

**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.

ORIGINAL VERIFIED COMPLAINT

Plaintiffs, CCUR Aviation Finance, LLC (“CCURA”) and CCUR Holdings, Inc. (“CCURH”) (collectively, “Plaintiffs”), by and through their undersigned counsel, file this their Original Verified Complaint (this “Complaint”) against Defendants South Aviation, Inc. (“South Aviation”) and Federico A. Machado (“Machado”) (together, “Defendants”) and state as follows:

OVERVIEW OF DEFENDANTS’ FRAUDULENT SCHEME

1. 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.

2. 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 this Complaint. Defendants, however, were not engaged in legitimate 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.

3. South Aviation 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 an Oklahoma escrow agent, Wright Brothers Aircraft Title, Inc. (the "Escrow Agent").

4. Under the operative agreements, the Plaintiffs would fund the refundable deposits into the escrow account of the Escrow Agent, 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 financing fees that the Plaintiffs earned for providing this interim financing.

5. 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.

6. 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).

7. 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.

8. On 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 principals of the Escrow Agent (Wright Brothers) and Defendant Machado, the principal of Defendant South Aviation. True and correct copies of the Third Superseding Indictment and the Docket Sheet accompanying the Third Superseding Indictment (together, the "Unsealed Indictment") are attached hereto as Exhibits "E" and "F," respectively. The Unsealed Indictment specifically charges the defendants in that matter, including Machado and the principals

of the Escrow Agent, 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).

9. In light of the Unsealed Indictment, 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.

10. Consequently, hundreds of millions of dollars that should otherwise have been kept in the Escrow Agent's escrow account (and been available to return to the Plaintiffs and similar financing parties) 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.

11. In light of the above and the facts set forth in detail below, the Plaintiffs, by separate motion filed contemporaneously with this Complaint, respectfully seek the immediate appointment of an equity receiver over South Aviation, Machado and their respective affiliated entities. 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 the motion for the immediate appointment of the equity receiver is the resume of Michael 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.

TABLE OF CONTENTS¹

ORIGINAL VERIFIED COMPLAINT..... 1

OVERVIEW OF DEFENDANTS’ FRAUDULENT SCHEME..... 1

PARTIES, JURISDICTION AND VENUE 6

GENERAL ALLEGATIONS 8

First Aircraft Transaction..... 10

CCURH Refundable Deposit (Aircraft No. 1) - \$2,500,000 10

CCURA Refundable Deposit (Aircraft No. 1) - \$1,750,000 11

Failure to Repay Refundable Deposit No. 1 - \$4,250,000..... 13

Second Aircraft Transaction 14

CCURH Refundable Deposit (Aircraft No. 2) - \$2,500,000 14

CCURA Refundable Deposit (Aircraft No. 2) - \$1,750,000 15

Failure to Repay Refundable Deposit No. 2 - \$4,250,000..... 16

Third Aircraft Transaction 18

CCURA Refundable Deposit (Aircraft No. 3) - \$2,750,000 18

Failure to Repay Refundable Deposit No. 3 - \$2,750,000..... 19

Fourth Aircraft Transaction 21

CCURA Refundable Deposit (Aircraft No. 4) - \$2,750,000 21

Failure to Repay Refundable Deposit No. 4 - \$2,750,000..... 22

CAUSES OF ACTION 24

COUNT I: FRAUD AGAINST SOUTH AVIATION AND MACHADO
(CCURH ESCROW DEPOSIT FINANCING – AIRCRAFT NO. 1 &
NO. 2) 24

COUNT II: FRAUD AGAINST SOUTH AVIATION AND MACHADO
(CCURA ESCROW DEPOSIT FINANCING – ALL AIRCRAFT) 26

¹ Though not customary, Plaintiffs include this Table of Contents for the Court’s convenience in identifying the parties, transactions, and claims.

COUNT III: BREACH OF CONTRACT AGAINST SOUTH AVIATION
(CCURH LETTER AGREEMENT NO. 1)..... 29

COUNT IV: BREACH OF CONTRACT AGAINST FEDERICO A.
MACHADO (CCURH LETTER AGREEMENT NO. 1) 31

COUNT V: BREACH OF CONTRACT AGAINST SOUTH AVIATION
(CCURH LETTER AGREEMENT NO. 2)..... 32

COUNT VI: BREACH OF CONTRACT AGAINST FEDERICO A.
MACHADO (CCURH LETTER AGREEMENT NO. 2) 34

COUNT VII: BREACH OF CONTRACT AGAINST SOUTH
AVIATION (CCURA LETTER AGREEMENT NO. 1) 35

COUNT VIII: BREACH OF CONTRACT AGAINST FEDERICO A.
MACHADO (CCURA LETTER AGREEMENT NO. 1) 37

COUNT IX: BREACH OF CONTRACT AGAINST SOUTH AVIATION
(CCURA LETTER AGREEMENT NO. 2)..... 38

COUNT X: BREACH OF CONTRACT AGAINST FEDERICO A.
MACHADO (CCURA LETTER AGREEMENT NO. 2) 39

PRAYER..... 40

PARTIES, JURISDICTION AND VENUE

12. CCUR Aviation Finance, LLC is a foreign limited liability company organized and existing under the laws of the State of Delaware with its principal place of business at 6470 East Johns Crossing, Suite 490, Duluth, GA 30097.

13. CCURA has one member, CCUR Holdings, Inc., a Delaware corporation with its principal place of business located at 6470 East Johns Crossing, Suite 490, Duluth, GA 30097.

14. CCURA is therefore a citizen of Delaware, and CCURA is not a citizen of Florida. *See, e.g., Silver Crown Invests., LLC v. Team Real Estate Mgmt., LLC*, 349 F. Supp. 3d 1316, 1324 (S.D. Fla. 2018) (“For purposes of determining diversity jurisdiction, the citizenship of a limited liability corporation (LLC) is the citizenship of each of its members...[i]f a member of an LLC is itself an LLC, the citizenship of the LLC must be traced through however many layers of partners or members there may be.” (internal quotations and citations omitted)).

15. CCUR Holdings, Inc. is a corporation licensed and existing under the laws of the state of Delaware, and is therefore a citizen of Delaware. *See* 28 U.S.C. § 1332(c)(1).

16. South Aviation, Inc. is a corporation licensed and existing under the laws of the state of Florida, and is therefore a citizen of Florida. *See* 28 U.S.C. § 1332(c)(1).

17. Federico A. Machado is an individual domiciled in the state of Florida, and is therefore a citizen of Florida.

18. As none of the Plaintiffs are citizens of the same states as any of the Defendants, complete diversity exists between the parties. *See* 28 U.S.C. § 1332(a).

19. The amount in controversy in this matter, excluding interest and costs, exceeds the sum of \$75,000.

20. As the Parties are citizens of different states and the amount in controversy exceeds \$75,000.00, this Court has diversity jurisdiction over this action pursuant to 28 U.S.C. §§ 1332.

21. Because South Aviation is incorporated in Florida, South Aviation is a resident of Florida. *See Subic Bay Marine Exploratorium, Inc. v. JV China, Inc.*, 275 So. 3d 1139, 1141 (Fla. 5th DCA 2018) (“Under Florida law, corporations are residents of their state of incorporation.”).

22. Moreover, Machado is a Florida resident.

23. Consequently, Florida courts have general personal jurisdiction over both South aviation and Machado. *See Subic Bay*, 275 So. 3d at 1141 (“Florida residents are subject to the general jurisdiction of Florida courts.”).

24. Venue is proper in this Court as defendants reside in this district. *See* 28 U.S.C. § 1391(b)(1) (a civil action may be brought in “a judicial district in which any defendant resides, if all defendants are residents of the State in which the district is located.”).

GENERAL ALLEGATIONS

25. Plaintiff CCURA was set up specifically to do business for the purpose of financing aircraft deposits.

26. Plaintiff CCURH is a holding company with operations in financial services and real estate.

27. Beginning in as early as 2018, as to CCURH, and beginning 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.

28. In furtherance of the scheme to induce Plaintiffs into the refundable escrow deposit transactions described herein, 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 the Plaintiffs.

29. Based on these Aircraft Purchase Contracts, Defendants represented that the aircraft sellers required South Aviation to make substantial deposits into escrow, typically ten to twenty percent of the total purchase price of each aircraft.

30. Plaintiffs, for a fee paid by Defendants, would provide the funding for such deposits.

31. 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.).

32. The depositing Plaintiff would subsequently 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 (each a "Refundable Deposit") (in this example, a total of \$2.5 million).

33. 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 in this example) upon the return of the full Refundable Deposit.

34. In reliance on the above representations and promises by Defendants, 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.

35. In reliance on the above representations and promises by Defendants, 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.

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

37. Each of the Refundable Deposit transactions between the Plaintiffs and South Aviation is documented in: (i) a Letter Agreement between and among each depositing Plaintiff, South Aviation, and Machado; (ii) an Escrow Agreement between each depositing Plaintiff and the Escrow Agent; and (iii) extension letters typically related to the transactions for two or more of the subject aircraft. As to each transaction and each depositing Plaintiff, the operative agreements are substantively identical, other than as to the parties, dates, and amounts.

38. 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 to the Plaintiffs.

39. 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.

First Aircraft Transaction

40. In the weeks preceding May 14, 2020, South Aviation approached CCURH about securing escrow deposit assistance in connection with South Aviation's purported acquisition of that certain Boeing 777-367 (ER) aircraft having manufacturer serial number 34432 and registration number B-KPC, together with its two engines, auxiliary power unit, aircraft documents, appurtenances, appliances, parts, instruments, components, accessions, and furnishings ("Aircraft No. 1").

CCURH Refundable Deposit (Aircraft No. 1) - \$2,500,000

41. On or about May 14, 2020, South Aviation, by and through Machado, presented CCURH with an executed Aircraft Purchase Agreement ("APA No. 1") between South Aviation, as purchaser, and Aero Advisors Inc., as seller, for Aircraft No. 1 with a purchase price of \$25,000,000, and which APA No. 1 required the escrow deposit of \$2,500,000 to the Escrow Agent.

42. Pursuant to, and as a material inducement for CCURH's funding of the escrow deposit for Aircraft No. 1 and entry into 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"),² and that certain Escrow Agreement between CCURH and the Escrow Agent for Aircraft No. 1, dated May 14, 2020 (the "CCURH Escrow Agreement No. 1"),³ South Aviation was obligated to pay a deposit fee of \$150,000 to the Escrow Agent as part of the fully refundable deposit to CCURH.

43. In reliance on all of the above representations, promises, and agreements by South Aviation and Machado, CCURH agreed to pay \$2,350,000 (for a total deposit refundable to CCURH of \$2,500,000) to the Escrow Agent as a fully refundable deposit in connection with South Aviation's purchase of Aircraft No. 1 (the "CCURH Refundable Deposit No. 1"). *See* Exhibit A-1, p. 1.

44. On or about May 14, 2020, both South Aviation and CCURH made their respective deposits to the Escrow Agent.

CCURA Refundable Deposit (Aircraft No. 1) - \$1,750,000

45. In the weeks preceding November 13, 2020, South Aviation, by and through Machado, presented CCURH and CCURA with an executed Second Amendment to APA No. 1 and requested CCURH's agreement to further extend the CCURH Letter Agreement No. 1 to provide for return of the CCURH Refundable Deposit No. 1 to January 12, 2021.

² A true and correct copy of the CCURH Letter Agreement No. 1 is attached hereto as Exhibit "A-1" and incorporated herein by reference.

³ A true and correct copy of the CCURH Escrow Agreement No. 1 is attached hereto as Exhibit "A-2" and incorporated herein by reference.

46. In connection with the requested extension, South Aviation, by and through Machado, also sought an additional deposit from CCURH and/or CCURA of \$1,750,000 in furtherance of the deposit requirement for the purchase of Aircraft No. 1 as part of a transaction in which another depositor of a portion of the required escrow deposit on Aircraft No. 1 that did not wish to participate in the extension would be repaid its initial deposit in that amount.

47. In reliance on all of Defendants' representations, promises, and agreements above, and pursuant to that certain letter agreement, dated November 13, 2020, between and among South Aviation, CCURH, CCURA, and the Escrow Agent (the "Second CCURH Extension Letter"),⁴ CCURA agreed to provide the additional deposit amount of \$1,750,000 and became a party to the Aircraft No. 1 escrow deposit transaction and was made a party to and Depositor under the CCURH Letter Agreement No. 1 and the CCURH Escrow Agreement No. 1. *See* Ex. A-4, a pp. 1-2.

48. Pursuant to the Second CCURH Extension Letter, CCURA assumed the obligation to pay and did pay to the Escrow Agent \$1,750,000 as a fully refundable deposit in connection with South Aviation's purchase of Aircraft No. 1 (the "CCURA Refundable Deposit No. 1").⁵ Together with the CCUR Holdings' Refundable Deposit No. 1 of \$2,500,000, the total combined Refundable Deposit made by CCURH and CCURA for Aircraft No. 1 was \$4,250,000 ("Refundable Deposit No. 1").

⁴ True and correct copies of extension letters, dated September 10, 2020 (the "First CCURH Extension Letter"), and November 13, 2020 (the Second CCURH Extension Letter), are attached hereto, respectively, as Exhibit "A-3" and Exhibit "A-4" and incorporated herein by reference. Both extension letters apply to the escrow deposit transactions for Aircraft No. 1 and Aircraft No. 2, as defined herein.

⁵ The Refundable Deposits are numbered to correspond to the aircraft acquisition numbers. As made clear below, this Refundable Deposit was not CCURA's first deposit in furtherance of South Aviation's aircraft purchase scheme.

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

49. 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.

50. To date, no amount of Refundable Deposit No. 1 has been returned to either of CCURH or CCURA.

51. The failure by South Aviation and the Escrow Agent to return Refundable Deposit No. 1 in the amount of \$4,250,000 constitutes a breach of CCURH Letter Agreement No. 1, §§ 2(b), (d), (i); 4(b), as extended, and CCURH Escrow Agreement No. 1, §§ 3(b), (d); (4); (6).

52. As a further material inducement for CCURH's and CCURA's participation in the Refundable Deposit financing for Aircraft No. 1, under Section 9 of CCURH Letter Agreement No. 1, South Aviation agreed to:

indemnify and hold harmless [CCURH and CCURA] from and against any claim, loss or damage arising out of any breach of this Letter Agreement or the use of the Refundable Deposit.

53. 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.

54. Under Section 10 of CCURH Letter Agreement No. 1, CCURH and CCURA are entitled to recovery of their reasonable costs and attorneys' fees, including any costs of collection, incurred due to South Aviation's breach of CCURH Letter Agreement No. 1.

55. As a further material inducement for CCURH's and CCURA's participation in the Refundable Deposit financing for Aircraft No. 1, under Section 5(b) of the CCURH Letter Agreement No. 1, South Aviation's principal, Defendant Federico A. Machado, personally unconditionally and irrevocably guaranteed all of South Aviation's obligations under CCURH

Letter Agreement No. 1 and all of the Escrow Agent's obligations under CCURH Escrow Agreement No. 1 in favor of CCURH and CCURA.

56. As a further material inducement for CCURH's and CCURA's participation in the Refundable Deposit financing for Aircraft No. 1, under Section 9 of CCURH Letter Agreement No. 1, Machado agreed that: "All of South [Aviation]'s obligations under this Letter Agreement are hereby personally unconditionally and irrevocably guaranteed by [Federico A Machado], an individual and resident of Florida."

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

Second Aircraft Transaction

58. In the weeks preceding May 14 2020, South Aviation approached CCURH about securing escrow deposit assistance in connection with South Aviation's purported acquisition of that certain aircraft Boeing 777-367 (ER) having manufacturer serial number 35301 and registration number B-KPH, together with its two engines, auxiliary power unit, aircraft documents, appurtenances, appliances, parts, instruments, components, accessions, and furnishings ("Aircraft No. 2").

CCURH Refundable Deposit (Aircraft No. 2) - \$2,500,000

59. As with Aircraft No. 1, on or about May 14, 2020, South Aviation, by and through Machado, presented CCURH with an executed Aircraft Purchase Agreement ("APA No. 2") between South Aviation, as purchaser, and Aero Advisors Inc., as seller, for Aircraft No. 2 with a purchase price of \$25,000,000, and which APA No. 2 required the escrow deposit of \$2,500,000 to the Escrow Agent.

60. Pursuant to, and as a material inducement for CCURH's funding of the escrow deposit for Aircraft No. 1 and entry into, 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”),⁶ and that certain Escrow Agreement between CCURH and the Escrow Agent for Aircraft No. 2, dated May 14, 2020 (the “CCURH Escrow Agreement No. 2”),⁷ South Aviation was obligated to pay a deposit fee of \$150,000 to the Escrow Agent as part of the fully refundable deposit to CCURH.

61. In reliance on all of the above representations, promises, and agreements by South Aviation and Machado, CCURH agreed to pay \$2,350,000 (for a total deposit refundable to CCURH of \$2,500,000) to the Escrow Agent as a fully refundable deposit in connection with South Aviation’s purchase of Aircraft No. 2 (the “CCURH Refundable Deposit No. 2”). *See* Exhibit B-1, p. 1.

62. On or about May 14, 2020, both South Aviation and CCURH made their respective deposits into the agreed escrow account held by the Escrow Agent.

CCURA Refundable Deposit (Aircraft No. 2) - \$1,750,000

63. In the weeks preceding November 13, 2020, South Aviation, by and through Machado, presented CCURH and CCURA with an executed Second Amendment to APA No. 2 and requested CCURH’s agreement to further extend the CCURH Letter Agreement No. 2 to provide for return of the CCURH Refundable Deposit No. 2 to January 12, 2021.

64. In connection with the requested extension, South Aviation, by and through Machado, also sought an additional deposit from CCURH and/or CCURA of \$1,750,000 in furtherance of the deposit requirement for the purchase of Aircraft No. 2 as part of a transaction in

⁶ A true and correct copy of the CCURH Letter Agreement No. 2 is attached hereto as Exhibit “B-1” and incorporated herein by reference.

⁷ A true and correct copy of the CCURH Escrow Agreement No. 2 is attached hereto as Exhibit “B-2” and incorporated herein by reference.

which another depositor of a portion of the required escrow deposit on Aircraft No. 2 that did not wish to participate in the extension would be repaid its initial deposit in that amount.

65. In reliance on all of Defendants' representations, promises, and agreements above, and pursuant to the Second CCURH Extension Letter, dated November 13, 2020, between and among South Aviation, CCUH, CCURA, and the Escrow Agent, CCURA agreed to provide the additional deposit amount of \$1,750,000 and became a party to the Aircraft No. 2 escrow deposit transaction and was made a party to and Depositor under the CCURH Letter Agreement No. 2 and the CCURH Escrow Agreement No. 2. *See* Ex. A-4, a pp. 1-2.

66. Pursuant to the Second CCURH Extension Letter, CCURA assumed the obligation to pay and did pay to the Escrow Agent \$1,750,000 as a fully refundable deposit in connection with South Aviation's purchase of Aircraft No. 2 (the "CCURA Refundable Deposit No. 2"). Together with the CCURH Refundable Deposit No. 2 of \$2,500,000, the total combined Refundable Deposit made by CCURH and CCURA for Aircraft No. 2 was \$4,250,000 ("Refundable Deposit No. 2").

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

67. 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.

68. To date, no amount of Refundable Deposit No. 2 has been returned to either of CCURH or CCURA.

69. The failure to return Refundable Deposit No. 2 constitutes a breach of CCURH Letter Agreement No. 2, §§ 2(b), (d), (i); 4(b), as extended, and CCURH Escrow Agreement No. 2, §§ 3(b), (d); (4); (6).

70. As a further material inducement for CCURH's and CCURA's participation in the Refundable Deposit financing for Aircraft No. 2, under Section 9 of the CCURH Letter Agreement No. 2, South Aviation also agreed to:

indemnify and hold harmless [CCURH and CCURA] from and against any claim, loss or damage arising out of any breach of this Letter Agreement or the use of the Refundable Deposit.

71. 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.

72. Under Section 10 of CCURH Letter Agreement No. 2, CCURH and CCURA are entitled to recovery of their reasonable costs and attorneys' fees, including any costs of collection, incurred due to South Aviation's breach of the CCURH Letter Agreement No. 2.

73. As a further material inducement for CCURH's and CCURA's participation in the Refundable Deposit financing for Aircraft No. 2, under Section 5(b) of the CCURH Letter Agreement No. 2, South Aviation's principal, Defendant Federico A. Machado, personally unconditionally and irrevocably guaranteed all of South Aviation's obligations under CCURH Escrow Agreement No. 2 and all of the Escrow Agent's obligations under CCURH Escrow Agreement No. 2 in favor of CCURH and CCURA.

74. As a further material inducement for CCURH's and CCURA's participation in the Refundable Deposit financing for Aircraft No. 2, under Section 9 of the CCURH Letter Agreement No. 2, Machado agreed that: "All of South [Aviation]'s obligations under this Letter Agreement are hereby personally unconditionally and irrevocably guaranteed by [Federico A Machado], an individual and resident of Florida."

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

Third Aircraft Transaction

76. In the weeks preceding August 27, 2020, South Aviation approached Plaintiffs CCURA about securing escrow deposit assistance in connection with South Aviation's purported acquisition of that certain 2010 Boeing 767-32L (ER) having manufacturer serial number 40343 and registration number 4K-AZ81, together with its two engines, auxiliary power unit, aircraft documents, appurtenances, appliances, parts, instruments, components, accessions, and furnishings ("Aircraft No. 3").

CCURA Refundable Deposit (Aircraft No. 3) - \$2,750,000

77. On or about August 27, 2020, South Aviation, by and through Machado, presented CCURA with an executed Letter of Intent ("LOI No. 3") between South Aviation, as purchaser, and Innovative Aerospace Leasing LLC, as seller, for Aircraft No. 3 with a purchase price of \$25,000,000, and which LOI No. 3 required the escrow deposit of \$5,000,000 to the Escrow Agent.

78. Pursuant to, and as a material inducement for CCURA's funding of the escrow deposit for Aircraft No. 3 and entry into, 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"),⁸ and that certain Escrow Agreement, dated August 28, 2020, between CCURA and the Escrow Agent for Aircraft No. 3 (the "CCURA Escrow Agreement No. 1"),⁹ South Aviation was obligated to pay a deposit of \$150,000 to the Escrow Agent as part of the fully refundable deposit to CCURA.

79. In reliance on all of the above representations, promises, and agreements by South Aviation and Machado, CCURA entered into the above agreements and agreed to pay \$2,350,000

⁸ A true and correct copy of the CCURA Letter Agreement No. 1 is attached hereto as Exhibit "C-1" and incorporated herein by reference.

⁹ A true and correct copy of the CCURA Escrow Agreement No. 1 is attached hereto as Exhibit "C-2" and incorporated herein by reference.

(for a total deposit refundable to CCURA of \$2,500,000) to the Escrow Agent as a fully refundable deposit in connection with South Aviation's purchase of Aircraft No. 3. *See* Exhibit C-1, p. 1, § 3.

80. On or about August 28, 2020, both South Aviation and CCURA made their respective deposits into the agreed escrow account held by the Escrow Agent.

81. Additionally, in reliance on Defendants' representations, promises, and agreements and pursuant to that certain letter agreement, dated November 27, 2020, between and among CCURA, South Aviation, and the Escrow Agent (the "CCURA Extension Agreement No. 1"),¹⁰ that, among other things, extended the terms of the CCURA Letter Agreement No. 1 and the CCURA Escrow Agreement No. 1, CCURA paid an additional \$250,000 into the agreed escrow account held by the Escrow Agent for South Aviation's purported purchase of Aircraft No. 4 on or about November 27, 2020. *See* Exhibit C-3.

82. Accordingly, the fully refundable deposit amount from CCURA held by the Escrow Agent was \$2,750,000 (the "Refundable Deposit No. 3").

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

83. 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.

84. To date, no amount of Refundable Deposit No. 3 in the amount of \$2,750,000 has been returned to CCURA.

¹⁰ A true and correct copy of the CCURA Extension Agreement No. 1 is attached hereto as Exhibit "C-3" and incorporated herein by reference.

85. The failure to return Refundable Deposit No. 3 constitutes a breach of: **(1)** CCURA Letter Agreement No. 1, § 2(b), (d), (i); and (4)(b); **(2)** CCURA Escrow Agreement No. 1, §§ 3(b), (d); (4); and (6); and **(3)** CCURA Extension Agreement No. 1.

86. As a further material inducement for CCURA's participation in the Refundable Deposit financing for Aircraft No. 3, under Section 9 of the CCURA Letter Agreement No. 1, as amended, supplemented, and/or extended, South Aviation agreed that:

South [Aviation] shall indemnify and hold harmless [CCURA] from and against any claim, loss or damage arising out of any breach of this Letter Agreement or the use of the Refundable Deposit.

87. 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.

88. Under Section 10 of the CCURA Letter Agreement No. 1, as amended, supplemented, and/or extended, CCURA, as depositor, is entitled to the recovery of its reasonable costs and attorneys' fees, including any costs of collection, incurred due to South Aviation's breach of the CCURA Letter Agreement No. 1, as amended, supplemented, and/or extended.

89. As a further material inducement for CCURA's participation in the Refundable Deposit financing for Aircraft No. 3, under Section 5(b) of the CCURA Letter Agreement No. 1, as amended, supplemented, and/or extended, South Aviation's principal, Federico A. Machado, personally guaranteed all of South Aviation's obligations under the CCURA Letter Agreement No. 1, as amended, supplemented, and/or extended, and all of the Escrow Agent's obligations under the CCURA Escrow Agreement No. 1 in favor of CCURA.

90. As a further material inducement for CCURA's participation in the Refundable Deposit financing for Aircraft No. 3, under Section 9 of the CCURA Letter Agreement No. 1, as amended, supplemented, and/or extended, Machado agreed that: "All of South [Aviation]'s

obligations under this Letter Agreement are hereby personally guaranteed by [Federico A. Machado], an individual and resident of Florida.”

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

Fourth Aircraft Transaction

92. In the weeks leading up to August 27, 2020, South Aviation approached Plaintiffs CCURA about securing escrow deposit assistance in connection with South Aviation’s purported acquisition of that certain 2010 Boeing 767-32L (ER) having manufacturer serial number 40342 and registration number 4K-AI01, together with its two engines, auxiliary power unit, aircraft documents, appurtenances, appliances, parts, instruments, components, accessions, and furnishings (“Aircraft No. 4”).

CCURA Refundable Deposit (Aircraft No. 4) - \$2,750,000

93. On or about August 27, 2020, South Aviation, by and through Machado, presented CCURA with an executed Letter of Intent (“LOI No. 4”) between South Aviation, as purchaser, and Innovative Aerospace Leasing LLC, as seller, for Aircraft No. 4 with a purchase price of \$25,000,000, and which LOI No. 4 required the escrow deposit of \$5,000,000 to the Escrow Agent.

94. Pursuant to, and as a material inducement for CCURA’s funding of the escrow deposit for Aircraft No. 4 and entry into, that certain letter agreement between and among CCURA, South Aviation, and Machado dated August 28, 2020 for Aircraft No. 4 (the “CCURA Letter Agreement No. 2”),¹¹ and that certain Escrow Agreement, dated August 28, 2020, between CCURA and the Escrow Agent for Aircraft No. 4(the “CCURA Escrow Agreement No. 2”),¹²

¹¹ A true and correct copy of the CCURA Letter Agreement No. 2 is attached hereto as Exhibit “D-1” and incorporated herein by reference.

¹² A true and correct copy of the CCURA Escrow Agreement No. 2 is attached hereto as Exhibit “D-2” and incorporated herein by reference.

South Aviation was obligated to pay a deposit of \$150,000 to the Escrow Agent as part of the fully refundable deposit to CCURA.

95. In reliance on all of the above representations, promises, and agreements by South Aviation and Machado, CCURA entered into the above agreements and agreed to pay \$2,350,000 (for a total deposit refundable to CCURA of \$2,500,000) to the Escrow Agent as a fully refundable deposit in connection with South Aviation's purchase of Aircraft No. 4. *See* Exhibit D-1, p. 1, § 3.

96. On or about August 28, 2020, both South Aviation and CCURA made their respective deposits into the agreed escrow account held by the Escrow Agent.

97. Additionally, in reliance on all of the above representations, promises, and agreements by South Aviation and Machado, and pursuant to the November 27, 2020 CCURA Extension Agreement No. 1, CCURA paid an additional \$250,000 into the agreed escrow account held by the Escrow Agent for South Aviation's purported purchase of Aircraft No. 4 on or about November 27, 2020. *See* Exhibit C-3.

98. Accordingly, the fully refundable deposit amount from CCURA held by the Escrow Agent for Aircraft No. 4 was \$2,750,000 (the "Refundable Deposit No. 4").

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

99. 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, respectively, by the latest, January 25, 2021. *See* Ex. C-3 at p. 1.

100. To date, no amount of Refundable Deposit No. 4 in the amount of \$2,750,000 has been returned to CCURA.

101. The failure to return Refundable Deposit No. 4 constitutes a breach of: **(1)** CCURA Letter Agreement No. 2, § 2(b), (d), (i); and (4)(b); **(2)** CCURA Escrow Agreement No. 2, §§ 3(b), (d); (4); and (6); and **(3)** CCURA Extension Agreement No. 1.

102. As a further material inducement for CCURA's participation in the Refundable Deposit financing for Aircraft No. 4, under § 9 of the CCURA Letter Agreement No. 2, as amended, supplemented, and/or extended, South Aviation agreed that:

South [Aviation] shall indemnify and hold harmless [CCURA] from and against any claim, loss or damage arising out of any breach of this Letter Agreement or the use of the Refundable Deposit.

103. 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.

104. Under Section 10 of the CCURA Letter Agreement No. 2, as amended, supplemented, and/or extended, CCUR, as depositor, is entitled to the recovery of its reasonable costs and attorneys' fees, including any costs of collection, incurred due to South Aviation's breach of the CCURA Letter Agreement No. 2, as amended, supplemented, and/or extended.

105. As a further material inducement for CCURA's participation in the Refundable Deposit financing for Aircraft No. 4, under Section 5(b) of the CCURA Letter Agreement No. 2, as amended, supplemented, and/or extended, South Aviation's principal, Federico A. Machado, personally guaranteed all of South Aviation's obligations under the CCURA Letter Agreement No. 2, as amended, supplemented, and/or extended, and all of the Escrow Agent's obligations under the CCURA Escrow Agreement No. 2, as amended, supplemented, and/or extended in favor of CCURA.

106. As a further material inducement for CCURA's participation in the Refundable Deposit financing for Aircraft No. 4, under Section 9 of the CCURA Letter Agreement No. 2, as

amended, supplemented, and/or extended, Machado agreed that: “All of South [Aviation]’s obligations under this Letter Agreement are hereby personally guaranteed by [Federico A. Machado], an individual and resident of Florida.”

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

CAUSES OF ACTION

108. All conditions precedent to the institution of this action and all claims and causes of action herein have occurred or all conditions precedent have been performed, excused, or waived.

COUNT I **FRAUD AGAINST SOUTH AVIATION AND MACHADO** **(CCURH ESCROW DEPOSIT FINANCING – AIRCRAFT NO. 1 & NO. 2)**

109. CCURH realleges and reaffirms paragraphs 1 through 75 and 108 as if fully set forth herein.

110. In the weeks leading up to May 14, 2020, as a material inducement for CCURH entering into the Refundable Deposit financing of Aircraft No. 1 and Aircraft No. 2 described herein, South Aviation, by and through its President, Defendant Machado, affirmatively represented to Wayne Barr, Jr., CCURH’s former President and Chief Executive Officer, that: (i) South Aviation was engaged in legitimate aircraft purchase agreements that required the requested escrow deposits for Aircraft No. 1 and Aircraft No. 2; (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 CCURH Refundable Deposits No. 1 and No. 2 as compensation for CCURH making said fully refundable deposits; (iv) CCURH Refundable Deposits No. 1 and No. 2 would remain in the escrow account of the Escrow Agent and would not be used for any other purpose; (v) the CCURH Refundable Deposits No. 1 and No. 2 would be repaid to CCURH on or before

the date set forth in CCURH Letter Agreements No. 1 and No. 2, as extended, without qualification or reservation; (vi) South Aviation would indemnify CCURH for any and all damages or losses incurred as a result of any failure to return the CCURH Refundable Deposits No. 1 or No. 2; and (vii) Machado would personally guaranty the return of the CCURH Refundable Deposits No. 1 and No. 2.

111. CCURH justifiably and reasonably relied upon these representations by South Aviation and Machado and the payments of the Deposit Fees by South Aviation and, in reliance thereon, paid the CCURH Refundable Deposit No. 1 in the amount of \$2,350,000 to the Escrow Agent in furtherance of South Aviation's purported purchase of Aircraft No. 1.

112. CCURH justifiably and reasonably relied upon these representations by South Aviation and Machado and the payments of the Deposit Fees by South Aviation and, in reliance thereon, paid the CCURH Refundable Deposit No. 2 in the amount of \$2,350,000 to the Escrow Agent in furtherance of South Aviation's purported purchase of Aircraft No. 2.

113. 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 either of the CCURH Refundable Deposits No. 1 or No. 2 to CCURH.

114. 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.

115. Accordingly, the representations were false when made and were made knowingly by South Aviation and Machado or were made recklessly as to their truth or falsity.

116. Rather than becoming funds refundable to CCURH, however, the CCURH Refundable Deposits No. 1 and No. 2 were either siphoned off to South Aviation, Machado, or their related entities, or were used to refund deposits made by other depositors.

117. As a result of South Aviation's and Machado's misrepresentations, CCURH has been damaged in an amount not less than the amounts of its fully refundable escrow deposits relating to Aircraft No. 1 and Aircraft No. 2 in the aggregate amount of \$4,700,000 and have suffered further damages in an amount to be determined as a foreseeable and proximate consequence of Defendants' fraudulent misrepresentations alleged herein.

118. As a result of Defendants' fraud as alleged herein, CCURH is entitled to and hereby seeks exemplary damages in the maximum amount allowed by applicable law.

COUNT II
FRAUD AGAINST SOUTH AVIATION AND MACHADO
(CCURA ESCROW DEPOSIT FINANCING – ALL AIRCRAFT)

119. CCURA realleges and reaffirms paragraphs 1 through 108 as if fully set forth herein.

120. In the weeks leading up to November 13, 2020, as a material inducement for CCURA entering into the Refundable Deposit financing of Aircraft No. 1 and Aircraft No. 2 described herein, South Aviation, by and through its President, Defendant Machado, affirmatively represented to Igor Volshteyn, President, of CCURA, that: (i) South Aviation was engaged in legitimate aircraft purchase agreements that required the requested escrow deposits for Aircraft No. 1 and Aircraft No. 2; (ii) South Aviation had deposited the Deposit Fees for the respective aircraft with the Escrow Agent; (iii) the Deposit Fees would become part of the CCURA Refundable Deposits No. 1 and No. 2 as compensation for CCURA making said fully refundable deposits; (iv) CCURA Refundable Deposits No. 1 and No. 2 would remain in the escrow account of the Escrow Agent and would not be used for any other purpose; (v) the CCURA Refundable

Deposits No. 1 and No. 2 would be repaid to CCURA on or before the date set forth in CCURH Letter Agreements No. 1 and No. 2, as extended and to which CCURA was added as a party, without qualification or reservation; (vi) South Aviation would indemnify CCURA for any and all damages or losses incurred as a result of any failure to return the CCURA Refundable Deposits No. 1 or No. 2; and (vii) Machado would personally guaranty the return of the CCURA Refundable Deposits No. 1 and No. 2.

121. In the weeks leading up to August 27, 2020, as a material inducement for CCURA entering into the Refundable Deposit financing of Aircraft No. 3 and Aircraft No. 4 described herein, South Aviation, by and through its President, Defendant Machado, affirmatively represented to Igor Volshteyn, President of CCURA, that: (i) South Aviation was engaged in legitimate aircraft purchase agreements that required the requested escrow deposits for Aircraft No. 3 and Aircraft No. 4; (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 CCURA Refundable Deposits No. 3 and No. 4 as compensation for CCURA making said fully refundable deposits; (iv) CCURA Refundable Deposits No. 3 and No. 4 would remain in the escrow account of the Escrow Agent and would not be used for any other purpose; (v) the CCURA Refundable Deposits No. 3 and No. 4 would be repaid to CCURA on or before the dates set forth in the CCURA Letter Agreements No. 3 and No. 4, as extended, without qualification or reservation; (vi) South Aviation would indemnify CCURA for any and all damages or losses incurred as a result of any failure to return the CCURA Refundable Deposits No. 3 or No. 4; and (vii) Machado would personally guaranty the return of the CCURA Refundable Deposits No. 3 and No. 4.

122. CCURA justifiably and reasonably relied upon these representations by South Aviation and Machado and the payments of the Deposit Fees by South Aviation and, in reliance

thereon, paid the CCURA Refundable Deposit No. 1 in the amount of \$1,750,000 to the Escrow Agent in furtherance of South Aviation's purported purchase of Aircraft No. 1.

123. CCURA justifiably and reasonably relied upon these representations by South Aviation and Machado and the payments of the Deposit Fees by South Aviation and, in reliance thereon, paid the CCURA Refundable Deposit No. 2 in the amount of \$1,750,000 to the Escrow Agent in furtherance of South Aviation's purported purchase of Aircraft No. 2.

124. CCURA justifiably and reasonably relied upon these representations by South Aviation and Machado and the payments of the Deposit Fees by South Aviation and, in reliance thereon, paid the CCURA Refundable Deposit No. 3 in the amount of \$2,600,000 to the Escrow Agent in furtherance of South Aviation's purported purchase of Aircraft No. 3.

125. CCURA justifiably and reasonably relied upon these representations by South Aviation and Machado and the payments of the Deposit Fees by South Aviation and, in reliance thereon, paid the CCURA Refundable Deposit No. 4 in the amount of \$2,600,000 to the Escrow Agent in furtherance of South Aviation's purported purchase of Aircraft No. 4.

126. 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 CCURA Refundable Deposits No. 1, No. 2, No. 3, or No. 4 to CCURA.

127. 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.

128. Accordingly, the representations were false when made and were made knowingly by South Aviation and Machado or were made recklessly as to their truth or falsity.

129. Rather than becoming funds refundable to CCURA, however, the CCURA Refundable Deposits No. 1, No. 2, No. 3, and No. 4 were either siphoned off to South Aviation, Machado, or their related entities, or were used to refund deposits made by other depositors.

130. As a result of South Aviation's and Machado's misrepresentations and fraudulent scheme, CCURA has been damaged in an amount not less than the amounts of its fully refundable escrow deposits relating to Aircraft No. 1, Aircraft No. 2, Aircraft No. 3, and Aircraft No. 4 in the aggregate amount of \$8,700,000 and has suffered further damages in an amount to be determined as a foreseeable and proximate consequence of Defendants' fraudulent misrepresentations alleged herein.

131. As a result of Defendants' fraud as alleged herein, CCURA is entitled to and hereby seeks exemplary damages in the maximum amount allowed by applicable law.

COUNT III
BREACH OF CONTRACT AGAINST SOUTH AVIATION
(CCURH LETTER AGREEMENT NO. 1)

132. CCURH and CCURA reallege and reaffirm paragraphs 1 through 57 and 108 as if fully set forth herein.

133. This is a claim against South Aviation for breach of contract.

134. The CCURH Letter Agreement No. 1, as amended, supplemented, or extended, is a valid, binding, and enforceable contract, and CCURH, CCURA, South Aviation, and Machado fully accepted all provisions therein.

135. As described in more detail herein, South Aviation and CCURH deposited \$2,500,000, fully refundable to CCURH, to the Escrow Agent in connection with South Aviation's purported purchase of Aircraft No. 1.

136. As described in more detail herein, pursuant to the Second CCURH Extension Agreement, CCURA became a party to the CCURH Letter Agreement No. 1 and the CCURH Escrow Agreement No. 1 and made a fully Refundable Deposit of \$1,750,000 to the Escrow Agent in connection with South Aviation's purported purchase of Aircraft No. 1.

137. Pursuant to the CCURH Letter Agreement No. 1, as amended, supplemented, or extended, South Aviation was obligated to refund or secure the refund of the full amounts of the above CCURH Refundable Deposit No. 1 and the CCURA Refundable Deposit No. 1 to CCURH and CCURA, respectively, on or before January 12, 2021.

138. To date, no portion of the CCURH Refundable Deposit No. 1 or the CCURA Refundable Deposit No. 1 has been refunded.

139. South Aviation, therefore, has materially breached CCURH Letter Agreement No. 1.

140. Moreover, despite demand, South Aviation has materially breached CCURH Letter Agreement No. 1 by failing to comply with the terms of its indemnity agreement pursuant to the same. *See Exhibit A-1, at § 2(b), (d), (i); (4)(b).*

141. South Aviation's breach of CCURH Letter Agreement No. 1 has caused damages to CCURH in an amount not less than \$2,882,500, plus applicable interest.

142. South Aviation's breach of the CCURH Letter Agreement No. 1 has caused damages to CCURA in an amount not less than \$1,750,000, plus applicable interest.

143. Furthermore, CCURH and CCURA are entitled to recover their attorney's fees and costs, including any costs of collection, pursuant to the CCURH Letter Agreement No. 1.

WHEREFORE, CCURH and CCURA respectfully request judgment against Defendant South Aviation for compensatory damages in an amount not less than \$2,500,000 and \$1,750,000,

respectively, together with prejudgment interest thereon, costs and attorney's fees, including any costs of collection pursuant to the contract, and such other and further relief as the Court deems just and proper.

COUNT IV
BREACH OF CONTRACT AGAINST FEDERICO A. MACHADO
(CCURH LETTER AGREEMENT NO. 1)

144. CCURH and CCURA reallege and reaffirm paragraphs 1 through 57 and 108 as if fully set forth herein.

145. This is a claim against Machado for breach of contract.

146. The CCURH Letter Agreement No. 1, as amended, supplemented, or extended, is a valid, binding, and enforceable contract, and CCURH, CCURA, South Aviation, and Defendant Federico A. Machado fully accepted all provisions therein.

147. Pursuant to Section 5(b) of the CCURH Letter Agreement No. 1, Machado personally guaranteed South Aviation's obligations under the agreement and the Escrow Agent's obligations under the CCURH Escrow Agreement No. 1.

148. Despite demand for compliance with his guaranty, Machado has materially breached the CCURH Letter Agreement No. 1 by failing to timely return, or secure the timely return of, the CCURH Refundable Deposit No. 1 or the CCURA Refundable Deposit No. 1 in accordance with the terms of the agreement. *See* Exhibit A-1, § 2(b), (d), (i) and 4(b); Exhibit A-2 at § 3(b), (d); (4)(b).

149. Moreover, despite demand, Machado has materially breached CCURH Letter Agreement No. 1 by failing to comply with the terms of his indemnity agreement pursuant to the same or his obligation to indemnify CCURH and CCURA for the Escrow Agent's breach of the CCURH Escrow Agreement No. 1. *See* Exhibit A-1, at § 9.

150. Machado's breach of CCURH Letter Agreement No. 1, as amended, supplemented, or extended, has caused damages to CCURH in an amount not less than \$2,500,000, plus applicable interest.

151. Machado's breach of the CCURH Letter Agreement No. 1, as amended, supplemented, or extended, has caused damages to CCURA in an amount not less than \$1,750,000, plus applicable interest.

152. Furthermore, CCURH and CCURA are entitled to recover their attorney's fees and costs, including any costs of collection, pursuant to CCURH Letter Agreement No. 1.

WHEREFORE, CCURH and CCURA respectfully requests judgment against Defendant Machado for compensatory damages in an amount not less than \$2,500,000 and \$1,750,000, respectively, together with prejudgment interest on such amounts, costs and attorney's fees, including any costs of collection, pursuant to the contract, and such other and further relief as the Court deems just and proper.

COUNT V
BREACH OF CONTRACT AGAINST SOUTH AVIATION
(CCURH LETTER AGREEMENT NO. 2)

153. CCURH and CCURA reallege and reaffirm paragraphs 1 through 75 and 108 as if fully set forth herein.

154. This is a claim against South Aviation for breach of contract.

155. The CCURH Letter Agreement No. 2, as amended, supplemented, or extended, is a valid, binding, and enforceable contract, and CCURH, CCURA, South Aviation, and Machado fully accepted all provisions therein.

156. As described in more detail herein, South Aviation and CCURH deposited \$2,500,000, fully refundable to CCURH, to the Escrow Agent in connection with South Aviation's purported purchase of Aircraft No. 2.

157. As described in more detail herein, pursuant to the Second CCURH Extension Agreement, CCURA became a party to the CCURH Letter Agreement No. 2 and the CCURH Escrow Agreement No. 2 and made a fully Refundable Deposit of \$1,750,000 to the Escrow Agent in connection with South Aviation's purported purchase of Aircraft No. 2.

158. Pursuant to the CCURH Letter Agreement No. 2, as amended, supplemented, or extended, South Aviation was obligated to refund or secure the refund of the full amounts of the above CCURH Refundable Deposit No. 2 and the CCURA Refundable Deposit No. 2 to CCURH and CCURA, respectively, on or before January 12, 2021.

159. To date, no portion of the CCURH Refundable Deposit No. 2 or the CCURA Refundable Deposit No. 2 has been refunded.

160. South Aviation, therefore, has materially breached CCURH Letter Agreement No. 2.

161. Moreover, despite demand, South Aviation has materially breached CCURH Letter Agreement No. 2 by failing to comply with the terms of its indemnity agreement pursuant to the same. *See* Exhibit A-1, at § 2(b), (d), (i); (4)(b).

162. South Aviation's breach of CCURH Letter Agreement No. 2 has caused damages to CCURH in an amount not less than \$2,500,000, plus applicable interest.

163. South Aviation's breach of the CCURH Letter Agreement No. 2 has caused damages to CCURA in an amount not less than \$1,750,000, plus applicable interest.

164. Furthermore, CCURH and CCURA are entitled to recover their attorney's fees and costs, including any costs of collection, pursuant to the CCURH Letter Agreement No. 2.

WHEREFORE, CCURH and CCURA respectfully request judgment against Defendant South Aviation for compensatory damages in an amount not less than \$2,500,000 and \$1,750,000,

respectively, together with prejudgment interest thereon, costs and attorney's fees, including any costs of collection pursuant to the contract, and such other and further relief as the Court deems just and proper.

COUNT VI
BREACH OF CONTRACT AGAINST FEDERICO A. MACHADO
(CCURH LETTER AGREEMENT NO. 2)

165. CCURH and CCURA reallege and reaffirm paragraphs 1 through 75 and 108 as if fully set forth herein.

166. This is a claim against Machado for breach of contract.

167. The CCURH Letter Agreement No. 2, as amended, supplemented, or extended, is a valid, binding, and enforceable contract, and CCURH, CCURA, South Aviation, and Defendant Federico A. Machado fully accepted all provisions therein.

168. Pursuant to Section 5(b) of the CCURH Letter Agreement No. 2, Machado personally guaranteed South Aviation's obligations under the agreement and the Escrow Agent's obligations under the CCURH Escrow Agreement No. 2.

169. Despite demand, Machado has materially breached the CCURH Letter Agreement No. 2 by failing to timely return, or secure the timely return of, the CCURH Deposit No. 2 or the CCURA Deposit No. 2 in accordance with the terms of the agreement. *See* Exhibit B-1, § 2(b), (d), (i) and 4(b); Exhibit B-2 at § 3(b), (d); (4)(b).

170. Moreover, despite demand, Machado has materially breached CCURH Letter Agreement No. 2 by failing to comply with the terms of his indemnity agreement pursuant to the same or his obligation to indemnify CCURH and CCURA for the Escrow Agent's breach of the CCURH Escrow Agreement No. 2. *See* Exhibit B-1, at § 9.

171. Machado's breach of CCURH Letter Agreement No. 2, as amended, supplemented, or extended, has caused damages to CCURH in an amount not less than \$2,500,000, plus applicable interest.

172. Machado's breach of the CCURH Letter Agreement No. 2, as amended, supplemented, or extended, has caused damages to CCURA in an amount not less than \$1,750,000, plus applicable interest.

173. Furthermore, CCURH and CCURA are entitled to recover their attorney's fees and costs, including any costs of collection, pursuant to CCURH Letter Agreement No. 2.

WHEREFORE, CCURH and CCURA respectfully requests judgment against Defendant Machado for compensatory damages in an amount not less than \$2,500,000 and \$1,750,000, respectively, together with prejudgment interest on such amounts, costs and attorney's fees, including any costs of collection, pursuant to the contract, and such other and further relief as the Court deems just and proper.

COUNT VII
BREACH OF CONTRACT AGAINST SOUTH AVIATION
(CCURA LETTER AGREEMENT NO. 1)

174. CCURA realleges and reaffirms paragraphs 1 through 91 and 108 as if fully set forth herein.

175. This is a claim against South Aviation for breach of contract.

176. The CCURA Letter Agreement No. 1, as amended, supplemented, or extended, is a valid, binding, and enforceable contract, and CCURA, South Aviation, and Machado fully accepted all provisions therein.

177. As described in more detail herein, South Aviation and CCURA deposited \$2,500,000, fully refundable to CCURA, to the Escrow Agent in connection with South Aviation's purported purchase of Aircraft No. 3.

178. As described in more detail herein, pursuant to the CCURA Extension Agreement No. 1, CCURA deposited an additional \$250,000, fully refundable to CCURA, to the Escrow Agent in connection with South Aviation's purported purchase of Aircraft No. 3.

179. Pursuant to the CCURA Letter Agreement No. 1, as amended, supplemented, or extended, South Aviation was obligated to refund or secure the refund of the full amounts of the above CCURA Refundable Deposit No. 3 to CCURA on or before January 25, 2021.

180. To date, no portion of the CCURA Refundable Deposit No. 3 has been refunded.

181. South Aviation, therefore, has materially breached CCURA Letter Agreement No. 1, as amended, supplemented, or extended.

182. Moreover, despite demand South Aviation has materially breached CCURA Letter Agreement No. 1, as amended, supplemented, or extended, by failing to comply with the terms of its indemnity agreement pursuant to the same. *See* Exhibit A-1, at § 2(b), (d), (i); (4)(b).

183. South Aviation's breach of CCURA Letter Agreement No. 1, as amended, supplemented, or extended, has caused damages to CCURA in an amount not less than \$2,750,000, plus applicable interest.

184. Furthermore, CCURA is entitled to recovery of its attorney's fees and costs, including any costs of collection, pursuant to the CCURA Letter Agreement No. 1, as amended, supplemented, or extended.

WHEREFORE, CCURA respectfully requests judgment against Defendant South Aviation for compensatory damages in an amount not less than \$2,750,000, together with prejudgment interest thereon, costs and attorney's fees, including any costs of collection pursuant to the contract, and such other and further relief as the Court deems just and proper.

COUNT VIII
BREACH OF CONTRACT AGAINST FEDERICO A. MACHADO
(CCURA LETTER AGREEMENT NO. 1)

185. CCURA realleges and reaffirms paragraphs 1 through 91 and 108 as if fully set forth herein.

186. This is a claim against Machado for breach of contract.

187. The CCURA Letter Agreement No. 1, as amended, supplemented, or extended, is a valid, binding, and enforceable contract, and CCURA, South Aviation, and Defendant Federico A. Machado fully accepted all provisions therein.

188. Pursuant to Section 5(b) of the CCURA Letter Agreement No. 1, Machado personally guaranteed South Aviation's obligations under the agreement and the Escrow Agent's obligations under the CCURA Escrow Agreement No. 1.

189. Despite demand, Machado has materially breached the CCURA Letter Agreement No. 1 by failing to timely return, or secure the timely return of, the CCURA Refundable Deposit No. 1 in accordance with the terms of the agreement. *See* Exhibit C-1, § 2(b), (d), (i) and 4(b); Exhibit C-2 at § 3(b), (d); (4)(b).

190. Moreover, despite demand, Machado has materially breached CCURA Letter Agreement No. 1 by failing to comply with the terms of his indemnity agreement pursuant to the same or his obligation to indemnify CCURA for the Escrow Agent's breach of the CCURA Escrow Agreement No. 1. *See* Exhibit C-1, at § 9.

191. Machado's breach of CCURA Letter Agreement No. 1, as amended, supplemented, or extended, has caused damages to CCURA in an amount not less than \$2,750,000, plus applicable interest.

192. Furthermore, CCURA is entitled to recovery of its attorney's fees and costs, including any costs of collection, pursuant to CCURA Letter Agreement No. 1.

WHEREFORE, CCURA respectfully requests judgment against Defendant Machado for compensatory damages in an amount not less than \$2,750,000, together with prejudgment interest on such amounts, costs and attorney's fees, including any costs of collection, pursuant to the contract, and such other and further relief as the Court deems just and proper.

COUNT IX
BREACH OF CONTRACT AGAINST SOUTH AVIATION
(CCURA LETTER AGREEMENT NO. 2)

193. CCURA realleges and reaffirms paragraphs 1 through 108 as if fully set forth herein.

194. This is a claim against South Aviation for breach of contract.

195. The CCURA Letter Agreement No. 2, as amended, supplemented, or extended, is a valid, binding, and enforceable contract, and CCURA, South Aviation, and Machado fully accepted all provisions therein.

196. As described in more detail herein, South Aviation and CCURA deposited \$2,500,000, fully refundable to CCURA, to the Escrow Agent in connection with South Aviation's purported purchase of Aircraft No. 4.

197. As described in more detail herein, pursuant to the CCURA Extension Agreement No. 1, CCURA deposited an additional \$250,000, fully refundable to CCURA, to the Escrow Agent in connection with South Aviation's purported purchase of Aircraft No. 4.

198. Pursuant to the CCURA Letter Agreement No. 2, as amended, supplemented, or extended, South Aviation was obligated to refund or secure the refund of the full amounts of the above CCURA Refundable Deposit No. 4 to CCURA on or before January 25, 2021.

199. To date, no portion of the CCURA Refundable Deposit No. 4 has been refunded.

200. South Aviation, therefore, has materially breached CCURA Letter Agreement No. 2, as amended, supplemented, or extended.

201. Moreover, despite demand, South Aviation has materially breached CCURA Letter Agreement No. 2, as amended, supplemented, or extended, by failing to comply with the terms of its indemnity agreement pursuant to the same. *See* Exhibit D-1, at § 2(b), (d), (i); (4)(b).

202. South Aviation's breach of CCURA Letter Agreement No. 2, as amended, supplemented, or extended, has caused damages to CCURA in an amount not less than \$2,750,000, plus applicable interest.

203. Furthermore, CCURA is entitled to recovery of its attorney's fees and costs, including any costs of collection, pursuant to the CCURA Letter Agreement No. 2, as amended, supplemented, or extended.

WHEREFORE, CCURA respectfully requests judgment against Defendant South Aviation for compensatory damages in an amount not less than \$2,750,000, together with prejudgment interest thereon, costs and attorney's fees, including any costs of collection pursuant to the contract, and such other and further relief as the Court deems just and proper.

COUNT X
BREACH OF CONTRACT AGAINST FEDERICO A. MACHADO
(CCURA LETTER AGREEMENT NO. 2)

204. CCURA realleges and reaffirms paragraphs 1 through 108 as if fully set forth herein.

205. This is a claim against Machado for breach of contract.

206. The CCURA Letter Agreement No. 2, as amended, supplemented, or extended, is a valid, binding, and enforceable contract, and CCURA, South Aviation, and Defendant Federico A. Machado fully accepted all provisions therein.

207. Pursuant to Section 5(b) of the CCURA Letter Agreement No. 2, Machado personally guaranteed South Aviation's obligations under the agreement and the Escrow Agent's obligations under the CCURA Escrow Agreement No. 2.

208. Despite demand, Machado has materially breached the CCURA Letter Agreement No. 2 by failing to timely return, or secure the timely return of, the CCURA Refundable Deposit No. 2 in accordance with the terms of the agreement. *See* Exhibit D-1, § 2(b), (d), (i) and 4(b); Exhibit D-2 at § 3(b), (d); (4)(b).

209. Moreover, despite demand, Machado has materially breached CCURA Letter Agreement No. 2 by failing to comply with the terms of his indemnity agreement pursuant to the same or his obligation to indemnify CCURA for the Escrow Agent's breach of the CCURA Escrow Agreement No. 2. *See* Exhibit D-1, at § 9.

210. Machado's breach of CCURA Letter Agreement No. 2, as amended, supplemented, or extended, has caused damages to CCURA in an amount not less than \$2,750,000, plus applicable interest.

211. Furthermore, CCURA is entitled to recovery of its attorney's fees and costs, including any costs of collection, pursuant to CCURA Letter Agreement No. 2.

WHEREFORE, CCURA respectfully requests judgment against Defendant Machado for compensatory damages in an amount not less than \$2,750,000, together with prejudgment interest on such amounts, costs and attorney's fees, including any costs of collection, pursuant to the contract, and such other and further relief as the Court deems just and proper.

PRAYER

WHEREFORE, Plaintiffs pray that Defendants be cited to appear and answer herein and following a trial on the merits or other disposition, Plaintiffs have and recover judgment, jointly and severally, from Defendants South Aviation, Inc. and Federico A. Machado in the following amounts:

1. As to Plaintiff CCUR Holdings, Inc., judgment in an amount not less than \$5,000,000, comprised of the CCURH Refundable Deposits No. 1 and No.2, each in the amount of \$2,500,000; and

2. As to Plaintiff CCUR Aviation Finance, LLC, judgment in an amount not less than \$9,000,000, comprised of the CCURA Refundable Deposits No. 1, No. 2, each in the amount of \$1,750,000, and the CCURA Refundable Deposits No. 3 and No. 4, each in the aggregate amount of \$2,750,000;

together with prejudgment interest thereon, exemplary damages in the greatest amount allowed by applicable law for Defendants' fraud and misrepresentations as set forth herein, and all costs, attorneys' fees, and costs of collection pursuant to the operative agreements, and any and all such other and further relief as the Court deems just and proper:

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

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.

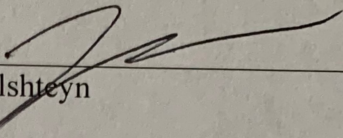
7. Attached to both the Complaint and the Motion are true and correct copies of the following documents (the “CCURA Records”):

- 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);

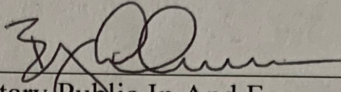
- e. that certain letter agreement, dated May 14, 2020, between and among CCURH, South Aviation, and Machado for Aircraft No. 2 (the “CCURH Letter Agreement No. 2”) (Exh. B-1); and
- f. that certain Escrow Agreement, dated May 14, 2020, between CCURH and the Escrow Agent for Aircraft No. 2 (the “CCURH 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.

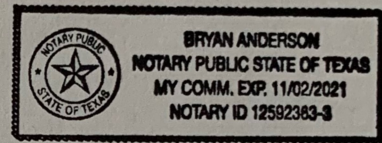


Igor Volshteyn



Notary Public In And For
The State of Texas

Dated: This 26th day of February, 2021.



The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

<p>I. (a) PLAINTIFFS</p> <p>(b) County of Residence of First Listed Plaintiff _____ (EXCEPT IN U.S. PLAINTIFF CASES)</p> <p>(c) Attorneys (Firm Name, Address, and Telephone Number)</p>	<p>DEFENDANTS</p> <p>County of Residence of First Listed Defendant _____ (IN U.S. PLAINTIFF CASES ONLY)</p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.</p> <p>Attorneys (If Known)</p>
--	--

<p>II. BASIS OF JURISDICTION (Place an "X" in One Box Only)</p> <p><input type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p>III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:40%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td style="text-align: center;"><input checked="" type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> <td style="text-align: center;"><input checked="" type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input checked="" type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
	PTF	DEF		PTF	DEF																				
Citizen of This State	<input type="checkbox"/> 1	<input checked="" type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. NATURE OF SUIT (Place an "X" in One Box Only) Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES		
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<p>PERSONAL INJURY</p> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<p>PERSONAL INJURY</p> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <p>PERSONAL PROPERTY</p> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act	
<p>REAL PROPERTY</p> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<p>CIVIL RIGHTS</p> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<p>PRISONER PETITIONS</p> <p>Habeas Corpus:</p> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <p>Other:</p> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	<p>LABOR</p> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act	<p>PROPERTY RIGHTS</p> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark	<p>SOCIAL SECURITY</p> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	<p>FEDERAL TAX SUITS</p> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation - Transfer 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): _____

Brief description of cause: _____

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ _____ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE _____ DOCKET NUMBER _____

DATE _____ SIGNATURE OF ATTORNEY OF RECORD _____
Jonathan B. Morton

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

EXHIBIT A-1

May 14, 2020

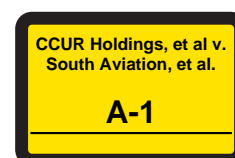
Federico A. Machado
President
South Aviation, Inc.
1470 Lee Wagener Blvd, Suite 100
Fort Lauderdale, Florida 33315

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 107th 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



DS
FAM

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

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

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
Page 4

- (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

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

- (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
Page 7

(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
Page 8

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

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.

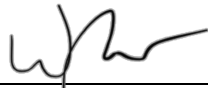
[Signature Page Follows.]

DS
FAM

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.

By: _____
Name: Federico A. Machado
Title: President

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:
Federico Andred Machado
By: _____
A17F325A82F046C...

Name: Federico A. Machado
Title: President

DocuSigned by:
Federico Andred Machado

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 14th, 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

Page 6 of 9
APA: 34432

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 107th 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,

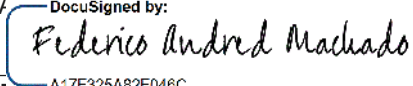
South Aviation, Inc.
By: 
A17F325A82F046C...
Fred Machado
President

EXHIBIT A

<u>Aircraft 35301</u>			
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>
<u>Aircraft 34432</u>			
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>
<u>Totals</u>			
CCUR Holdings, Inc.			\$165,000
JDS1, LLC			\$115,500
Edidin Partners LLC			\$49,500
			<u>\$330,000</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 ton 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:

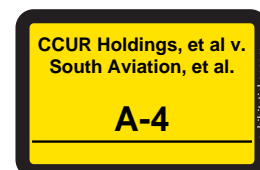
- 1) As of Friday, November 13, 2020 the Remainder Depositors shall be CCUR Holdings, Inc., CCUR Aviation Finance, LLC, and Edidin Partners, LLC;
- 2) As of 9:00 AM EST Monday, November 16, 2020 the Escrow Agent shall be directed to distribute that portion of the Refundable Deposit belonging to parties 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.



DS
FAM

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: Frederico Andre Machado
A17F325A82F046C...
President

Accepted and Agreed:

CCUR Holdings, Inc.

By: Igor Volshteyn
Igor Volshteyn
President and COO

Accepted and Agreed:

Wright Brothers Aircraft Title, Inc.

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

CCUR Aviation Finance, LLC

By: Igor Volshteyn
Igor Volshteyn
President

EXHIBIT A

<u>Aircraft 35301</u>			
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>
<u>Aircraft 34432</u>			
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>
CCUR Holdings, Inc.			\$300,000
CCUR Aviation Finance, LLC			\$210,000
Edidin Partners LLC			\$90,000
			<u>\$600,000</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.

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 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 107th 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

CCUR Holdings, et al v.
South Aviation, et al.

B-1

exhibitster.com

DS
FAM

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

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

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
Page 4

- (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

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

- (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
Page 7

(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
Page 8

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

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.]

^{DS}
FAM

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.

By: _____
Name: Federico A. Machado
Title: President

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: _____
A17F325A82F046C...

Name: Federico A. Machado

Title: President

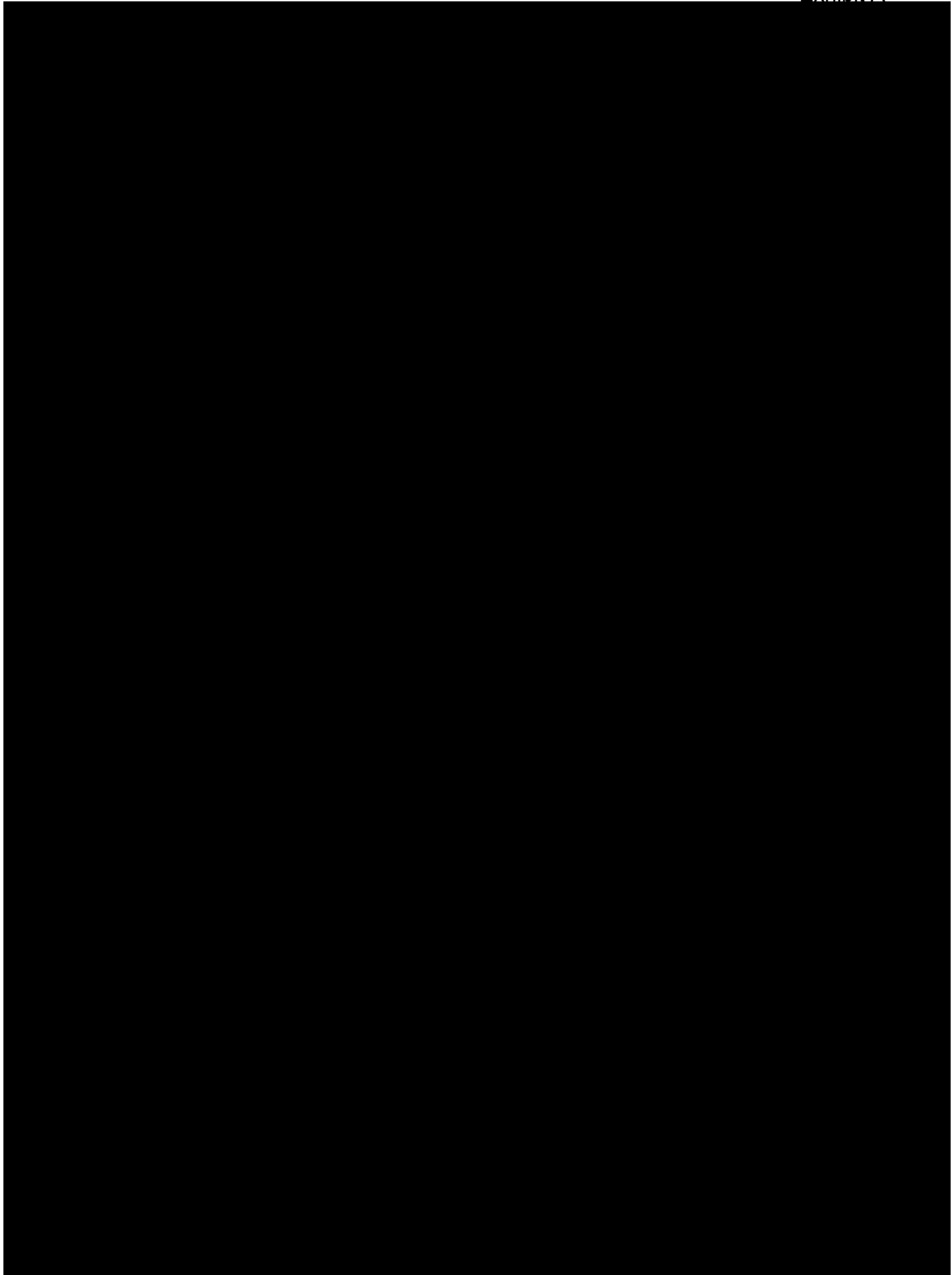
DocuSigned by:

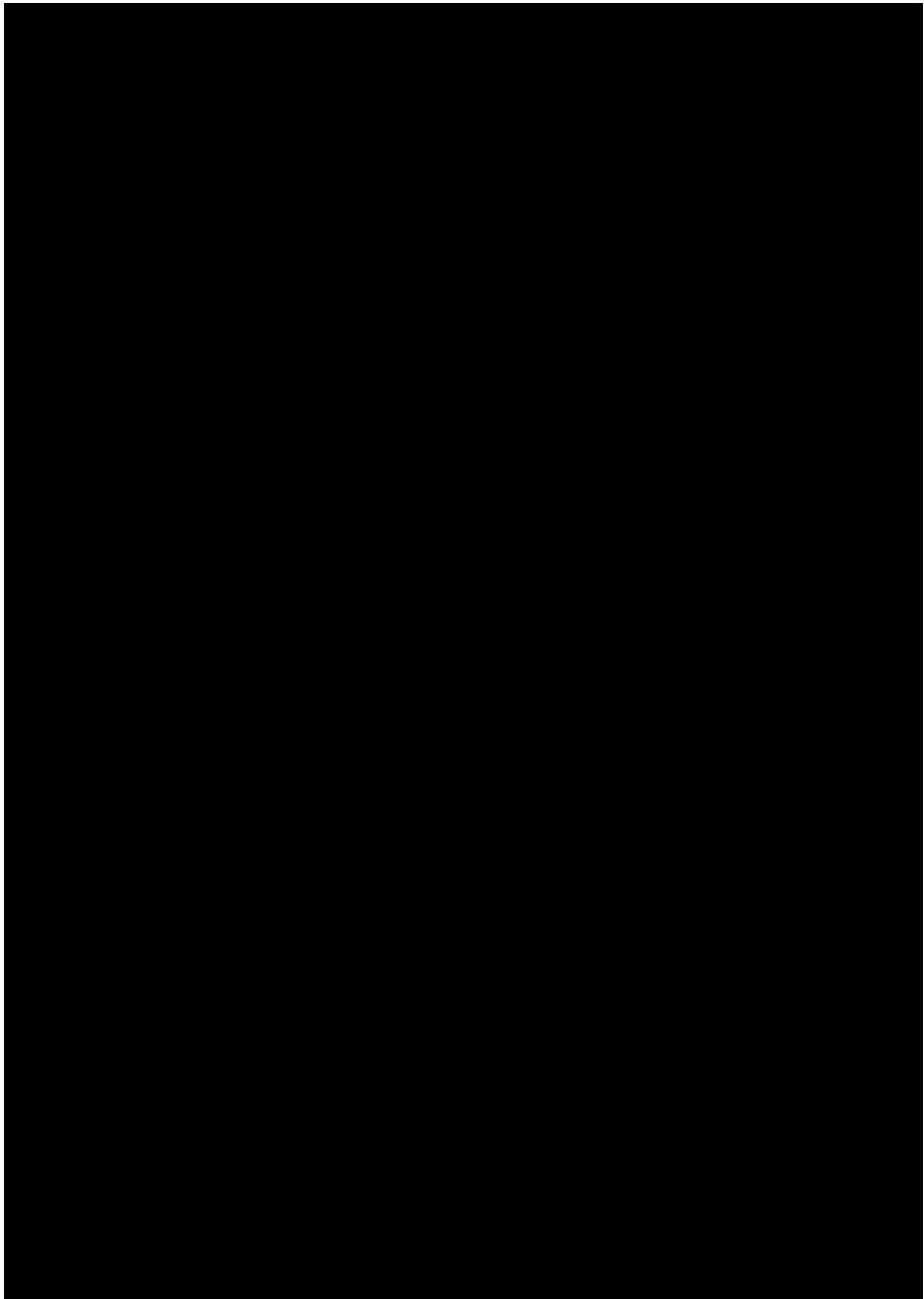
A17F325A82F046C...

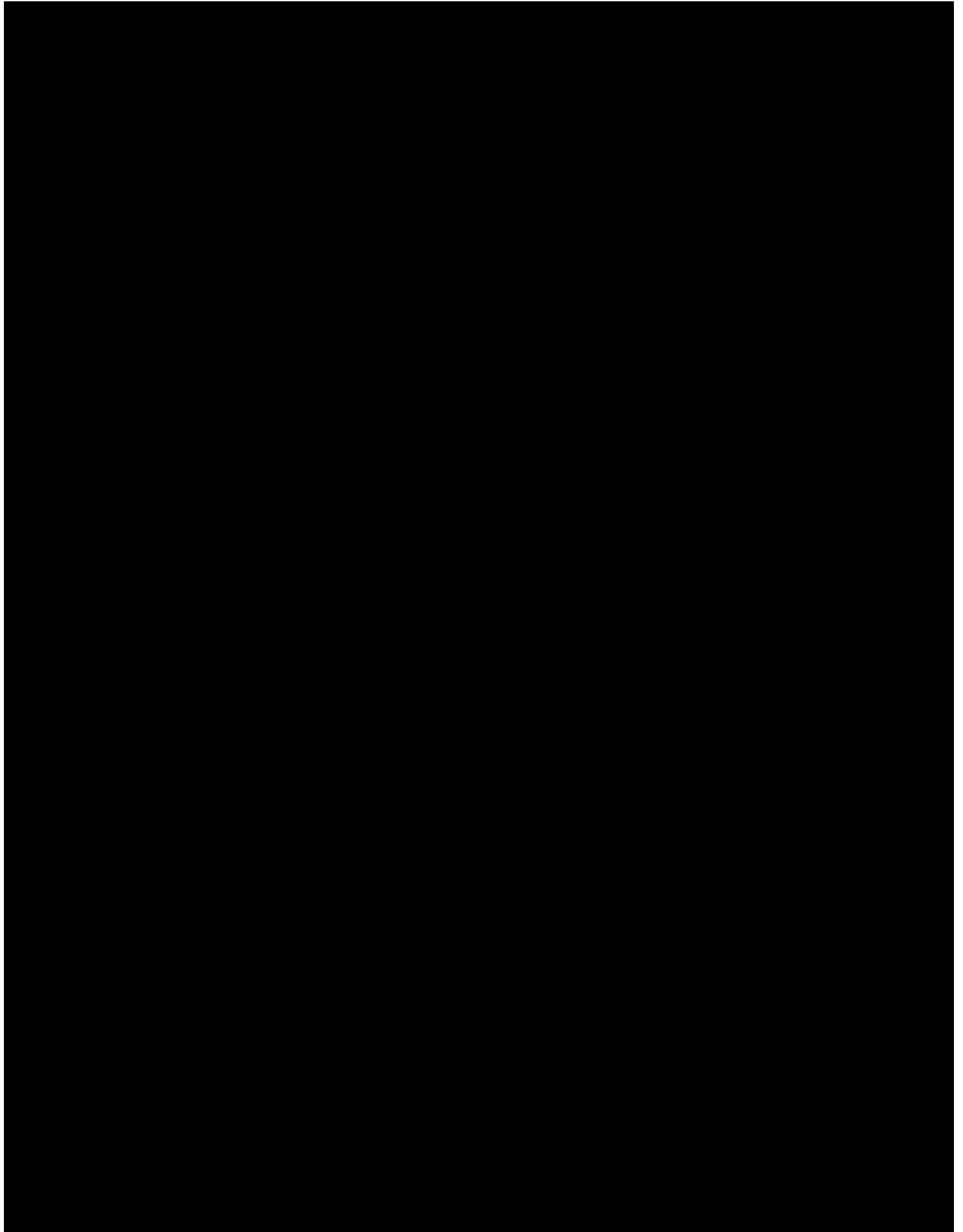
Federico A. Machado, in his individual capacity for the purpose of confirming (i) his guaranty obligations set forth in this Letter Agreement and (ii) that he has been advised by an attorney who has reviewed with him his personal obligations hereunder.

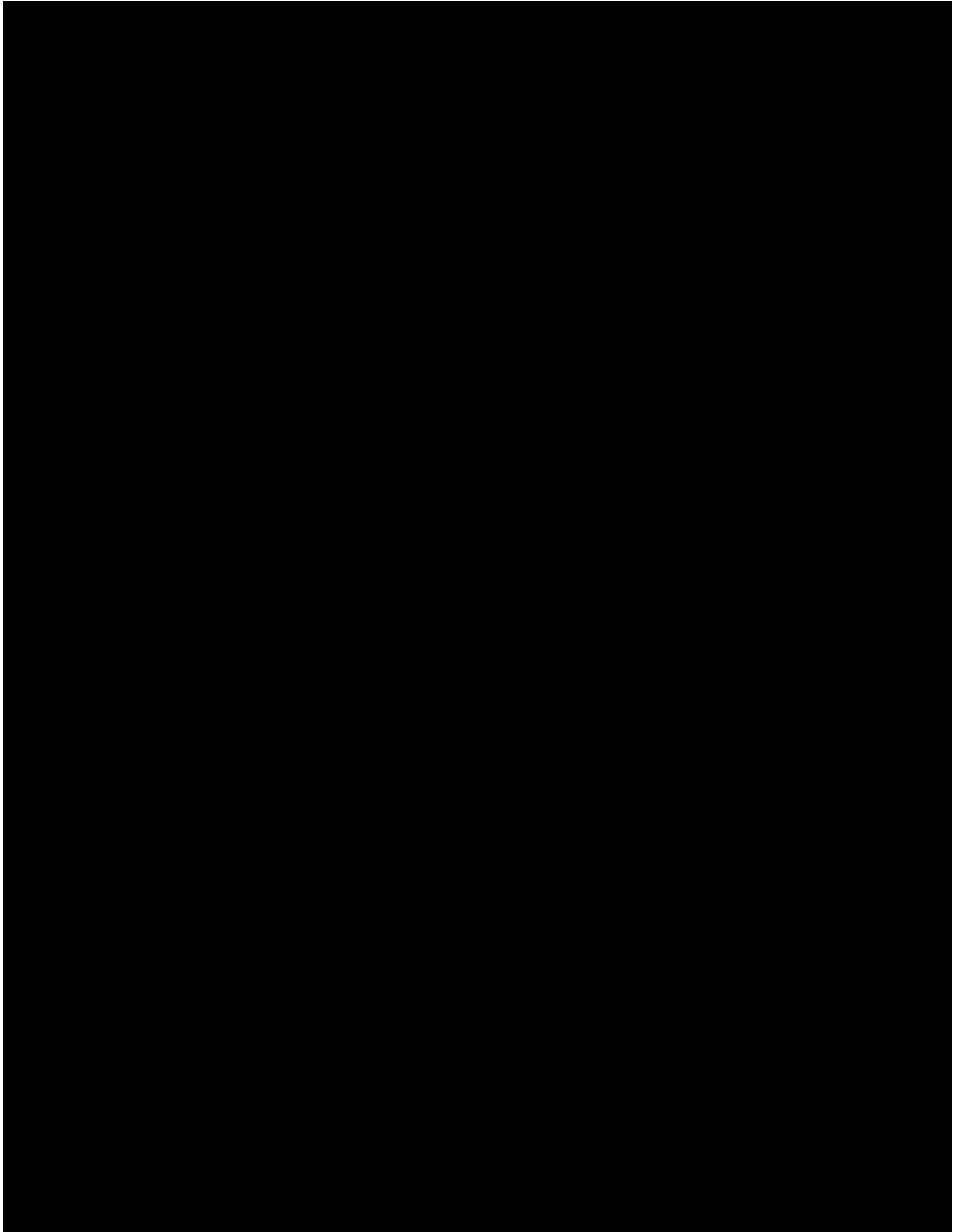
*****Signature Page to Letter Agreement*****

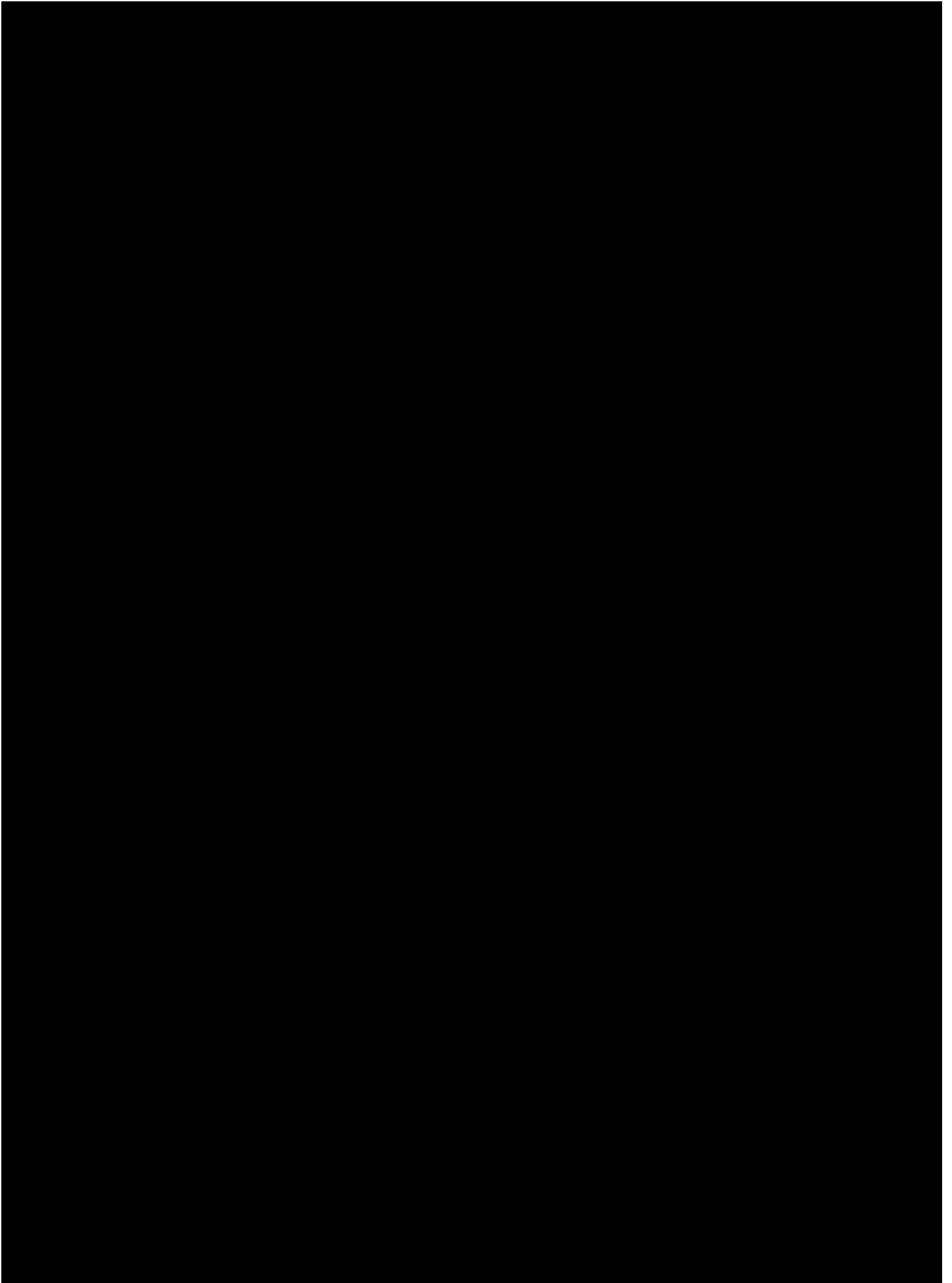
Exhibit A

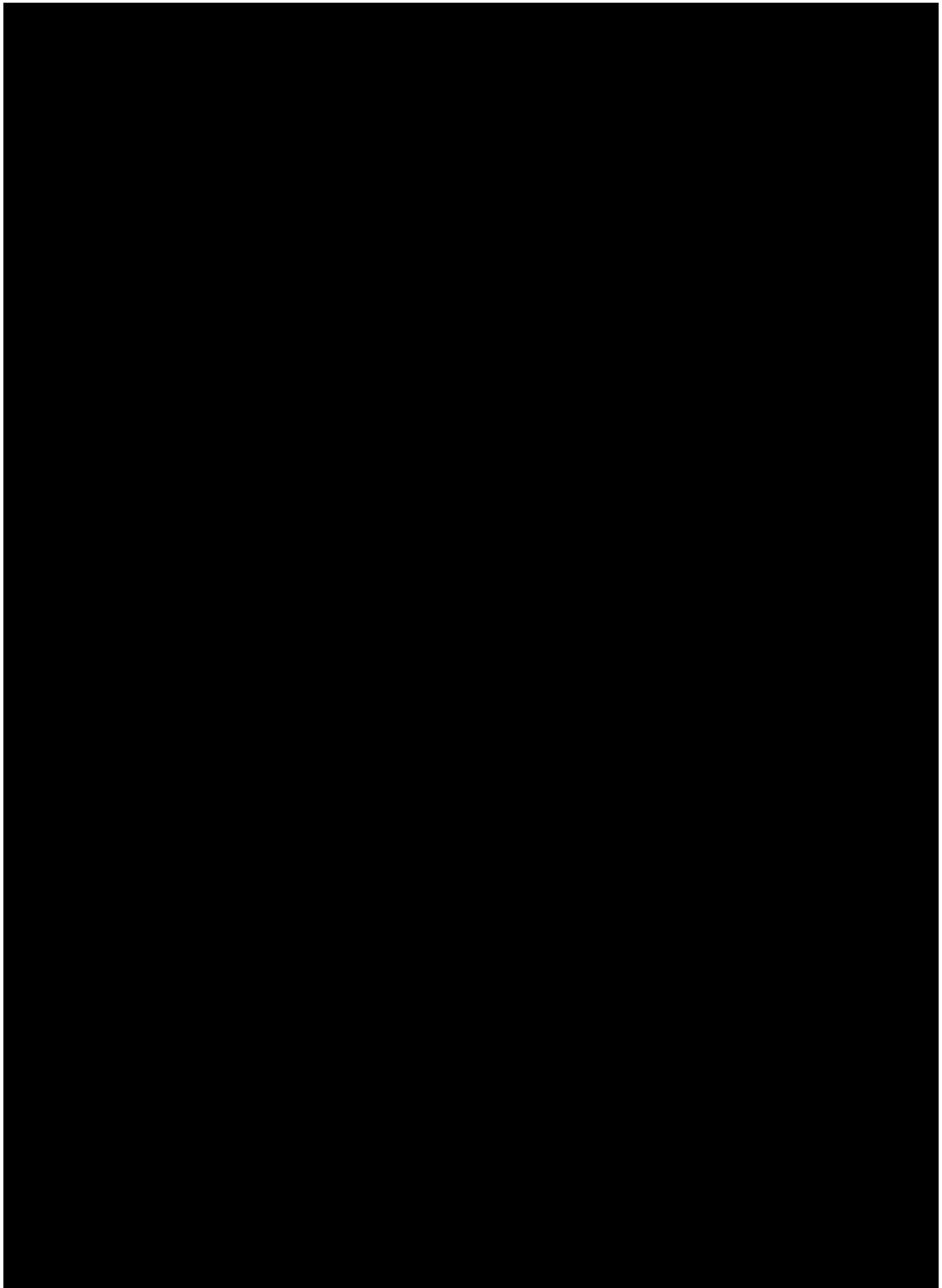


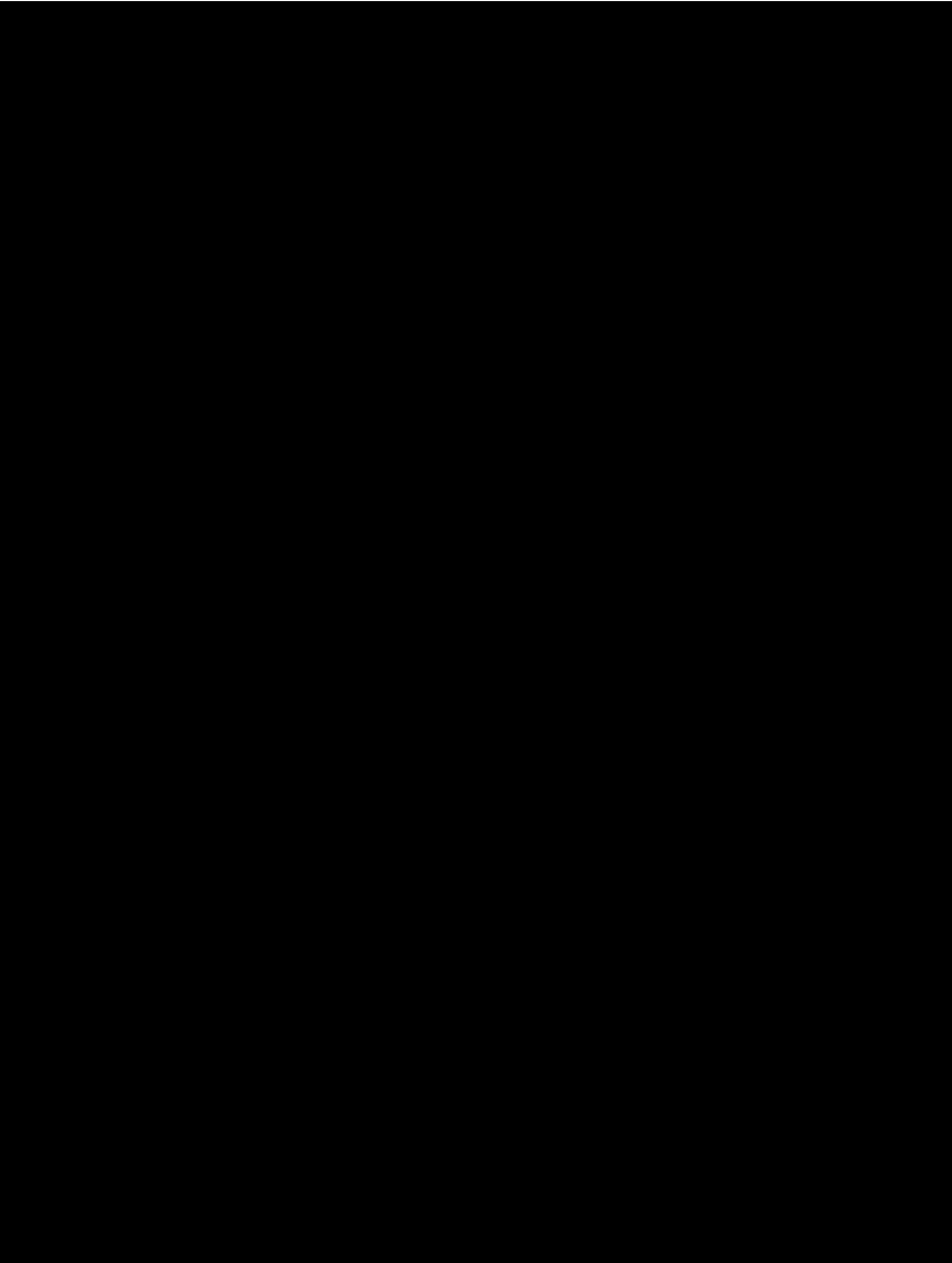


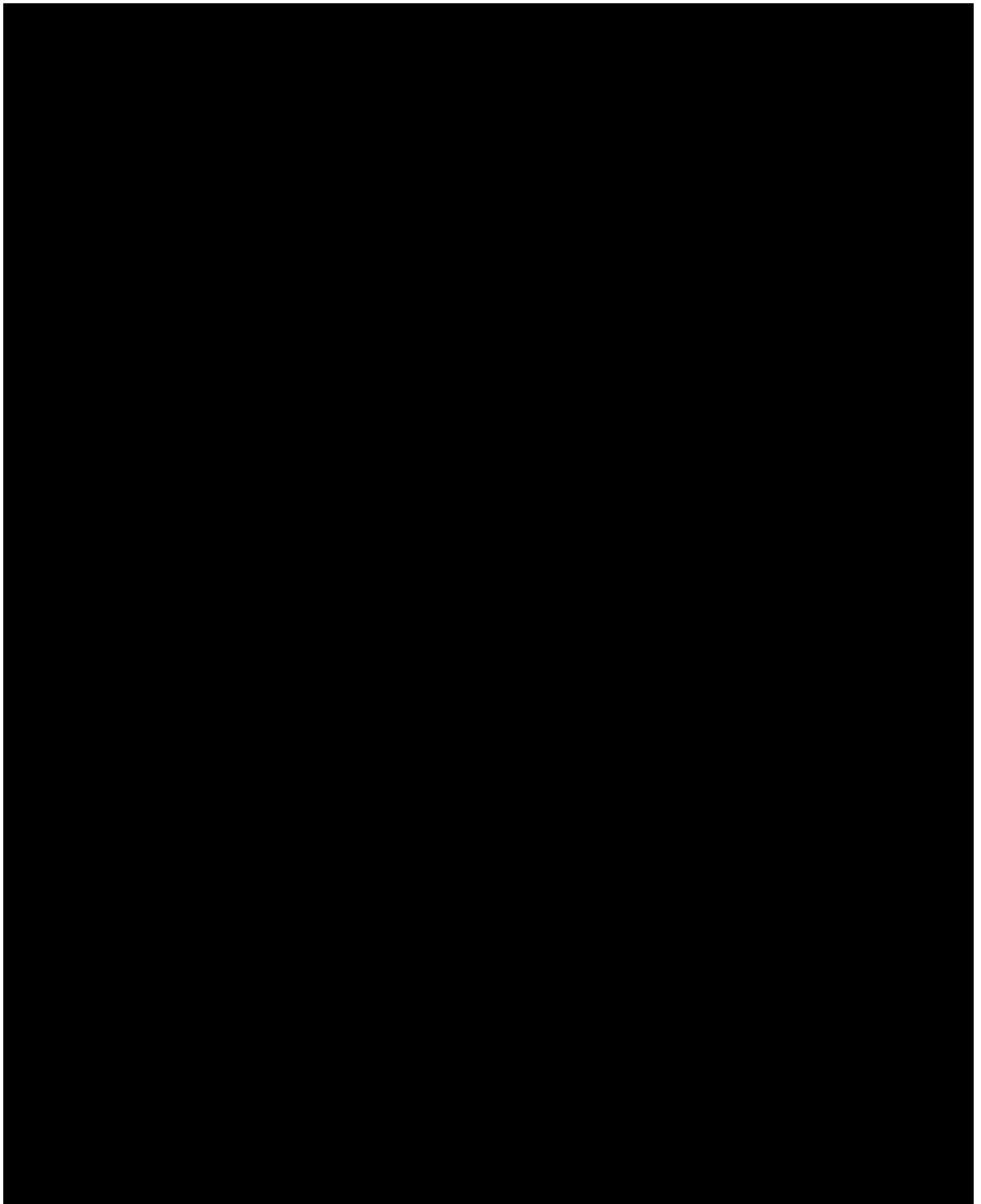












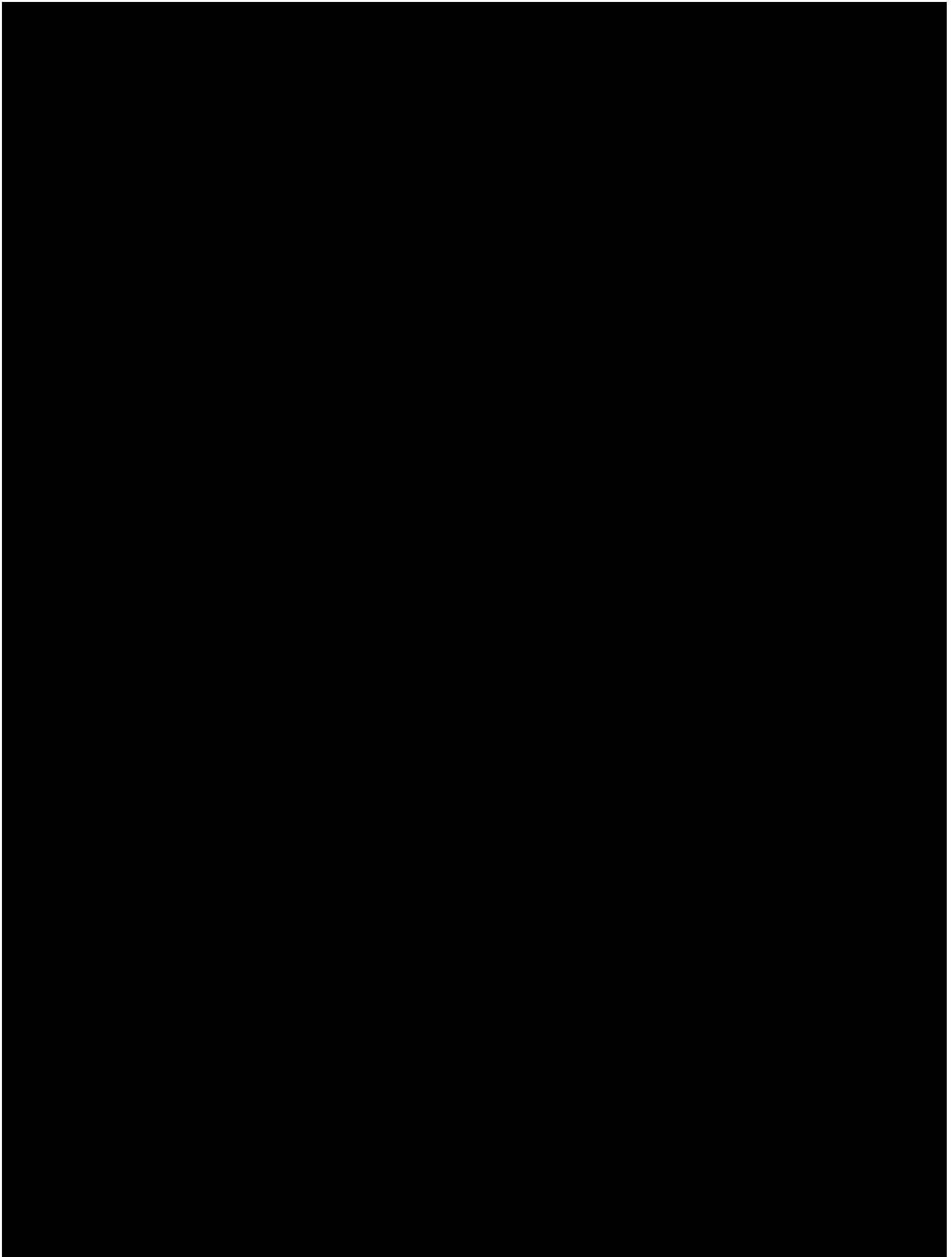


EXHIBIT B-2

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 107th 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 107th 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.

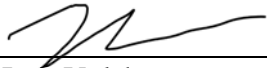
17. **Governing Law.** This Letter Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to its conflicts of laws rules. Depositor shall be entitled to recover any attorneys' fees it is obligated to incur in connection with enforcement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

^{DS}
FAM

^{DS}
SSI

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Exhibit A

Escrow Agent's Confirmation Letter

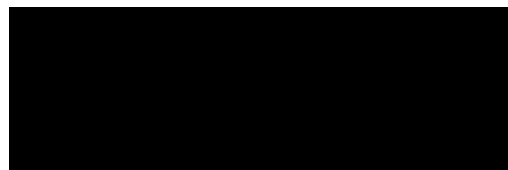


EXHIBIT C-2

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.

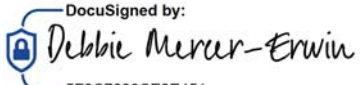
10. All of the terms of this Agreement, as it may be amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective heirs, successors and assigns of the Depositor and the Escrow Agent. The Escrow Agent shall not have the right to transfer or assign its 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

<u>Aircraft 40342</u>			
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>
<u>Aircraft 40343</u>			
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>
CCUR Aviation Finance, LLC			\$330,000
EHC Aspen Properties LLC			\$240,000
Edidin Partners LLC			\$30,000
			<u>\$600,000</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

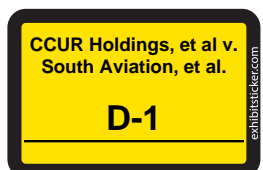
Federico A. Machado
President
South Aviation, Inc.
1470 Lee Wagener Blvd, Suite 100
Fort Lauderdale, Florida 33315

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 107th 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.

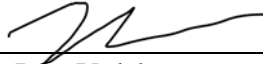
17. **Governing Law.** This Letter Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to its conflicts of laws rules. Depositor shall be entitled to recover any attorneys' fees it is obligated to incur in connection with enforcement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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DS
FAM

DS
SSI

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

^{DS}
FAM

^{DS}
SSI

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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.

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] [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)

§
§
§
§
§
§
§
§
§
§

No. 4:20-CR-212
Judge Mazzant

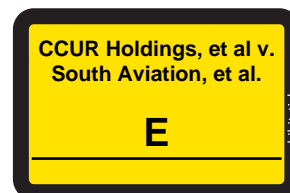
THIRD SUPERSEDING INDICTMENT

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 107th 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 107th 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 10th. 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, Mexico¹—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

¹ 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 Ignerio 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 Ignerio 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.² This list shows transactions occurring in 2016 and 2017.

² 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:

“N” Number	Material Misrepresentation
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.

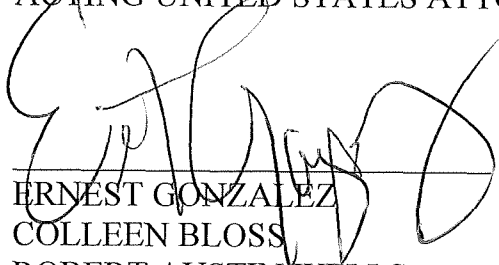
By virtue of the commission of the felony offenses charged in this First Superseding Indictment, any and all interest defendants have in the above-described property is vested in the United States and hereby forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461.

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 VILLAURRUTIA (5)
ALBAN GERARDO AZOFEIFA-CHACON (6)
AARON BELLO-MILLAN (7)
MICHAEL ASSAD MARCOS (8)

§
§
§
§
§
§
§
§
§
§
§

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
Plano, TX 75023-8334
214/740-1708
Fax: 8664055699
Email: rdelagarzalaw@yahoo.com
LEAD ATTORNEY
ATTORNEY TO BE NOTICED
Designation: Retained

William Brett Behenna
Coyle Law Firm
125 Park Avenue
First Floor
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)

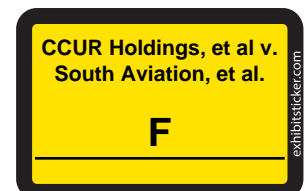
Conspiracy to Manufacture and Distribute Cocaine

(1ss)

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)

(6s)

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

(6ss)

(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)

(6sss)

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

(7ss)

(7ss)

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

(7sss)

(7sss)

Highest Offense Level (Opening)

Felony

Terminated Counts

None

Highest Offense Level (Terminated)

None

Disposition

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
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

§ 46306

(6s)

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

§ 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

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 (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**
Burleson Pate & Gibson - Dallas
900 Jackson Street
Suite 330
Dallas, TX 75202
Dallas
214-871-4900
Fax: 214-871-7677
Email: jcj@bp-g.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)

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**
 U S Attorney's Office - Plano
 101 East Park Blvd, Suite 500
 Plano, TX 75074
 972/509-1201
 Fax: 19725091209
 Email: ernest.gonzalez@usdoj.gov
LEAD ATTORNEY
ATTORNEY TO BE NOTICED
Designation: Assistant US Attorney

Colleen Elizabeth Bloss
 US Attorney's Office - Plano
 101 E Park Blvd
 Suite 500
 Plano, TX 75074
 972-509-1201
 Fax: 972-509-1209
 Email: colleen.bloss@usdoj.gov
ATTORNEY TO BE NOTICED
Designation: Assistant US Attorney

Robert Austin Wells
 U S Attorney's Office - Tyler
 110 N. College
 Ste 700
 Tyler, TX 75702
 903-590-1400
 Fax: 903-590-1436
 Email: robert.wells3@usdoj.gov
ATTORNEY TO BE NOTICED

Date Filed	#	Docket Text
08/12/2020	<u>1</u>	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	<u>3</u>	E-GOV SEALED Form AO 257 filed as to Debra Lynn Mercer-Erwin (mem) (Entered: 08/14/2020)
08/12/2020	<u>4</u>	E-GOV SEALED Form AO 257 filed as to Kayleigh Moffett (mem) (Entered: 08/14/2020)
08/12/2020	<u>5</u>	E-GOV SEALED Form AO 257 filed as to Guillermo Garcia Mendez (mem) (Entered: 08/14/2020)
08/12/2020	<u>6</u>	E-GOV SEALED Form AO 257 filed as to Federico Andres Machado (mem) (Entered: 08/14/2020)

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

		(Entered: 09/15/2020)
09/10/2020	36	E-GOV SEALED Form AO 257 filed as to Aaron Bello-Millan (mem) (Entered: 09/15/2020)
09/10/2020	37	E-GOV SEALED Form AO 257 filed as to Michael Assad Marcos (mem) (Entered: 09/15/2020)
09/10/2020	46	REDACTED FIRST SUPERSEDING INDICTMENT as to Debra Lynn Mercer-Erwin. (mem) (Entered: 09/15/2020)
09/10/2020	47	REDACTED FIRST SUPERSEDING INDICTMENT as to Kayleigh Moffett. (mem) (Entered: 09/15/2020)
09/10/2020	48	REDACTED FIRST SUPERSEDING INDICTMENT as to Guillermo Garcia Mendez. (mem) (Entered: 09/15/2020)
09/10/2020	49	REDACTED FIRST SUPERSEDING INDICTMENT as to Federico Andres Machado. (mem) (Entered: 09/15/2020)
09/10/2020	51	REDACTED FIRST SUPERSEDING INDICTMENT as to Alban Gerardo Azofeifa-Chacon. (mem) (Entered: 09/15/2020)
09/10/2020	52	REDACTED FIRST SUPERSEDING INDICTMENT as to Aaron Bello-Millan. (mem) (Entered: 09/15/2020)
09/10/2020	53	REDACTED FIRST SUPERSEDING INDICTMENT as to Michael Assad Marcos. (mem) (Entered: 09/15/2020)
09/14/2020	28	ORDER FOR BRIEFING as to Carlos Rocha Villaurrutia re 24 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	54	NOTICE OF ATTORNEY APPEARANCE: Joseph Craig Jett appearing for Michael Assad Marcos (mem) (Entered: 09/15/2020)
09/21/2020	55	RESPONSE in Opposition by Carlos Rocha Villaurrutia re 24 MOTION for Stay of Magistrate Court's Order of Release (Attachments: # 1 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	56	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	58	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	60	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	61	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	64	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	65	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	66	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	68	Opposed MOTION for Hearing by Carlos Rocha Villaurrutia. (Attachments: # 1 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 68 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	71	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	72	ORDER granting 68 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	73	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	74	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	75	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	76	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	77	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	80	MOTION to Continue by Federico Andres Machado. (Attachments: # 1 Text of Proposed Order)(mem) (Entered: 10/30/2020)
11/10/2020	83	ORDER TO CONTINUE - Ends of Justice granting 80 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	84	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	86	Unopposed MOTION to Seal Document by USA as to Carlos Rocha Villaurrutia. (Attachments: # 1 Text of Proposed Order)(Bloss, Colleen) (Entered: 11/19/2020)
11/19/2020		**RESCHEDULED ** Set/Reset Evidentiary Hearing re 68 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	87	ORDER granting 86 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	88	Unopposed MOTION to Continue <i>Pretrial</i> by Carlos Rocha Villaurrutia. (Attachments: # 1 Text of Proposed Order)(Garcia, Carlos) (Entered: 11/20/2020)
11/20/2020	89	ORDER TO CONTINUE - Ends of Justice granting 88 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	90	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	91	CONSENT to Modify Conditions of Release by Michael Assad Marcos. (las) (Entered: 11/23/2020)
11/30/2020	92	ORDER TO CONTINUE - Ends of Justice granting 85 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	93	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	95	NOTICE OF WITNESS LIST by Carlos Rocha Villaurrutia (Garcia, Carlos) (Entered: 12/08/2020)
12/10/2020	97	NOTICE of Filing Amended Letters of Support by Carlos Rocha Villaurrutia (Attachments: # 1 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	98	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	99	ADMITTED EXHIBITS LIST by Carlos Rocha Villaurrutia. (Attachments: # 1 Exhibits 1-10) (kkc,) (Entered: 12/11/2020)
12/16/2020	100	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	101	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	102	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	103	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	104	E-GOV SEALED Form AO 257 filed as to Guillermo Garcia Mendez (mem) (Entered: 12/16/2020)
12/16/2020	105	E-GOV SEALED Form AO 257 filed as to Federico Andres Machado (mem) (Entered: 12/16/2020)
12/16/2020	106	E-GOV SEALED Form AO 257 filed as to Carlos Rocha Villaurrutia (mem) (Entered: 12/16/2020)
12/16/2020	107	E-GOV SEALED Form AO 257 filed as to Alban Gerardo Azofeifa-Chacon (mem) (Entered: 12/16/2020)
12/16/2020	108	E-GOV SEALED Form AO 257 filed as to Aaron Bello-Millan (mem) (Entered: 12/16/2020)
12/16/2020	109	E-GOV SEALED Form AO 257 filed as to Michael Assad Marcos (mem) (Entered: 12/16/2020)
12/16/2020	116	REDACTED SECOND SUPERSEDING INDICTMENT as to Debra Lynn Mercer-Erwin. (mem) (Entered: 12/18/2020)
12/16/2020	117	REDACTED SECOND SUPERSEDING INDICTMENT as to Kayleigh Moffett. (mem)

		(Entered: 12/18/2020)
12/16/2020	118	REDACTED SECOND SUPERSEDING INDICTMENT as to Guillermo Garcia Mendez. (mem) (Entered: 12/18/2020)
12/16/2020	119	REDACTED SECOND SUPERSEDING INDICTMENT as to Federico Andres Machado. (mem) (Entered: 12/18/2020)
12/16/2020	120	REDACTED SECOND SUPERSEDING INDICTMENT as to Carlos Rocha Villaurrutia. (mem) (Entered: 12/18/2020)
12/16/2020	121	REDACTED SECOND SUPERSEDING INDICTMENT as to Alban Gerardo Azofeifa-Chacon. (mem) (Entered: 12/18/2020)
12/16/2020	122	REDACTED SECOND SUPERSEDING INDICTMENT as to Aaron Bello-Millan. (mem) (Entered: 12/18/2020)
12/16/2020	123	REDACTED SECOND SUPERSEDING INDICTMENT as to Michael Assad Marcos. (mem) (Entered: 12/18/2020)
12/17/2020	115	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	124	NOTICE OF APPEAL re 100 <i>Order of Detention Pending Trial</i> by Carlos Rocha Villaurrutia as to 100 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 124 Notice of Appeal - Interlocutory re 100 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	127	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	130	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	131	WAIVER of Rights and Consent to Proceed by video conference by Debra Lynn Mercer-Erwin (mem) (Entered: 01/11/2021)
01/07/2021	132	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	133	WAIVER of Rights and Consent to Proceed by video conference by Kayleigh Moffett

		(mem) (Entered: 01/11/2021)
01/07/2021	134	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	135	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	136	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	137	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	138	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	139	<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>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 www.txed.uscourts.gov</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	140	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: # 1 Text of Proposed Order)(mem) (Entered: 01/14/2021)
01/27/2021	141	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	142	ORDER TO CONTINUE - Ends of Justice granting 140 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	143	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	144	NOTICE OF ATTORNEY APPEARANCE: Rafael De La Garza, II appearing for Debra Lynn Mercer-Erwin (rpc,) (Entered: 02/03/2021)
02/04/2021	145	Unopposed MOTION to Modify Conditions of Pre-Trial Release by Debra Lynn Mercer-Erwin. (Attachments: # 1 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. http://www.ca5.uscourts.gov/docs/default-source/forms/instructions-for-electronic-record-download-feature-of-cm.pdf (rpc,) (Entered: 02/05/2021)
02/07/2021		NOTICE OF HEARING ON MOTION in case as to Debra Lynn Mercer-Erwin:Hearing Motion 145 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	146	MOTION to Continue Trial by Kayleigh Moffett. (Attachments: # 1 Text of Proposed Order)(mem) (Entered: 02/09/2021)
02/10/2021	147	ORDER. It is ORDERED that Defendant, Kayleigh Moffett's Motion to Continue Trial (Dkt. # 146 , 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	148	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 145 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	149	NOTICE OF ATTORNEY APPEARANCE Robert Austin Wells appearing for USA. (Wells, Robert) (Entered: 02/24/2021)
02/24/2021	151	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	152	E-GOV SEALED Form AO 257 filed as to Debra Lynn Mercer-Erwin (rpc,) (Entered: 02/25/2021)
02/24/2021	153	E-GOV SEALED Form AO 257 filed as to Kayleigh Moffett (rpc,) (Entered: 02/25/2021)
02/24/2021	154	E-GOV SEALED Form AO 257 filed as to Guillermo Garcia Mendez (rpc,) (Entered: 02/25/2021)

02/24/2021	155	E-GOV SEALED Form AO 257 filed as to Federico Andres Machado (rpc,) (Entered: 02/25/2021)
02/24/2021	156	E-GOV SEALED Form AO 257 filed as to Carlos Rocha Villaurrutia (rpc,) (Entered: 02/25/2021)
02/24/2021	157	E-GOV SEALED Form AO 257 filed as to Alban Gerardo Azofeifa-Chacon (rpc,) (Entered: 02/25/2021)
02/24/2021	158	E-GOV SEALED Form AO 257 filed as to Aaron Bello-Millan (rpc,) (Entered: 02/25/2021)
02/24/2021	159	E-GOV SEALED Form AO 257 filed as to Michael Assad Marcos (rpc,) (Entered: 02/25/2021)
02/25/2021	150	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)

PACER Service Center			
Transaction Receipt			
02/26/2021 13:28:38			
PACER Login:	kl0204:2581655:0	Client Code:	0942960.00401/01107
Description:	Docket Report	Search Criteria:	4:20-cr-00212-ALM-KPJ
Billable Pages:	21	Cost:	2.10

AO 440 (Rev. 06/12) Summons in a Civil Action (Page 2)

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____ .

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action (Page 2)

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____ .

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: