO 257 filed as to Carlos Rocha Villaurrutia (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">35</a>	E-GOV SEALED Form AO 257 filed as to Alban Gerardo Azofeifa-Chacon (mem)

		(Entered: 09/15/2020)
09/10/2020	<a href="#">36</a>	E-GOV SEALED Form AO 257 filed as to Aaron Bello-Millan (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">37</a>	E-GOV SEALED Form AO 257 filed as to Michael Assad Marcos (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">46</a>	REDACTED FIRST SUPERSEDING INDICTMENT as to Debra Lynn Mercer-Erwin. (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">47</a>	REDACTED FIRST SUPERSEDING INDICTMENT as to Kayleigh Moffett. (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">48</a>	REDACTED FIRST SUPERSEDING INDICTMENT as to Guillermo Garcia Mendez. (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">49</a>	REDACTED FIRST SUPERSEDING INDICTMENT as to Federico Andres Machado. (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">51</a>	REDACTED FIRST SUPERSEDING INDICTMENT as to Alban Gerardo Azofeifa-Chacon. (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">52</a>	REDACTED FIRST SUPERSEDING INDICTMENT as to Aaron Bello-Millan. (mem) (Entered: 09/15/2020)
09/10/2020	<a href="#">53</a>	REDACTED FIRST SUPERSEDING INDICTMENT as to Michael Assad Marcos. (mem) (Entered: 09/15/2020)
09/14/2020	<a href="#">28</a>	ORDER FOR BRIEFING as to Carlos Rocha Villaurrutia re <a href="#">24</a> Emergency Motion for Stay of Magistrate Court's Order:. Any response, if necessary, by Defendant shall be filed no later than 5:00pm on Friday, October 2, 2020. Any reply, if necessary, shall be filed no later than 5:00 p.m. on Friday, October 9, 2020. Signed by District Judge Amos L. Mazzant, III on 9/14/2020. (mem) (Entered: 09/14/2020)
09/14/2020	<a href="#">54</a>	NOTICE OF ATTORNEY APPEARANCE: Joseph Craig Jett appearing for Michael Assad Marcos (mem) (Entered: 09/15/2020)
09/21/2020	<a href="#">55</a>	RESPONSE in Opposition by Carlos Rocha Villaurrutia re <a href="#">24</a> MOTION for Stay of Magistrate Court's Order of Release (Attachments: # <a href="#">1</a> Text of Proposed Order)(Garcia, Carlos) (Entered: 09/21/2020)
10/14/2020		NOTICE OF HEARING as to Federico Andres Machado: Initial Appearance set for 10/15/2020 at 10:00 AM in Ctrm 116 (Sherman) before Magistrate Judge Christine A. Nowak. (klee, ) (Entered: 10/14/2020)
10/14/2020		NOTICE OF HEARING as to Carlos Rocha Villaurrutia: Arraignment set for 10/19/2020 at 09:30 AM in Ctrm A01 (Sherman - Annex) before Magistrate Judge Christine A. Nowak. (klee, ) (Entered: 10/14/2020)
10/15/2020	<a href="#">56</a>	NOTICE OF ATTORNEY APPEARANCE: Dan Calvin Guthrie, Jr appearing for Federico Andres Machado (Guthrie, Dan) (Entered: 10/15/2020)
10/15/2020		Arrest (self surrender) of Federico Andres Machado (mem) (Entered: 10/15/2020)
10/15/2020	<a href="#">58</a>	E-GOV SEALED ORDER Setting Conditions of Release. Signed by Magistrate Judge Christine A. Nowak on 10/15/2020. (mem) (Entered: 10/15/2020)
10/15/2020	<a href="#">60</a>	PRETRIAL ORDER as to Federico Andres Machado: Plea Agreement due by 4:00 PM on 11/13/2020. Final Pretrial Conference set for 12/4/2020 at 10:00 AM in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III, at which time dates for Jury

		Selection and Trial will be determined. Signed by Magistrate Judge Christine A. Nowak on 10/15/2020. (mem) (Entered: 10/15/2020)
10/15/2020	<a href="#">61</a>	SCHEDULING ORDER - PRETRIAL DISCOVERY & INSPECTION as to Federico Andres Machado. Signed by Magistrate Judge Christine A. Nowak on 10/15/2020. (mem) (Entered: 10/15/2020)
10/19/2020	<a href="#">64</a>	Minute Entry for proceedings held before Magistrate Judge Christine A. Nowak:Arraignment as to Carlos Rocha Villaurrutia (5) held on 10/19/2020. Plea entered by Carlos Rocha Villaurrutia (5) Not Guilty to Count 1s,2s,3s,4s,6s. Defendant remanded to custody of USM. (Court Reporter : Digital.) (mem) (Entered: 10/19/2020)
10/19/2020	<a href="#">65</a>	PRETRIAL ORDER as to Carlos Rocha Villaurrutia: Plea Agreement due by 4:00 PM on 11/13/2020. Final Pretrial Conference set for 12/4/2020 at 10:00 AM in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III, at which time dates for Jury Selection and Trial will be determined. Signed by Magistrate Judge Christine A. Nowak on 10/19/2020. (mem) (Entered: 10/19/2020)
10/19/2020	<a href="#">66</a>	PRETRIAL ORDER - PRETRIAL DISCOVERY & INSPECTION as to Carlos Rocha Villaurrutia. Signed by Magistrate Judge Christine A. Nowak on 10/19/2020. (mem) (Entered: 10/19/2020)
10/26/2020	<a href="#">68</a>	Opposed MOTION for Hearing by Carlos Rocha Villaurrutia. (Attachments: # <a href="#">1</a> Text of Proposed Order)(Garcia, Carlos) (Entered: 10/26/2020)
10/26/2020		NOTICE OF HEARING ON MOTION in case as to Carlos Rocha Villaurrutia <a href="#">68</a> Opposed MOTION for Hearing set for 11/17/2020 at 1:30 p.m. in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III. (kkc, ) (Entered: 10/26/2020)
10/28/2020		NOTICE OF HEARING as to Michael Assad Marcos: Initial Appearance set for 10/29/2020 at 10:50 AM in Ctrm A01 (Sherman - Annex) before Magistrate Judge Christine A. Nowak. (klee, ) (Entered: 10/28/2020)
10/28/2020	<a href="#">71</a>	E-GOV SEALED Arrest Warrant Returned Executed on 10/15/2020. in case as to Federico Andres Machado. (mem) (Entered: 10/28/2020)
10/28/2020		Arrest of Michael Assad Marcos (mem) (Entered: 10/29/2020)
10/29/2020	<a href="#">72</a>	ORDER granting <a href="#">68</a> Opposed MOTION for Hearing filed by Carlos Rocha Villaurrutia. Motion Hearing set for 11/17/2020 at 01:30 PM in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III. Signed by District Judge Amos L. Mazzant, III on 10/29/2020. (mem) (Entered: 10/29/2020)
10/29/2020	<a href="#">73</a>	Minute Entry for proceedings held before Magistrate Judge Christine A. Nowak: Initial Appearance and Arraignment as to Michael Assad Marcos held on 10/29/2020. Plea entered by Michael Assad Marcos Not Guilty on counts 1,2,3,4,5. Defendant RELEASED on conditions of release after out-processing by USM. (Court Reporter: Digital.) (mem) (Entered: 10/30/2020)
10/29/2020	<a href="#">74</a>	PRETRIAL ORDER as to Michael Assad Marcos: Plea Agreement due 4:00 PM on by 11/13/2020. Final Pretrial Conference set for 12/4/2020 at 10:00 AM in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III, at which time dates for Jury Selection and Trial will be determined. Signed by Magistrate Judge Christine A. Nowak on 10/29/2020. (mem) (Entered: 10/30/2020)
10/29/2020	<a href="#">75</a>	SCHEDULING ORDER - PRETRIAL DISCOVERY & INSPECTION as to Michael Assad Marcos. Signed by Magistrate Judge Christine A. Nowak on 10/29/2020. (mem) (Entered: 10/30/2020)

10/29/2020	<a href="#">76</a>	E-GOV SEALED ORDER Setting Conditions of Release. Signed by Magistrate Judge Christine A. Nowak on 10/29/2020. (mem) (Entered: 10/30/2020)
10/29/2020	<a href="#">77</a>	ORDER as to Michael Assad Marcos: By this order - issued to the prosecution and defense counsel - the court confirms the disclosure obligation of the prosecutor under Brady v. Maryland, 373 U.S. 83 (1963), and its progeny, and the possible consequences of violating such order under applicable law. Signed by Magistrate Judge Christine A. Nowak on 10/29/2020. (mem) (Entered: 10/30/2020)
10/30/2020	<a href="#">80</a>	MOTION to Continue by Federico Andres Machado. (Attachments: # <a href="#">1</a> Text of Proposed Order)(mem) (Entered: 10/30/2020)
11/10/2020	<a href="#">83</a>	ORDER TO CONTINUE - Ends of Justice granting <a href="#">80</a> MOTION to Continue filed by Federico Andres Machado. Signed by District Judge Amos L. Mazzant, III on 11/10/2020. (mem) (Entered: 11/10/2020)
11/10/2020	<a href="#">84</a>	PRETRIAL ORDER as to Federico Andres Machado: Plea Agreement due by 4:00 PM on 2/12/2021. Final Pretrial Conference set for 3/5/2021 at 10:00 AM in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III, at which time dates for Jury Selection and Trial will be determined. Signed by District Judge Sean D. Jordan on 11/10/2020. (mem) (Entered: 11/10/2020)
11/13/2020		**RESCHEDULED** Set/Reset Deadlines re Motion or Report and Recommendation in case as to Carlos Rocha Villaurrutia set for 12/15/2020 at 10:00 a.m. in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III. (kkc, ) (Entered: 11/13/2020)
11/19/2020	<a href="#">86</a>	Unopposed MOTION to Seal Document by USA as to Carlos Rocha Villaurrutia. (Attachments: # <a href="#">1</a> Text of Proposed Order)(Bloss, Colleen) (Entered: 11/19/2020)
11/19/2020		**RESCHEDULED ** Set/Reset Evidentiary Hearing re <a href="#">68</a> Opposed Motion for Hearing by Carlos Rocha Villaurrutia regarding detention set for 12/11/2020 at 9:00 a.m. in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III. (kkc, ) (Entered: 11/19/2020)
11/19/2020	<a href="#">87</a>	ORDER granting <a href="#">86</a> Motion to Seal Redacted Indictment and Redacted First Superseding Indictment as to Carlos Rocha Villaurrutia (5). Signed by District Judge Amos L. Mazzant, III on 11/19/2020. (mem) (Entered: 11/19/2020)
11/20/2020	<a href="#">88</a>	Unopposed MOTION to Continue <i>Pretrial</i> by Carlos Rocha Villaurrutia. (Attachments: # <a href="#">1</a> Text of Proposed Order)(Garcia, Carlos) (Entered: 11/20/2020)
11/20/2020	<a href="#">89</a>	ORDER TO CONTINUE - Ends of Justice granting <a href="#">88</a> Unopposed MOTION to Continue <i>Pretrial</i> filed by Carlos Rocha Villaurrutia. Signed by District Judge Amos L. Mazzant, III on 11/20/2020. (mem) (Entered: 11/20/2020)
11/20/2020	<a href="#">90</a>	PRETRIAL ORDER as to Carlos Rocha Villaurrutia: Plea Agreement due by 4:00 PM on 2/12/2021. Final Pretrial Conference set for 3/5/2021 at 10:00 AM in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III, at which time dates for Jury Selection and Trial will be determined. Signed by District Judge Amos L. Mazzant, III on 11/20/2020. (mem) (Entered: 11/20/2020)
11/20/2020	<a href="#">91</a>	CONSENT to Modify Conditions of Release by Michael Assad Marcos. (las) (Entered: 11/23/2020)
11/30/2020	<a href="#">92</a>	ORDER TO CONTINUE - Ends of Justice granting <a href="#">85</a> SEALED MOTION filed by Michael Assad Marcos. Signed by District Judge Amos L. Mazzant, III on 11/30/2020. (mem) (Entered: 11/30/2020)
11/30/2020	<a href="#">93</a>	PRETRIAL ORDER as to Michael Assad Marcos: Plea Agreement due by 4:00 PM on

		2/12/2021. Final Pretrial Conference set for 3/5/2021 at 10:00 AM in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III, at which time dates for Jury Selection and Trial will be determined. Signed by District Judge Amos L. Mazzant, III on 11/30/2020. (mem) (Entered: 11/30/2020)
12/08/2020	<a href="#">95</a>	NOTICE OF WITNESS LIST by Carlos Rocha Villaurrutia (Garcia, Carlos) (Entered: 12/08/2020)
12/10/2020	<a href="#">97</a>	NOTICE of Filing Amended Letters of Support by Carlos Rocha Villaurrutia (Attachments: # <a href="#">1</a> SEALED Exhibit LETTERS OF SUPPORT FROM FAMILY AND FRIENDS)(Garcia, Carlos) Modified attachment security on 12/11/2020 (mem). (Entered: 12/10/2020)
12/11/2020	<a href="#">98</a>	Minute Entry for proceedings held before District Judge Amos L. Mazzant, III: Detention De Novo Review Hearing as to Carlos Rocha Villaurrutia held on 12/11/2020. Court ordered Defendant detained. Formal order to follow. Defendant remanded to custody of USM at 12:31 p.m. (Court Reporter Jan Mason) (kkc, ) (Entered: 12/11/2020)
12/11/2020	<a href="#">99</a>	ADMITTED EXHIBITS LIST by Carlos Rocha Villaurrutia. (Attachments: # <a href="#">1</a> Exhibits 1-10) (kkc, ) (Entered: 12/11/2020)
12/16/2020	<a href="#">100</a>	ORDER OF DETENTION PENDING TRIAL as to Carlos Rocha Villaurrutia. Signed by District Judge Amos L. Mazzant, III on 12/16/2020. (mem) (Entered: 12/16/2020)
12/16/2020	<a href="#">101</a>	SEALED SECOND SUPERSEDING INDICTMENT as to Debra Lynn Mercer-Erwin (1) count(s) 1ss, 2ss, 3ss, 4ss, 5ss, 6ss, 7ss, Kayleigh Moffett (2) count(s) 1ss, 2ss, 3ss, 4ss, 5ss, 6ss, 7ss, Guillermo Garcia Mendez (3) count(s) 1ss, 2ss, 3ss, 4ss, 6ss, Federico Andres Machado (4) count(s) 1ss, 2ss, 3ss, 4ss, 7ss, Carlos Rocha Villaurrutia (5) count(s) 1ss, 2ss, 3ss, 4ss, 6ss, Alban Gerardo Azofeifa-Chacon (6) count(s) 1ss, 2ss, 3ss, Aaron Bello-Millan (7) count(s) 1ss, 2ss, 3ss, Michael Assad Marcos (8) count(s) 1s, 2s, 3s, 4s, 5s. (mem, ) (Entered: 12/16/2020)
12/16/2020	<a href="#">102</a>	E-GOV SEALED Form AO 257 filed as to Debra Lynn Mercer-Erwin (mem) (Main Document 102 replaced on 12/16/2020) (mem, ). (Entered: 12/16/2020)
12/16/2020	<a href="#">103</a>	E-GOV SEALED Form AO 257 filed as to Kayleigh Moffett (mem) (Main Document 103 replaced on 12/16/2020) (mem, ). (Entered: 12/16/2020)
12/16/2020	<a href="#">104</a>	E-GOV SEALED Form AO 257 filed as to Guillermo Garcia Mendez (mem) (Entered: 12/16/2020)
12/16/2020	<a href="#">105</a>	E-GOV SEALED Form AO 257 filed as to Federico Andres Machado (mem) (Entered: 12/16/2020)
12/16/2020	<a href="#">106</a>	E-GOV SEALED Form AO 257 filed as to Carlos Rocha Villaurrutia (mem) (Entered: 12/16/2020)
12/16/2020	<a href="#">107</a>	E-GOV SEALED Form AO 257 filed as to Alban Gerardo Azofeifa-Chacon (mem) (Entered: 12/16/2020)
12/16/2020	<a href="#">108</a>	E-GOV SEALED Form AO 257 filed as to Aaron Bello-Millan (mem) (Entered: 12/16/2020)
12/16/2020	<a href="#">109</a>	E-GOV SEALED Form AO 257 filed as to Michael Assad Marcos (mem) (Entered: 12/16/2020)
12/16/2020	<a href="#">116</a>	REDACTED SECOND SUPERSEDING INDICTMENT as to Debra Lynn Mercer-Erwin. (mem) (Entered: 12/18/2020)
12/16/2020	<a href="#">117</a>	REDACTED SECOND SUPERSEDING INDICTMENT as to Kayleigh Moffett. (mem)



		(Entered: 12/18/2020)
12/16/2020	<a href="#">118</a>	REDACTED SECOND SUPERSEDING INDICTMENT as to Guillermo Garcia Mendez. (mem) (Entered: 12/18/2020)
12/16/2020	<a href="#">119</a>	REDACTED SECOND SUPERSEDING INDICTMENT as to Federico Andres Machado. (mem) (Entered: 12/18/2020)
12/16/2020	<a href="#">120</a>	REDACTED SECOND SUPERSEDING INDICTMENT as to Carlos Rocha Villaurrutia. (mem) (Entered: 12/18/2020)
12/16/2020	<a href="#">121</a>	REDACTED SECOND SUPERSEDING INDICTMENT as to Alban Gerardo Azofeifa-Chacon. (mem) (Entered: 12/18/2020)
12/16/2020	<a href="#">122</a>	REDACTED SECOND SUPERSEDING INDICTMENT as to Aaron Bello-Millan. (mem) (Entered: 12/18/2020)
12/16/2020	<a href="#">123</a>	REDACTED SECOND SUPERSEDING INDICTMENT as to Michael Assad Marcos. (mem) (Entered: 12/18/2020)
12/17/2020	<a href="#">115</a>	PAPER TRANSCRIPT REQUEST by Don Bailey, Attorney, for proceedings held on 12/11/2020 - Carlos Rocha Villaurrutia Detention Hearing before Judge Mazzant. (kls, ) (Forwarded to Court Reporter, Jan Mason, on 12/17/2020 (slo) (Entered: 12/17/2020)
12/21/2020	<a href="#">124</a>	NOTICE OF APPEAL re <a href="#">100</a> <i>Order of Detention Pending Trial</i> by Carlos Rocha Villaurrutia as to <a href="#">100</a> Order of Detention Filing fee \$ 505, receipt number 0540-8163084. (Garcia, Carlos) Modified text on 1/4/2021 (mem). (Entered: 12/21/2020)
12/21/2020		Arrest of Debra Lynn Mercer-Erwin in Western District of Oklahoma (Oklahoma City). (Conditions of Release entered 12/30/2020 in WD/OK) (mem) (Entered: 01/04/2021)
12/21/2020		Arrest of Kayleigh Moffett in Western District of Oklahoma (Oklahoma City). (Conditions of Release entered 12/30/2020 in WD/OK)(mem) (Entered: 01/04/2021)
01/04/2021		USCA Case Number 20-40872 for <a href="#">124</a> Notice of Appeal - Interlocutory re <a href="#">100</a> Order of Detention Pending Trial, filed by Carlos Rocha Villaurrutia. (mem) (Entered: 01/04/2021)
01/05/2021		NOTICE OF HEARING as to Debra Lynn Mercer-Erwin, Kayleigh Moffett: **VIA VIDEOCONFERENCE** Arraignment set for 1/7/2021 at 09:30 AM in Video Conf Rm (Sherman) before Magistrate Judge Christine A. Nowak. (klee, ) (Entered: 01/05/2021)
01/05/2021	<a href="#">127</a>	NOTICE of Attorney Appearance - Pro Hac Vice by Vicki Zemp Behenna. Filing fee \$ 100, Receipt number TXE600055256. (saenz, ) (Entered: 01/05/2021)
01/07/2021	<a href="#">130</a>	Minute Entry for proceedings held before Magistrate Judge Christine A. Nowak: Arraignment as to Debra Lynn Mercer-Erwin (1) *VIA VIDEOCONFERENCE*. Plea entered by Debra Lynn Mercer-Erwin Not Guilty on counts 1ss-7ss. Defendant appeared with counsel, John Colye (not admitted to TXED) (Court Reporter: Digital.) (mem) (Entered: 01/11/2021)
01/07/2021	<a href="#">131</a>	WAIVER of Rights and Consent to Proceed by video conference by Debra Lynn Mercer-Erwin (mem) (Entered: 01/11/2021)
01/07/2021	<a href="#">132</a>	Minute Entry for proceedings held before Magistrate Judge Christine A. Nowak: Arraignment as to Kayleigh Moffett (2) held on 1/7/2021 *VIA VIDEOCONFERENCE*. Plea entered by Kayleigh Moffett Not Guilty on counts 1ss-7ss. Defendant appeared with attorney Vicki Behenna (not admitted to TXED). (Court Reporter: Digital.) (mem) (Entered: 01/11/2021)
01/07/2021	<a href="#">133</a>	WAIVER of Rights and Consent to Proceed by video conference by Kayleigh Moffett

		(mem) (Entered: 01/11/2021)
01/07/2021	<a href="#">134</a>	PRETRIAL ORDER as to Debra Lynn Mercer-Erwin, Kayleigh Moffett: Plea Agreement due by 4:00 PM on 2/12/2021. Final Pretrial Conference set for 3/5/2021 at 10:00 AM in Ctrm 208 (Sherman) before District Judge Amos L. Mazzant III. Signed by Magistrate Judge Christine A. Nowak on 1/7/2021. (mem) (Entered: 01/11/2021)
01/07/2021	<a href="#">135</a>	SCHEDULING ORDER - PRETRIAL DISCOVERY & INSPECTION as to Debra Lynn Mercer-Erwin, Kayleigh Moffett. Signed by Magistrate Judge Christine A. Nowak on 1/7/2021. (mem) (Entered: 01/11/2021)
01/07/2021	<a href="#">136</a>	RULE 5(f)(1) ORDER as to Debra Lynn Mercer-Erwin. Signed by Magistrate Judge Christine A. Nowak on 1/7/2021. (mem) (Entered: 01/11/2021)
01/07/2021	<a href="#">137</a>	RULE 5(f)(1) ORDER as to Kayleigh Moffett. Signed by Magistrate Judge Christine A. Nowak on 1/7/2021. (mem) (Entered: 01/11/2021)
01/11/2021	<a href="#">138</a>	TRANSCRIPT REQUEST by Carlos Rocha Villaurrutia for proceedings held on 12/11/2020 before Judge Amos L. Mazzant, III, (Garcia, Carlos) Modified on 1/11/2021 (slo, )(Forwarded to Court Reporter, Jan Mason, on 1/11/2021) (slo) (Entered: 01/11/2021)
01/14/2021	<a href="#">139</a>	<p>NOTICE OF FILING OF OFFICIAL TRANSCRIPT of the Motion Hearing as to Carlos Rocha Villaurrutia held on December 11, 2020 before Judge Amos L. Mazzant. Court Reporter/Transcriber: Jan Mason, Telephone number: 903-209-4013.</p> <p><b>NOTICE RE REDACTION OF TRANSCRIPTS: The parties have seven (7) business days to file with the Court a Notice of Intent to Request Redaction of this transcript. If no such Notice is filed, the transcript will be made remotely electronically available to the public without redaction after 90 calendar days. The policy is located on our website at <a href="http://www.txed.uscourts.gov">www.txed.uscourts.gov</a></b></p> <p>Transcript may be viewed at the court public terminal or purchased through the Court Reporter/Transcriber before the deadline for Release of Transcript Restriction. After that date it may be obtained through PACER. (145 pages) Motion to Redact due 2/4/2021. Release of Transcript Restriction set for 4/14/2021. (jm, ) (Entered: 01/14/2021)</p>
01/14/2021	<a href="#">140</a>	MOTION for Complex Case Designation and Motion to Continue by USA as to Debra Lynn Mercer-Erwin, Kayleigh Moffett, Guillermo Garcia Mendez, Federico Andres Machado, Carlos Rocha Villaurrutia, Alban Gerardo Azofeifa-Chacon, Aaron Bello-Millan, Michael Assad Marcos. (Attachments: # <a href="#">1</a> Text of Proposed Order)(mem) (Entered: 01/14/2021)
01/27/2021	<a href="#">141</a>	E-GOV SEALED Arrest Warrant Returned Executed on 10/29/2020. in case as to Michael Assad Marcos. (rpc, ) (Entered: 01/27/2021)
02/02/2021	<a href="#">142</a>	ORDER TO CONTINUE - Ends of Justice granting <a href="#">140</a> Motion for an Order Designating Case Complex Under 18 U.S.C. § 3161(h)(7)(A) and (B)(ii) as to Debra Lynn Mercer-Erwin, Kayleigh Moffett, Guillermo Garcia Mendez, Federico Andres Machado, Carlos Rocha Villaurrutia, Alban Gerardo Azofeifa-Chacon, Aaron Bello-Millan, Michael Assad Marcos. Signed by District Judge Amos L. Mazzant, III on 2/2/2021. (rpc, ) (Entered: 02/03/2021)
02/02/2021	<a href="#">143</a>	PRETRIAL ORDER as to Debra Lynn Mercer-Erwin, Kayleigh Moffett, Guillermo Garcia Mendez, Federico Andres Machado, Carlos Rocha Villaurrutia, Alban Gerardo Azofeifa-Chacon, Aaron Bello-Millan, Michael Assad Marcos Plea Agreement due by 4:00 PM on 2/11/2022. Final Pretrial Conference set for 3/4/2022 at 10:00 AM in Ctrm

		208 (Sherman) before District Judge Amos L. Mazzant III. Signed by District Judge Amos L. Mazzant, III on 2/2/2021. (rpc, ) (Entered: 02/03/2021)
02/03/2021	<a href="#">144</a>	NOTICE OF ATTORNEY APPEARANCE: Rafael De La Garza, II appearing for Debra Lynn Mercer-Erwin (rpc, ) (Entered: 02/03/2021)
02/04/2021	<a href="#">145</a>	Unopposed MOTION to Modify Conditions of Pre-Trial Release by Debra Lynn Mercer-Erwin. (Attachments: # <a href="#">1</a> Text of Proposed Order)(mem) (Entered: 02/04/2021)
02/05/2021		USCA 5th CIRCUIT NOTICE: Original eROA has been accepted. (rpc, ) (Entered: 02/05/2021)
02/05/2021		Appeal Remark re: Counsel can access the record on appeal by following the instructions in the link. If an appearance wasn't made in the appellant court, counsel doesn't have access through the link. <a href="http://www.ca5.uscourts.gov/docs/default-source/forms/instructions-for-electronic-record-download-feature-of-cm.pdf">http://www.ca5.uscourts.gov/docs/default-source/forms/instructions-for-electronic-record-download-feature-of-cm.pdf</a> (rpc, ) (Entered: 02/05/2021)
02/07/2021		NOTICE OF HEARING ON MOTION in case as to Debra Lynn Mercer-Erwin:Hearing Motion <a href="#">145</a> is set for 2/12/2021 01:00 PM in Ctrm 108 (Plano) before Magistrate Judge Kimberly C Priest Johnson. (jwam, ) (Entered: 02/07/2021)
02/07/2021		Notice of Mailing - doc. 46 emailed to counsel. (jwam, ) (Entered: 02/07/2021)
02/09/2021	<a href="#">146</a>	MOTION to Continue Trial by Kayleigh Moffett. (Attachments: # <a href="#">1</a> Text of Proposed Order)(mem) (Entered: 02/09/2021)
02/10/2021	<a href="#">147</a>	ORDER. It is ORDERED that Defendant, Kayleigh Moffett's Motion to Continue Trial (Dkt. # <a href="#">146</a> , sealed) is DENIED AS MOOT. Signed by District Judge Amos L. Mazzant, III on 2/10/2021. (rpc, ) (Entered: 02/10/2021)
02/10/2021	<a href="#">148</a>	MOTION to Continue by Michael Assad Marcos. (rpc, ) (Entered: 02/10/2021)
02/12/2021		Minute Entry for proceedings held before Magistrate Judge Kimberly C Priest Johnson: Hearing on Motion <a href="#">145</a> to Modify Conditions of Release as to Debra Lynn Mercer-Erwin held on 2/12/2021. Argument with questions from the Court. Motion granted, the GPS monitor will be removed. Attorney Appearances: Anand Varadarajan, AUSA; Rafael DeLaGarza, defense counsel. (time in court: 2:01 - 2:06) (Court Reporter Digital.) (jwam, ) (Entered: 02/12/2021)
02/24/2021	<a href="#">149</a>	NOTICE OF ATTORNEY APPEARANCE Robert Austin Wells appearing for USA. (Wells, Robert) (Entered: 02/24/2021)
02/24/2021	<a href="#">151</a>	THIRD SUPERSEDING INDICTMENT as to Debra Lynn Mercer-Erwin (1) count(s) 1sss, 2sss, 3sss, 4sss, 5sss, 6sss, 7sss, Kayleigh Moffett (2) count(s) 1sss, 2sss, 3sss, 4sss, 5sss, 6sss, 7sss, Guillermo Garcia Mendez (3) count(s) 1sss, 2sss, 3sss, 4sss, 6sss, Federico Andres Machado (4) count(s) 1sss, 2sss, 3sss, 4sss, 7sss, Carlos Rocha Villaurrutia (5) count(s) 1sss, 2sss, 3sss, 4sss, 6sss, Alban Gerardo Azofeifa-Chacon (6) count(s) 1sss, 2sss, 3sss, Aaron Bello-Millan (7) count(s) 1sss, 2sss, 3sss, Michael Assad Marcos (8) count(s) 1ss, 2ss, 3ss, 4ss, 5ss. (rpc, ) (Entered: 02/25/2021)
02/24/2021	<a href="#">152</a>	E-GOV SEALED Form AO 257 filed as to Debra Lynn Mercer-Erwin (rpc, ) (Entered: 02/25/2021)
02/24/2021	<a href="#">153</a>	E-GOV SEALED Form AO 257 filed as to Kayleigh Moffett (rpc, ) (Entered: 02/25/2021)
02/24/2021	<a href="#">154</a>	E-GOV SEALED Form AO 257 filed as to Guillermo Garcia Mendez (rpc, ) (Entered: 02/25/2021)

02/24/2021	<a href="#">155</a>	E-GOV SEALED Form AO 257 filed as to Federico Andres Machado (rpc, ) (Entered: 02/25/2021)
02/24/2021	<a href="#">156</a>	E-GOV SEALED Form AO 257 filed as to Carlos Rocha Villaurrutia (rpc, ) (Entered: 02/25/2021)
02/24/2021	<a href="#">157</a>	E-GOV SEALED Form AO 257 filed as to Alban Gerardo Azofeifa-Chacon (rpc, ) (Entered: 02/25/2021)
02/24/2021	<a href="#">158</a>	E-GOV SEALED Form AO 257 filed as to Aaron Bello-Millan (rpc, ) (Entered: 02/25/2021)
02/24/2021	<a href="#">159</a>	E-GOV SEALED Form AO 257 filed as to Michael Assad Marcos (rpc, ) (Entered: 02/25/2021)
02/25/2021	<a href="#">150</a>	NOTICE OF ATTORNEY APPEARANCE AS CO-COUNSEL: William Brett Behenna appearing for Debra Lynn Mercer-Erwin (saenz, ) Modified on 2/25/2021 (kls, ). (Main Document 150 replaced on 2/25/2021) (kls, ). (Entered: 02/25/2021)

<b>PACER Service Center</b>			
<b>Transaction Receipt</b>			
02/26/2021 13:28:38			
<b>PACER Login:</b>	kl0204:2581655:0	<b>Client Code:</b>	0942960.00401/01107
<b>Description:</b>	Docket Report	<b>Search Criteria:</b>	4:20-cr-00212-ALM-KPJ
<b>Billable Pages:</b>	21	<b>Cost:</b>	2.10

# EXHIBIT G

## People



### Michael I. Goldberg

Partner, Bankruptcy and Reorganization

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vCard

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A Fellow of the American College of Bankruptcy, Michael Goldberg chairs Akerman's Fraud and Recovery Practice, an experienced team of lawyers focused on unraveling high-profile investor fraud, including Ponzi schemes, receiverships, and EB-5 Immigrant Investor Visa Program wrongdoing. Michael has managed some of the largest Ponzi scheme liquidation recoveries in U.S. history. More recently he has developed a reputation for his work unraveling EB-5 fraud schemes. As noted in *Chambers USA*, his peers call him "an extraordinary lawyer who is unflappable. He's got a keen business mind and can forge consensus in seemingly irreconcilable disputes." Michael previously served as chair of Akerman's Bankruptcy and Reorganization Practice Group.

As a qualified expert witness on Ponzi schemes, he is highly sought after and routinely testifies in federal and state court cases throughout the country and internationally. Michael has served as court-appointed receiver in many of his cases over the past two decades, helping victims maximize potential returns by identifying, securing, and monetizing potential assets as quickly and efficiently as possible.

Regarded as a thought leader on fraud, Michael has appeared on CNN, CNBC, Fox News, and National Public Radio to discuss Ponzi schemes and receiverships. He has also been quoted in *Bloomberg*, *Forbes*, *The Wall Street Journal*, *The New York Times*, *The American Lawyer*, *The Miami Herald*, *Sun Sentinel*, and numerous other publications. Michael regularly lectures on receiverships, Ponzi schemes and EB-5 fraud to regulators and various legal groups throughout the country.

## Notable Work

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### Areas of Experience

Bankruptcy and Reorganization  
SEC Receiverships and Ponzi Schemes  
Fraud and Recovery  
Financial Services  
Assignments for the Benefit of Creditors

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### Education

J.D., Boston University, 1990, magna cum laude  
M.B.A., New York University, 1987  
B.A., Boston University, History, 1985

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### Admissions

#### Bars

Florida  
New York

#### Courts

U.S. Bankruptcy Court, Southern District of Florida  
U.S. District Court, District of Colorado  
U.S. District Court, Middle District of Florida  
U.S. District Court, Southern District of Florida

CCUR Holdings, et al v.  
South Aviation, et al.

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## Ponzi Scheme Liquidation Work and Receiverships

**Woodbridge Group of Companies:** Appointed by the SEC to the Board of Managers, and subsequently as Liquidating Trustee, of The Woodbridge Group of Companies, a group of related entities accused of defrauding investors out of \$1.2 billion. The appointment of the Board of Managers arises out of a settlement that resolved motions filed by the SEC and the Unsecured Creditors Committee in the United States Bankruptcy Court in Delaware to oust the debtors' current management in favor of a trustee. The settlement also avoided the appointment of a receiver in a case commenced by the SEC against the debtors in the United States District Court for the Southern District of Florida accusing the debtors of conducting a massive Ponzi scheme.

**Jay Peak, Inc. and Q Resorts, Inc.:** Appointed Receiver by the United States District Court for the Southern District of Florida over ski resorts located in Northern Vermont in the largest EB-5 fraud in the history of the United States involving more than 800 investors owed in excess of \$400 million. Secured a \$150 million settlement with Raymond James that was announced in a press conference with Vermont Governor Phil Scott exactly one year from the date the case began. In negotiating the settlement, recovered investors' stolen money and all past due trade debt and contractor claims of the resort will be paid in full. The settlement funds allow for completion of construction of the Jay Peak Resort, northern Vermont's largest employer.

**Rothstein Rosenfeldt Adler:** Represented the Official Committee of Unsecured Creditors in the Rothstein Rosenfeldt Adler bankruptcy case involving the liquidation of a law firm engaged in a \$1.2 billion Ponzi scheme. Subsequently appointed Liquidating Trustee of Rothstein Rosenfeldt Adler Liquidating Trust responsible for overseeing all distributions to creditors and handling litigation on behalf of the Liquidating Trust, which had a one hundred percent payout to all general unsecured creditors.

**Madoff Ponzi Scheme:** Represented over 100 defendants in more than 35 separate adversary proceedings seeking to avoid alleged preferential and fraudulent transfers in Madoff Ponzi scheme.

**Pearlman Ponzi Scheme:** Represented the Chapter 11 Trustee of the Louis J. Pearlman and Transcontinental Records estates. Pearlman, who was the creator and the manager of such musical groups as the Back Street Boys and 'NSYNC, was convicted of running a \$500 million Ponzi scheme victimizing hundreds of investors.

**Simple Health Plans:** Appointed Receiver by the United States District Court for the Southern District of Florida in an FTC action over a company alleged to have sold hundreds of millions of dollars in fraudulent health insurance policies.

U.S. District Court, Southern District  
of California

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### Related Content

172 Akerman Lawyers Across the  
United States Named to 2020 *Super  
Lawyers and Rising Stars* Lists  
October 28, 2020

Record Number of Akerman Lawyers  
Across the United States Named to  
*The Best Lawyers in America* 2021  
Guide  
August 24, 2020

Akerman Once Again Earns Most  
Honorees in *Florida Trend's* 2020  
Legal Elite List  
July 02, 2020

**Worldwide Entertainment, Inc:** The Entertainment Group Fund, Inc.; and American Enterprises, Inc.: Appointed Receiver by the United States District Court for the Southern District of Florida over a group of entertainment companies, including the world's second largest independent concert promoter, to operate and liquidate diverse entertainment assets, including venues, shows, movies and other intellectual property, in order to repay approximately 3,750 investors owed more than \$300 million.

**U.S. EB-5 Investments, LLC and EB-5 Asset Manager, LLC:** Appointed Receiver by the United States District Court for the Southern District of Florida over entities accused of defrauding Chinese EB-5 investors.

**Federal Employee Benefits Group, Inc. and F&S Asset Management, Inc.:** Appointed receiver by Chief Judge of the United States District Court for the Southern District of Florida at the request of the Securities and Exchange Commission over entities engaged in a \$50 million Ponzi scheme which victimized approximately 300 FBI, DEA, and ICE agents in connection with non-existent bond fund.

**Premium Sales:** Represented the Receiver in Premium Sales, a \$250 million Ponzi scheme.

**Berman Mortgage Corporation:** Appointed Receiver by the Circuit Court in Miami, Florida over a large mortgage origination business with approximately 650 investors and total mortgages and/or real estate developments valued at more than \$200 million.

**MAMC Incorporated:** Appointed Receiver by the Circuit Court in Miami, Florida over a business engaged in the servicing of more than \$200 million in mortgages on behalf of approximately 650 lenders.

**Home Equity Mortgage Corporation:** Appointed Receiver by the Circuit Court in Miami, Florida over a company engaged in the business of originating and servicing over \$200 million in mortgages on behalf of approximately 800 investors.

**Wealth Pools International, Inc. and Recruit for Wealth, Inc.:** Appointed as substitute receiver by the United States District Court for the Middle District of Florida in a \$136 million Ponzi scheme case involving 15,000 victims.

**The Cyprus Fund and Related Companies:** Appointed Receiver by the United States District Court for the Southern District of Florida over a group of companies operating a \$100 million Ponzi scheme. Responsible for operating corn and soybean farms and liquidating vast real estate holdings throughout Ohio and Florida.

**University Lab Technologies, Inc.:** Appointed Receiver by the United States District Court for the Southern District of Florida over



a company engaged in the manufacturing and distribution of natural herbal remedy products and raised money from dozens of investors in violation of federal securities laws.

**AB Financing & Investments, Inc.:** Appointed Receiver by the United States District Court for the Southern District of Florida over a company engaged in a \$80 million Ponzi scheme. Responsible for liquidating six large commercial properties, including hotels and office buildings.

**Omni Capital Ltd.:** Represented the Receiver of Omni Capital Ltd., a \$50 million Ponzi scheme.

**Sterling Wentworth Currency Group, Inc. and LaSalle International Clearing Corporation:** Appointed Receiver at the request of the CFTC by the United States District Court for the Southern District of Florida in a \$36 million Ponzi scheme involving FOREX trading.

**Service Five Investments, Inc.:** Appointed Receiver by the Circuit Court in Miami, Florida over a company engaged in making loans to active military personnel. At the time of appointment, the company had debts of \$36 million. A plan of distribution was approved by the Eleventh Judicial Circuit Court in Miami, Florida, resulted in creditors receiving an approximate 85% distribution.

**Ware Enterprises and Investments, Inc.:** Appointed Receiver by the United States District Court for the Middle District of Florida over an investment firm engaged in a \$30 million dollar Ponzi scheme.

**Par Three Investments, Inc.:** Appointed Receiver by the United States District Court for the Southern District of Florida over a company engaged in a \$10 million Ponzi scheme.

**Receiver, Discovery Capital Group, LTD.:** Appointed Receiver by the United States District Court for the Southern District of Florida over a securities brokerage firm accused of defrauding millions of dollars from hundreds of investors throughout the United States and Europe.

**Biscayne Landing, LLC:** Represented the Receiver of Biscayne Landing, LLC, a 200-acre multi use real estate development.

### **Representative Bankruptcy Work**

**Lending Syndicate:** Represented a lending syndicate of 28 banks and hedge funds as co-counsel in defending a \$675 million fraudulent transfer claim brought by the creditors' committee in the TOUSA bankruptcy case.

**Samsung Electronics of America:** Represented the consumer electronics manufacturer in bankruptcy cases throughout the United

States including the Sears, Circuit City, Tweeter, and Ultimate Electronics cases.

**AutoNation:** Represented the largest automobile dealership in the United States in the ANC Rental bankruptcy in Delaware in connection with large avoidable transfer claims made against AutoNation arising out of its spin-off of Alamo and National Car Rental.

***In Re: Elcom:*** Appointed Liquidating Trustee in a case involving a multi-tower condominium and hotel complex located in Miami, Florida.

**HIG Capital:** Represented HIG Capital in connection with its purchase of Supra Telecom pursuant to a buyer-sponsored plan of reorganization.

**Parkstone Medical:** Represented Parkstone Medical in its Chapter 11 case culminating in the sale of substantially all of its assets pursuant to Section 363 of the Bankruptcy Code.

**Blackfin Yacht Corporation:** Represented a large manufacturer of sport fishing boats in its Chapter 11 filing culminating in a sale of substantially all of its assets.

**Republic Services, Inc.:** Represented one of largest waste companies in the purchase of a waste transfer station pursuant to Section 363 of the Bankruptcy Code.

**Commerzbank of Germany:** Represented the bank as co-counsel in defending a multimillion dollar fraudulent transfer claim brought by the trustee in connection with the Sentinel Funds case. The case involved novel issues of international jurisdiction and banking law.

**Omni Capital, Ltd.:** Served as Liquidating Trustee of Omni Capital, Ltd., a company engaged in a \$50 million Ponzi scheme. Responsible for litigating dozens of “claw-back” suits to recover fraudulent transfers of profit to investors.

**Quail West and Tesoro Homeowners Associations:** Represented clients in the Ginn bankruptcies. Responsible for protecting the interests of the homeowners in connection with 363 sales of the uncompleted real estate projects to new developers.

**Fontainebleau Las Vegas:** Represented a steering group of term lenders as co-counsel in the bankruptcy of the unfinished 24.5-acre resort, condominium, and casino project on the Las Vegas Strip.

**South Motors Corporation:** Represented an automotive group and its affiliates, consisting of 17 car dealerships in their Chapter 11 bankruptcies. Approximately seven of the dealerships were sold pursuant to a 363 sale and the remaining dealerships were reorganized pursuant to a plan of reorganization.

## Published Work and Lectures

- Miami Law, Class Action and Complex Litigation Forum, Speaker, “New Waves of Mega Liability Litigation: Lessons Learned from Opioid, Monsanto Roundup, and Other Complex Cases,” January 24, 2020
- Federal Bar Association, Orlando Chapter and Central Florida Bankruptcy Law Association Meeting, “Liquidation of Ponzi Schemes,” September 2019
- National Association of Bankruptcy Trustees Annual Conference, Panelist, “Administering Mega-Ponzi Scheme Cases in Bankruptcy and Receivership,” August 2018
- The Federal Bar Association, Panelist, “Equity Receiverships,” January 17, 2018
- Association of Insolvency & Restructuring Advisors’ 16th Annual Advanced Restructuring and Plan of Reorganization Conference, Speaker, “EB-5 Lending - A Tale of Two Cities,” November 13, 2017
- National Association of Federal Equity Receivers’ 6th Annual Conference, Moderator, “Fraud Vectors in the Receivership Universe,” October 19, 2017
- 2017 San Francisco EB-5 & Investment Immigration Convention, “EB-5 Receivership and Representation of Investors in Troubled Projects,” July 2017
- IIUSA Annual Conference, Speaker, “EB-5 & Securities: Enforcement & Compliance Trends,” April 2017
- 15th Annual Advanced Restructuring and Plan of Reorganization Conference, Speaker, “Administering Ponzi Schemes in Bankruptcy,” November 14, 2016
- University of Miami School of Law, Guest Lecturer, “Distressed Real Estate Receiverships – An alternative to Bankruptcy,” April 2016
- Moderator, Florida Fiduciary Forum, Judges panel (District Court, Bankruptcy Court and State Court) comparing receiverships to bankruptcy, March, 2016
- Palm Beach Bar Association, Speaker, “Ponzi Scheme Liquidations,” May 2015
- The Florida Bar Continuing Legal Education Committee and the Business Law Section, Moderator on Statutory Receiverships, May 2014
- Central Florida Bankruptcy Law Association, Speaker, “Liquidating Ponzi Schemes,” October 2012
- C5I Fraud, Asset Tracing and Recovery Conference, Speaker, “Miami Vice - Unravelling the \$1.2 Billion “Rothstein” Ponzi Scheme,” October 2012
- Guest Lecturer, Florida International University School of Law, “Receiverships and Ponzi schemes,” February 2012

- Turnaround Management Association, Speaker, “Liquidating Ponzi Schemes,” October 2010
- North American Securities Administrator Association’s (NASAA) 25th Annual Public Policy Conference, Speaker, “Overview of Receivership and Ponzi Schemes,” Audience Included State and Federal Regulators from the United States and Canada, April 2010
- Greater Miami Jewish Federation, Professional Advisory Committee, Lunch and Learn Program, Speaker, January 2010
- Turnaround Management Association, Speaker, “Mopping Up After Madoff,” 2009
- Broward County Family Law Bar, Speaker, “Bankruptcy Law Issues for the Family Law Practitioner,” December 2005
- Stetson University College of Law and the Florida Bar, Faculty Speaker, “The Ins and Outs of the New Reformed Code-Minefields for the Unwary Special Topics Under Bankruptcy Reform,” August 2005
- Stetson University College of Law Seminar, Faculty Speaker, “Previewing the Bankruptcy Reform Act,” August 2005
- Turn Around Management Association, Annual South Florida Dinner, Speaker, “Trustees and Receiver’s Responsibility for Preserving Computer Evidence in Bankruptcy and Receiverships,” 2005
- Daily Business Review, Author, “Florida to Remain a Haven for Debtors,” March 30, 2005
- Florida Medical Business, Author, “Road Map For Dealing With Your PPM When It Careens Towards Bankruptcy”
- South Florida Business Journal, Author, “Buying Assets from Bankrupt Businesses,” May 2002
- Daily Business Review, Author, “When Bankruptcy Looms: Deciding If Patient Can Be Saved Or Read Last Rites,” March 23, 1998
- The Florida Bridge The Gap Seminar, Speaker, 1995 and 1996
- As a law clerk, assisted in writing a book on exemptions for PLI and his portion of Colliers, dealing with Leverage Buyouts and Fraudulent Transfers; also wrote a thesis receiving the highest honors on this particular issue, in an article entitled “Fraudulent Transfer Laws, Are They In Need Of Repair?”

## Affiliations

- American College of Bankruptcy, Fellow
- The Florida Bar, Member
- Broward County Bar Association, Member
- New York State Bar Association, Member
- Bankruptcy Bar Association of the Southern District of Florida, Member
- American Bar Association, Member

- Families Against Cult Teachings, Legal Advisor
- Nova University School of Law, Board of Trustees, 2012-2014
- FBI Citizens Academy Graduate, 2008

## Honors and Distinctions

- *Super Lawyers Magazine* 2020, Listed in Florida for Bankruptcy: Business
- *Daily Business Review*, “Most Effective Lawyer,” Finalist, 2017
- *The Financial Times*, “Most Innovative Lawyers North America”, Litigation and Disputes, 2017
- *Daily Business Review*, Professional Excellence Awards, “Distinguished Leader,” 2017
- *The Best Lawyers in America* 2006-2021, Listed in Florida for Bankruptcy and Creditor Debtor Rights / Insolvency and Reorganization Law, Bet-the-Company Litigation, and Litigation - Bankruptcy, including five-time Fort Lauderdale “Lawyer of the Year” awards for Creditor Debtor Rights/Insolvency and Reorganization Law
- *Chambers USA* 2006-2020, Ranked in top tier in Florida (South Florida) for Bankruptcy/Restructuring
- *Daily Business Review*, “Lawyer of the Year,” Finalist, 2015
- *South Florida Legal Guide* Top Lawyers 2004-2019, Listed for Bankruptcy, Creditors’ Rights
- *Super Lawyers Magazine* 2007-2020, Listed in Florida for Bankruptcy & Creditor/Debtor Rights
- *Florida Trend’s* Legal Elite 2005-2011, 2013-2015, 2019, Listed for Bankruptcy & Workout
- *Daily Business Review*, Most Effective Lawyer in Bankruptcy, Winner, 2013
- *The Best Lawyers in America* 2013, Named as “Lawyer of the Year” for Bankruptcy and Creditor Debtor Rights / Insolvency and Reorganization Law in Miami
- *South Florida Business Journal*, “Key Partner Award,” Finalist, 2011
- *Super Lawyers Magazine* 2010, Listed in Florida as a “Top 100 Lawyer”
- *BTI* 2007, Listed as a Client Service “All-Star”
- National Multiple Sclerosis Society, Leadership Award, 2000
- Paul J. Liacos Scholar; G. Joseph Tauro Scholar