

IN THE CIRCUIT COURT OF THE  
15<sup>TH</sup> JUDICIAL CIRCUIT IN AND FOR  
PALM BEACH COUNTY, FLORIDA

WILLIAM E. STANSBURY,  
Plaintiff,

CASE NO: 50 2012 CA 013933 MB AA

v.

TED S. BERNSTEIN; DONALD TESCHER and  
ROBERT SPALLINA, as co-personal  
representatives of the ESTATE OF SIMON L.  
BERNSTEIN and as co-trustees of the SHIRLEY  
BERNSTEIN TRUST AGREEMENT dated  
May 20, 2008; LIC HOLDINGS, INC.;  
ARBITRAGE INTERNATIONAL MANAGEMENT, LLC,  
f/k/a ARBITRAGE INTERNATIONAL  
HOLDINGS, LLC; BERNSTEIN FAMILY  
REALTY, LLC,

Defendants.

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SHARON R. BOCK, CLERK  
PALM BEACH CIRCUIT COURT  
FILED

AMENDED COMPLAINT

WILLIAM E. STANSBURY, by and through undersigned counsel, sues the Defendants  
and states:

1. This is an action for money damages in excess of \$15,000, and for equitable relief.
2. Plaintiff (hereinafter referred to as "STANSBURY") is *sui juris*, and a resident of Palm Beach County, Florida.
3. Defendant TED S. BERNSTEIN ("TED BERNSTEIN"), is *sui juris*, and a resident of Palm Beach County, Florida.
4. SIMON L. BERNSTEIN ("SIMON BERNSTEIN") died on or about September 13, 2012, after the filing of the initial Complaint in this action. At the time of his death, SIMON BERNSTEIN was *sui juris*, and was a resident of Palm Beach County, Florida. Defendants

Donald R. Tescher and Robert L. Spallina are serving as co-personal representatives of the ESTATE OF SIMON L. BERNSTEIN (the "ESTATE") which ESTATE is presently open and pending in the Palm Beach County Circuit Court, *In re: Estate of Simon L. Bernstein*, Case No. 502012CP004391XXXXSB (the "Estate Proceeding"). In accordance with Section 733.705, Florida Statutes, STANSBURY hereby brings this independent action against the ESTATE with respect to his Statement of Claim that was filed and objected to in the Estate Proceeding.

5. Defendant, LIC HOLDINGS, INC. ("LIC Holdings") is a Florida corporation with its principal place of business in Palm Beach County, Florida.

6. Defendant, ARBITRAGE INTERNATIONAL MANAGEMENT, LLC, formerly known as ARBITRAGE INTERNATIONAL HOLDINGS, LLC, ("ARBITRAGE") is a Florida limited liability company with its principal place of business in Palm Beach County, Florida.

7. Defendant, BERNSTEIN FAMILY REALTY, LLC is a Florida limited liability company doing business in Palm Beach County.

8. Defendant, the SHIRLEY BERNSTEIN TRUST AGREEMENT dated May 20, 2008 ("SHIRLEY'S TRUST"), owns real property in Palm Beach County, Florida. Based upon information and belief, Donald R. Tescher and Robert L. Spallina are serving as co-trustees of SHIRLEY'S TRUST. This Court has personal jurisdiction over the trustees and the beneficiaries of SHIRLEY'S TRUST under Section 736.0202, Florida Statutes, as the principal place of administration of SHIRLEY'S TRUST is in Palm Beach County, Florida. This court has subject matter jurisdiction over this action under Section 736.0203, Florida Statutes. Venue is proper in Palm Beach County, Florida, under Section 736.0204, Florida Statutes, as the principal place of administration of SHIRLEY'S TRUST is in Palm Beach County, Florida and one or more of the beneficiaries of SHIRLEY'S TRUST reside in Palm Beach County, Florida.

9. The acts and incidents giving rise to the causes of action alleged herein arose in Palm Beach County, Florida.

**Background**

10. STANSBURY has worked in the insurance industry for virtually all of his adult life. After 30 years, he had become well-known and highly regarded by major insurance companies, their principals and others throughout the insurance industry, at all levels thereof, as well as by professionals, including attorneys, CPA's, financial advisors, wealth managers and others who were involved in serving, or otherwise dealing with insurers, insurance brokers and life insurance products.

11. SIMON BERNSTEIN dealt at sophisticated levels of the insurance industry and specialized in developing and marketing insurance concepts suitable for persons of high net worth to incorporate into their wealth management and estate planning.

12. TED BERNSTEIN, the son of SIMON BERNSTEIN, was also actively involved in selling life insurance products in conjunction with attorneys, CPAs and other professionals, to be incorporated into high net worth individuals' financial and estate planning.

13. TED BERNSTEIN approached STANSBURY, urging STANSBURY to spearhead the marketing of a unique insurance concept, newly developed by a prominent law firm, which was designed for use in the financial and estate planning of high net worth individuals.

14. TED BERNSTEIN told STANSBURY that he knew of STANSBURY's expertise and reputation in the insurance and related industries, and that STANSBURY was skilled at and accustomed to speaking and marketing insurance products to groups of professionals. He realized that STANSBURY, because of his knowledge, reputation and abilities, would be well suited to market this concept nationwide through prominent and experienced professionals.

15. In 2006, SIMON BERNSTEIN and TED BERNSTEIN (collectively, "BERNSTEIN" or the "BERNSTEINS") formed Defendants LIC Holdings and ARBITRAGE for the purpose of marketing and selling certain life insurance products to high net worth individuals for their wealth management and estate planning needs.

16. STANSBURY agreed to become an employee of LIC Holdings, Inc. and ARBITRAGE and agreed to a salary of 15% of net commissions received on all products, including renewals.

17. STANSBURY worked with diligence and skill, traveling throughout the United States, generating ever-increasing sales and generating very large commissions. By 2006, nationwide sales were resulting in substantial commissions on new policies and renewal commissions.

18. Also in 2006, SIMON BERNSTEIN told STANSBURY that STANSBURY was being rewarded for his efforts and the explosive growth of the business, such that he would receive a 10% ownership interest in LIC Holdings, Inc.

19. In February of 2008, SIMON BERNSTEIN approached STANSBURY with the suggestion that rather than STANSBURY performing computations on a monthly basis as to how much should be paid to him based upon 15% of the commissions derived from policies sold by STANSBURY, the BERNSTEINS and STANSBURY should forego monthly payouts and defer compensation until the end of 2008, when year-end computations could be made. It was suggested that in December, year-end computations would be made and salaries would be paid in December 2008 or January of 2009. It was specifically represented to STANSBURY that neither SIMON BERNSTEIN, TED BERNSTEIN nor STANSBURY would take any compensation until the year-end accounting was performed in December of 2008 or January, 2009.

20. STANSBURY relied on SIMON BERNSTEIN's representations that, among other things, his time would be better spent building the business rather than performing monthly calculations of income. STANSBURY relied on SIMON BERNSTEIN's representation that they would all be paid identical annual salaries of not less than \$1,000,000 at the end of 2008 to be applied against STANBURY's 15%. Any compensation to STANSBURY over and above his 15% would be paid to him in accordance with his ownership percentage of 10%.

21. STANSBURY, having no reason to believe that the representations by SIMON BERNSTEIN were false and only a ruse to keep him from inquiring as to corporate revenue and distributions, acceded to his being relieved of the bookkeeping duties regarding calculating the disposition of monies on a monthly basis throughout the year.

22. In 2008, STANSBURY received only \$420,018.00, all from commissions earned for sales in 2007 but paid in the January of 2008. STANSBURY received no payments for commissions received after January, 2008.

23. Unbeknownst to STANSBURY at that time, SIMON BERNSTEIN was paid \$3,756,229.00 and TED BERNSTEIN was paid \$5,225,825.00 in 2008.

24. The net retained commissions by LIC Holdings and ARBITRAGE, not including renewals for 2008 were approximately \$13,442,549.00. As such, STANSBURY was entitled to, at the very minimum, 15% of \$13,442,549.00, or \$2,016,382.35.

25. Since that time, SIMON BERNSTEIN and TED BERNSTEIN have secreted commissions received by LIC Holdings and ARBITRAGE into Bernstein family trusts and other entities as more specifically set forth below. Those trusts have since invested in real estate, also as more particularly set forth below.

26. Throughout 2009, SIMON BERNSTEIN and TED BERNSTEIN continued to make false statements to STANSBURY to hide the fact that they had looted the corporations for their

own personal benefit by withdrawing millions in 2008 and 2009, all to the financial detriment of STANSBURY. The BERNSTEINS represented that the money was not being paid as salary or distributions because the funds needed to be held in the corporate bank accounts to show to potential lenders the financial stability of the company.

27. STANSBURY relied upon these continuing representations of Defendants to his detriment. Because STANSBURY was told that potential funding sources for the business needed to see that capital of the company was available, he took no action when he did not receive any compensation for 2009 and paid only \$30,000 in 2010.

28. STANSBURY believes that some or all of the funds to which he was entitled and/or assets attributable to such funds were placed into certain entities, including but not limited to BERNSTEIN FAMILY REALTY, LLC and SHIRLEY'S TRUST. For example, based on information and belief, some or all of the funds to which STANSBURY was entitled were invested in certain parcels of real property, which parcels were conveyed to the trustee of SHIRLEY'S TRUST on or about May 20, 2008, including but not limited to a 4,220 square foot oceanfront condominium unit in a complex known as "The ARAGON" in Boca Raton, located at 2494 So. Ocean Boulevard, Boca Raton, Florida and a mansion in St. Andrew's Country Club located at 7020 Lions Head Lane, Boca Raton, Florida.

29. In order to continue their scheme to defraud, SIMON BERNSTEIN and TED BERNSTEIN failed and refused to account for renewal commissions and failed to supply any financial information to STANSBURY concerning LIC Holdings, Inc. or ARBITRAGE INTERNATIONAL MANAGEMENT, LLC.

30. In furtherance of their scheme to deprive STANSBURY of salary he had earned and shareholder distributions to which he was entitled, SIMON BERNSTEIN and TED BERNSTEIN intercepted mail addressed to STANSBURY, removing commission checks representing

commissions due to STANSBURY, deposited the funds into their own accounts and otherwise converted the funds. SIMON BERNSTEIN and TED BERNSTEIN also opened STANSBURY's mail containing checks payable to him which were unrelated to them and the businesses.

31. In 2011, the Defendants BERNSTEIN decided to deceive STANSBURY further. STANSBURY had for years been given K-1 statements reflecting his 10% ownership of LIC Holdings. At the end of 2011, TED BERNSTEIN told STANSBURY that the company accountant had discovered a taxable event which could cause STANSBURY, as an owner of LIC Holdings to pay taxes on phantom income. TED BERNSTEIN promised that if STANSBURY would sign a paper ceding his 10% interest in LIC Holdings, he would not have to pay the tax. TED BERNSTEIN promised he would hold the paper, promising it would not become operative until STANSBURY and the Defendants BERNSTEIN discussed the situation further in the first quarter of 2012.

32. Because of the misrepresentations, willful concealments of material facts, duplicity and deceit practiced by Defendants upon STANSBURY, STANSBURY reasonably believed that Defendants had complied, or intended to comply with their obligations to STANSBURY under the contract between them. STANSBURY, therefore, was prevented from knowing for a period of years that the causes of action ASSERTED HEREIN existed.

33. By the second quarter of 2012, STANSBURY developed the belief that the BERNSTEINS' representations over the years were wholly false and he sought legal counsel.

34. STANSBURY has retained the law firm of Peter M. Feaman, P.A. and has agreed to pay it a reasonable fee for its services rendered herein.

**COUNT I - ACCOUNTING**  
**(Against LIC Holdings and ARBITRAGE, for Accounting)**

35. STANSBURY hereby reiterates and incorporates herein by reference, as if fully restated herein, preceding paragraphs 1 through 34, inclusive.

36. The relationship between STANSBURY and the Defendants, particularly as affected by Defendants' acts described in preceding paragraphs 19 through 27 created a situation where Defendants had sole access to receipts generated by STANSBURY's efforts, and to books and records reflecting said receipts and the other information from which can be calculated all moneys due to STANSBURY under his arrangement with Defendants.

37. The period of time during which STANSBURY has been deprived of monies due him spans approximately four and a half years. The various sources of revenue to Defendants of monies from which the amounts due STANSBURY may be calculated, the manner in which STANSBURY was to be paid, and the amount due STANSBURY all involve extensive and complicated accounts, and STANSBURY's remedy at law cannot be as full, adequate and expeditious as it is in equity.

WHEREFORE, Plaintiff STANSBURY prays for an adjudication of Plaintiff's right to a full and complete accounting from Defendants, LIC Holdings and ARBITRAGE, and for such orders of Court as will require such Defendants to provide STANSBURY with all records and copies of documents from January 1, 2006 to the present, in order to reveal his right to, and the amount of all sums: (a) received as commissions to which STANSBURY was entitled to a share; (b) due to STANSBURY, whether paid or not; (c) paid to STANSBURY, whether for commissions, salary, distributions, expenses or any other reason; (d) paid to each of the BERNSTEIN Defendants out of monies received as commissions; (e) deposits of any and all moneys received as commissions by any Defendants to any accounts, including the name of the

entity whose account was involved, the number(s) of each such account; the address of the branch or other facility through which any Defendant dealt with such entity; (f) calculations as to moneys paid, to be paid, or not to be paid to STANSBURY, together with an award of court costs and such other and further relief as the Court may deem just and proper.

## II. BREACH OF ORAL CONTRACT

### (Against LIC Holdings, Inc. and Arbitrage International Management, LLC)

38. Plaintiff hereby reiterates and incorporates herein by reference, as if fully restated herein, preceding paragraphs 1 through 34, inclusive.

39. The arrangement between STANSBURY and Defendants as described in paragraphs 16 and 24 above, constituted a contract between them.

40. An express term of that contract involved the commitment of LIC Holdings and ARBITRAGE to calculate and to pay to STANSBURY all sums due to him under the contract, whether as commissions, salary, distributions, expenses or any other reason.

41. The Defendants initially performed the duties required of them under said contract.

42. However, Defendants breached their contract with STANSBURY by withholding from STANSBURY monies due him under the contract.

43. The withholding of such monies constitutes a material breach of the contract between STANSBURY and LIC Holdings and ARBITRAGE.

44. There is due to STANSBURY from such Defendants all amounts due under said contract, together with prejudgment and post-judgment interest on said amounts.

WHEREFORE, Plaintiff prays for judgment against Defendants, LIC Holdings, Inc. and ARBITRAGE INTERNATIONAL MANAGEMENT, LLC, jointly and severally, in excess of \$1,500,000.00 for the amounts due to Plaintiff under the terms of their contract, together with

prejudgment and post-judgment interest, court costs and such other relief as the Court may deem just and proper.

**III. BREACH OF FIDUCIARY DUTY**  
**(Against SIMON BERNSTEIN and TED BERNSTEIN ("BERNSTEINS"))**

45. Plaintiff hereby reiterates and incorporates herein by reference, as if fully restated herein, preceding paragraphs 1 through 34, inclusive.

46. At all material times hereto, SIMON BERNSTEIN and TED BERNSTEIN were officers and majority shareholders of LIC Holdings and ARBITRAGE.

47. As shareholders and officers of LIC Holdings and ARBITRAGE, SIMON BERNSTEIN and TED BERNSTEIN did have and have a fiduciary duty to STANSBURY to act in good faith towards STANSBURY and to act in the best interests of LIC Holdings and ARBITRAGE.

48. At all material times hereto, STANSBURY was and is a shareholder of LIC Holdings.

49. STANSBURY reposed trust and confidence in SIMON BERNSTEIN and TED BERNSTEIN as a result of their position as majority shareholders and officers of LIC Holdings and ARBITRAGE.

50. Further, SIMON BERNSTEIN and TED BERNSTEIN held positions of advantage and control over STANSBURY, not only by virtue of their majority shareholder status, but by having access to the accounting books and records of LIC Holdings and ARBITRAGE, to the exclusion of STANSBURY.

51. STANSBURY reasonably believed that the BERNSTEIN Defendants would deal with STANSBURY honestly and fairly and believed that such Defendants had no intention of

hiding from STANSBURY any information as to the amounts due STANSBURY or payment of the money due to STANSBURY.

52. Moreover, when Defendants proposed to STANSBURY that STANSBURY cease being the one to calculate monies due from the commissions received, STANSBURY trusted the BERNSTEINS to make proper, accurate and complete calculations just as STANSBURY had done and to pay STANSBURY accordingly. As majority shareholders and directors of LIC Holdings and ARBITRAGE, the BERNSTEINS were in a superior position of knowledge and control concerning the finances and affairs of those companies.

53. As a result of the foregoing, a fiduciary relationship existed between the BERNSTEINS and STANSBURY and there existed in STANSBURY complete trust in the BERNSTEIN Defendants.

54. The BERNSTEIN Defendants accepted the trust which STANSBURY reasonably placed in them.

55. The BERNSTEIN Defendants breached their fiduciary duty to STANSBURY by repeated conduct of self-dealing and violations of corporate protocol, including:

- a) directing LIC Holdings and ARBITRAGE to make payments to third parties not employed by the corporations and who had performed no services on behalf of the corporations for the personal benefit of the BERNSTEINS;
- b) directing the corporations to pay for personal expenses of the wives and other friends of the BERNSTEIN Defendants through corporate credit cards and other forms of payment, notwithstanding that they provided no services for the corporations;
- c) transferring monies from LIC Holdings and ARBITRAGE to third party entities including the BERNSTEIN Defendants, the BERNSTEIN FAMILY REALTY, LLC and the

SHIRLEY BERNSTEIN TRUST AGREEMENT for the benefit of the BERNSTEINS, personally;

- d) paying themselves exorbitant compensation to the exclusion of STANSBURY;
- e) treating LIC Holdings and ARBITRAGE as alter egos of themselves and otherwise handling the affairs of LIC Holdings and ARBITRAGE without regard to corporate protocol;
- f) failing to convene annual meetings of the stockholders of LIC Holdings and ARBITRAGE, in violation of Florida law;
- g) committing corporate waste by unnecessarily expending corporate assets on unrelated corporate activities;
- h) failing to account for the revenue and expenses of LIC Holdings and ARBITRAGE to STANSBURY, who was entitled to compensation as an employee and as a minority shareholder;
- i) directing LIC Holdings and ARBITRAGE to take actions to reduce the profit of LIC Holdings and ARBITRAGE so as to prevent STANSBURY from earning his just compensation, in violation of prior agreement of the parties.

56. SIMON BERNSTEIN further breached his fiduciary duty owed to STANSBURY as a minority shareholder by neglecting to perform his duties as an officer and director in a prudent and reasonable fashion.

57. Through Defendants BERNSTEINS' willful misrepresentations and withholding of material information as to their intentions and the purposes for which STANSBURY's payments were not being paid, and through their diversion from STANSBURY of amounts which should have been paid to him, such Defendants abused and betrayed STANSBURY's trust and confidence in them to STANSBURY's great detriment. STANSBURY has been deprived of the amounts due him, the precise amount of which cannot be calculated without access to Defendants' books and records and a full accounting by them.

58. The monetary damages suffered by STANSBURY as a result of the foregoing conduct was suffered by STANSBURY individually and not to the corporation LIC Holdings as a whole, because the conduct as described above prevented STANSBURY from obtaining the benefits of the bargain of his oral agreement with the corporations as more particularly described in Count II above.

59. The foregoing conduct by the BERNSTEINS was done with gross and intentional disregard of the rights of STANSBURY as an employee and minority shareholder of LIC Holdings.

WHEREFORE, Plaintiff prays for judgment against Defendants, SIMON BERNSTEIN and TED BERNSTEIN, jointly and severally, for damages in excess of \$1,500,000.00 together with prejudgment and post-judgment interest, court costs and such other relief as the Court may deem just and proper. STANSBURY reserves the right to move to amend to request punitive damages in accordance with Florida Law.

**IV. CIVIL THEFT**  
**(Against ARBITRAGE INTERNATIONAL MARKETING LLC)**

60. Plaintiff hereby reiterates and incorporates herein by reference, as if fully restated herein, preceding paragraphs 1 through 34, inclusive.

61. This is an action for Civil Theft under Chapter 772, Florida Statutes, more specifically §772.11, Fla.Stat.

62. In February, 2012 and March, 2012, Defendant ARBITRAGE intercepted two separate checks made payable to William STANSBURY intended as payment to STANSBURY for matters arising wholly outside his business transactions with the BERNSTEINS, LIC Holdings and ARBITRAGE.

63. Notwithstanding that the checks made payable to William STANSBURY was for sums due STANSBURY by a third party not in connection with the aforesaid business transactions, ARBITRAGE and/or someone acting on its behalf, caused the negotiation of STANSBURY's checks, wrongfully endorsing the checks and retaining the sums that should have been payable to STANSBURY.

64. As a result of the foregoing, Defendant ARBITRAGE has been guilty of criminal theft by conversion with the criminal intent to steal his money and deprive STANSBURY of his possession and use thereof.

65. Written demand for payment of all amounts due STANSBURY has been made to Defendants, more than 30 days preceding the filing of this Complaint, to no avail. A copy of the demand letter is attached hereto as Exhibit "A."

WHEREFORE, Plaintiff prays for judgment against Defendant, ARBITRAGE for three times the full amount of the check made payable to STANSBURY, together with pre-judgment interest and post-judgment interest, attorneys' fees, court costs and any other relief this Court deems just and proper.

#### V. CONVERSION

66. Plaintiff hereby reiterates and incorporates herein by reference, as if fully restated herein, preceding paragraphs 60 through 65, inclusive.

67. Further, during 2012, Defendants TED BERNSTEIN, SIMON BERNSTEIN, LIC Holdings, Inc., ARBITRAGE, or someone acting on their behalves, received and cashed in excess of \$30,000.00 worth of commissions checks otherwise payable to Plaintiff.

WHEREFORE, Plaintiff prays for judgment for damages against Defendant, ARBITRAGE, SIMON BERNSTEIN, LIC Holdings, Inc. and TED BERNSTEIN, together with

pre-judgment interest and post-judgment interest, court costs and any other relief this Court deems just and proper.

**VI. FRAUD IN THE INDUCEMENT**  
**(Against Ted Bernstein and LIC Holdings, Inc.)**

68. Plaintiff hereby reiterates and incorporates herein by reference, as if fully restated herein, preceding paragraphs 1 through 34, inclusive.

69. In the fourth quarter of 2011, TED BERNSTEIN embarked upon a plan to defraud from STANSBURY his 10% ownership interest in LIC Holdings, Inc. As set forth in paragraph 31 above Defendant TED BERNSTEIN fraudulently induced STANSBURY to sign a document giving up his 10% interest in and to LIC Holdings, Inc.

70. The ceding of his shares in LIC Holdings, Inc. was procured by fraud and STANSBURY relied upon the representations made by BERNSTEIN with regard to signing the document apparently ceding his stock.

71. It was reasonable for STANSBURY to rely on the representations made by BERNSTEIN because at that time STANSBURY was unaware of the breaches of fiduciary duty and breaches of the oral contract that had taken place.

72. As a result of STANSBURY's reliance, STANSBURY has been damaged by the loss of 10% of the shares of LIC Holdings and the rights and remedies to a shareholder related thereto.

WHEREFORE, Plaintiff prays for a judgment for damages against Defendants BERNSTEIN and LIC Holdings, Inc. for the damages caused by the fraudulent conduct of BERNSTEIN as described herein, together with reasonable costs, pre-judgment interest and any other relief this Court deems just and proper.

## VII. EQUITABLE LIEN

73. Plaintiff hereby reiterates and incorporates herein by reference, as if fully restated herein, paragraphs 1 through 34, above.

74. Defendants, SIMON BERNSTEIN and/or TED BERNSTEIN wrongfully diverted funds from LIC Holdings and ARBITRAGE that rightfully should have been paid to STANSBURY pursuant to their oral agreement.

75. Upon information and belief, SIMON BERNSTEIN and/or TED BERNSTEIN, or both, wrongfully diverted funds from LIC Holdings and/or ARBITRAGE and acquired and/or maintained or improved property located at 7020 Lion's Head Lane, Boca Raton, Florida, legally described as

Lot 781, St. Andrews Country Club (a PUD) Plat No. 14 according to the plat thereof recorded in Plat Book 57, Page 132 of the public records of Palm Beach County, Florida.

76. Further, upon information and belief, as a result of the funds being wrongfully diverted from LIC Holdings and/or ARBITRAGE, which otherwise rightfully belonged to and should have been paid to STANSBURY, the property legally described as

Lot 68, Block G Boca Madeira, Unit 2 according to the plat thereof recorded in Plat Book 32, Pages 59 and 60 of the public records of Palm Beach County, Florida, with a property address of 2753 NW 34 Street, Boca Raton, Florida,

was encumbered with a mortgage representing wrongfully diverted funds which were loaned in the form of a second mortgage to Defendant, BERNSTEIN FAMILY REALTY, LLC, a Florida limited liability company.

77. Upon information and belief, as a result of the funds being wrongfully diverted from LIC Holdings and/or ARBITRAGE which otherwise should have been paid to STANSBURY, such funds were used to satisfy a mortgage for the benefit of TED BERNSTEIN on property legally described as

Lot 139, Saturnia Isles, Plat One, recorded in Plat Book 91 at Page 108 of the property records of Palm Beach County, Florida, with a property address of 15807 Menton Bay Court, Delray Beach, Florida

WHEREFORE, Plaintiff prays for the Court to declare and establish an equitable lien in favor of Plaintiff in an amount equal to the funds wrongfully diverted, on the property described herein, and on all other assets of Defendants or third parties as yet unknown, which assets have been purchased wholly or in part, improved or benefitted by the diverted funds due Plaintiff, together with court costs and such other and further relief as this Court may deem just and proper.

### VIII. CONSTRUCTIVE TRUST

78. Plaintiff hereby reiterates and incorporates herein by reference, as if fully restated herein, preceding paragraphs 73 through 77 above.

WHEREFORE, Plaintiff prays for the Court to declare and establish a constructive trust in favor of Plaintiff on the property described in paragraphs 75 through 77 in an amount equal to the funds wrongfully diverted and on all assets of Defendants or third parties as yet unknown, which assets have been purchased wholly or partly, improved or mortgaged by the diversion of said funds due Plaintiff. Plaintiff further prays for an award of court costs and such other and further relief as the Court may deem just and proper.

### IX. VIOLATION OF FLA. STAT. 607.1602 (As to Defendant, LIC Holdings, Inc.)

79. Plaintiff hereby reiterates and incorporates herein by reference, as if fully restated herein, paragraphs 1 through 34, above.

80. STANSBURY owns 10% of the issued and outstanding shares of LIC Holdings and has owned these shares since 2006.

81. Pursuant to §607.1602 Fla. Stat. (2012), STANSBURY made demand on LIC Holdings to inspect and copy certain records. A copy of the Demand is attached hereto as Exhibit "A." LIC Holdings refused to respond to the request in direct violation of 607.1602 Fla. Stat. (2012).

82. Section 607.1604(2) Fla. Stat. (2012) states:

If a corporation does not, within a reasonable time, allow a shareholder to inspect and copy any other record, the shareholder who complies with §607.1602(2) and (3) may apply to the Circuit Court in the county where the corporation's principal office is located for an order to permit inspection and copying of the records demanded.

83. Section 607.1604 Fla. Stat. (2012) requires that the court dispose of an application brought under this section "on an expedited basis."

84. Pursuant to §607.1604(2) Fla. Stat. (2012), Plaintiff requests that this court summarily order inspection and copying of the record previously demanded at the corporation's expense.

85. Pursuant to §607.1604(3) Fla. Stat. (2012), STANSBURY is entitled to an award of his costs including reasonable attorneys' fees incurred in order to obtain the order and enforce his rights unless the corporation or its officers, director or agent proves that the refusal of the inspection is made in good faith because the corporation had a reasonable basis for doubt about the right of the shareholder to inspect or copy the records demanded.

WHEREFORE, Plaintiff, WILLIAM E. STANSBURY requests this Honorable Court to summarily order inspection and copying of the records of LIC Holdings, Inc. previously demanded, at the corporation's expense, together with an award of reasonable costs and attorneys' fees incurred herein.

**CERTIFICATE OF SERVICE**

WE HEREBY CERTIFY that the above and foregoing has been forwarded via e-mail at swergoldj@gtlaw.com; ciaffik@gtlaw.com; steffesj@gtlaw.com; and FLService@gtlaw.com to Jon Swergold, Esq., Greenberg Traurig, P.A., 401 East Las Olas Blvd., Suite 2000, Fort Lauderdale, FL 33301 this 12 day of FEBRUARY, 2013.

PETER M. FEAMAN, P.A.  
3615 W. Boynton Beach Blvd.  
Boynton Beach, FL 33436  
Tel.: 561073405552  
Fax: 561-734-5554  
pfeaman@feamanlaw.com

By: 

Peter M. Feaman  
Florida Bar No.: 0260347

The Law Offices  
of  
**PETER M. FEAMAN, P.A.**  
Strategic Counselor. Proven Advocate.™

Main Office:  
3615 Boynton Beach Blvd.  
Boynton Beach, FL 33436



Branch Office:  
7900 Glades Road  
Boca Raton, FL 33434

Peter M. Feaman, Esq.  
Nancy E. Guffey, Esq.  
Of Counsel

Telephone: (561) 734-5552  
Facsimile: (561) 734-5554  
pfeaman@feamanlaw.com

June 20, 2012

Via Certified Mail, Return Receipt Requested

**PERSONAL and CONFIDENTIAL**

Mr. Ted Bernstein, President  
LIC Holdings, Inc.  
950 Peninsula Corp Circle  
Suite 3010  
Boca Raton, FL 33487

**Re: William (Bill) Stansbury**

Dear Mr. Bernstein:

The undersigned represents William (Bill) Stansbury and we are writing this letter on his behalf. Mr. Stansbury received your proposed letter agreement reflecting LIC Holdings' proposal to indemnify its shareholders concerning policies sold under the Cambridge Financing Program. As a result of your proposal, Mr. Stansbury has reviewed with me in detail his dealings with you and your companies over the past 4 to 5 years.

After reviewing the facts with Mr. Stansbury, some of which will be summarized below, I was shocked that he had not consulted legal counsel until now. Be that as it may, and based upon the facts presented to us, we believe you have engaged in fraud, civil theft, breaches of fiduciary duties, and breach of contract, just to name a few. The purpose of this letter is to a). respond to your indemnity proposal and b). request that you pass this letter on to your counsel immediately in the off-chance that these very serious matters can be resolved prior to the filing of legal action. The issues can be summarized as follows:

1. The first issue concerns you and your company's failure to pay salary compensation to Mr. Stansbury. Mr. Stansbury has been making inquiries concerning this for the past 5 months, but to no avail. Mr. Stansbury's claim for unpaid salary arises from three categories:

**EXHIBIT**



a. Failure to pay salary based on net retained commissions.

i. Based upon reports prepared by your company for the period of 2007 through 2011, LIC Holdings, Inc. and/or Arbitrage International Holdings, n/k/a Arbitrage International Management, LLC, received \$35,384,246.00 in net retained commissions. According to Mr. Stansbury's salary arrangement, he is entitled to 15% of those net retained commissions, which amounts to \$5,307,636.90. During this time period, Mr. Stansbury's salary compensation was \$2,844,910.00. The shortfall in salary owed to Mr. Stansbury is \$2,462,726.90.

ii. There is salary compensation owed to Mr. Stansbury as a result of bridge loans in 2008. You received a \$2,000,000.00 settlement in 2010 resulting from the resolution of a lawsuit involving Global Secured Capital. Mr. Stansbury is entitled to 15% of those funds, which is \$300,000.00.

iii. In addition, you received \$507,891.00 in commissions in connection with the Biviano matter. Mr. Stansbury is entitled to 15% of those funds, which is \$76,183.65.

iv. In April of 2012, you received three commissions totaling approximately \$200,000.00 in the Levine, Wiss and Berley matters. Mr. Stansbury has been requesting payment of this for weeks, again to no avail. Mr. Stansbury is due salary compensation for these items in the amount of \$30,000.00.

Therefore, Mr. Stansbury's total claim for salary arising out of net retained commissions is approximately \$2,868,910.55.

The liability for payment of this salary is not limited to LIC Holdings, Inc. or Arbitrage International Management, LLC. This liability also flows to you individually as a result of your breaches of your fiduciary duty owed to Mr. Stansbury and utter failure to abide by corporate governance standards, which conduct is more particularly described below.

b. Mr. Stansbury is also due unpaid salary based on 15% of all renewal commissions since 2008. Mr. Stansbury's salary claim for renewal commissions cannot as yet be determined with specificity due to the fact that you and your office have been opening mail directed to Mr. Stansbury and negotiating checks made payable to him by falsifying his endorsement and depositing those checks into accounts which only you control. This conduct constitutes civil theft and breach of fiduciary duty. We believe this claim amounts to hundreds of thousands of dollars.

c. Salary compensation for 2008. Mr. Stansbury has recently learned that you and Mr. Simon Bernstein received \$8,982,124.00 in salary in 2008. By contrast, Mr. Stansbury received \$420,018.00, paid to him in January 2008, based on policies sold in 2007. He received zero (no salary compensation) for his 2008 production. It is obvious that you and Simon treated your corporations as personal ATM machines, while completely ignoring your fiduciary

responsibilities to your employee and minority shareholder, Mr. Stansbury. It further appears that after the exorbitant salaries were paid to you, you then loaned the money back to the corporation at an interest rate significantly above market rates in order to meet the cash flow needs of the various entities, again, clearly disregarding your corporate governance responsibilities.

2. Indemnification issues.

Mr. Stansbury has been served with three lawsuits from Phoenix Insurance Company and one from Mr. Wright seeking indemnification as a result of agent misconduct which was in no way attributable to the conduct of Mr. Stansbury. Although all of these matters have been settled, because he was the qualifying agent of record for other policies, he could be the subject of future litigation for refunds of commissions paid. All of these commissions were paid over to you or your companies.

The Indemnification Agreement which you sent to Mr. Stansbury is completely insufficient. You have a duty as a matter of law to indemnify Mr. Stansbury. Your offer of future indemnity is contingent upon "all" commissions that have been received by LIC's present or past shareholders be turned over to LIC. This is nothing short of extortion. Further, your second paragraph states that LIC is "presently insolvent" and has a "negative net worth." You then conclude with the sentence that with the indemnification agreement in place, LIC "may" have sufficient funds to meet its current obligations. Therefore, a simple indemnification from LIC Holdings to Mr. Stansbury is insufficient. Any such indemnification would have to be personally guaranteed by you and Mr. Simon Bernstein.

3. Unauthorized interception of U.S. Mail.

I have been given the understanding that your office has been opening mail directed to Mr. Stansbury personally. This is a federal offense and also constitutes a breach of the fiduciary duty you owe to Mr. Stansbury as an employee and minority shareholder.

There has been no accounting to Mr. Stansbury for any of the checks which may have been sent to him personally on which his signature has been forged, the checks cashed and placed out of the reach of Mr. Stansbury. In 2012, Mr. Stansbury has been receiving checks from Phoenix Life Insurance Company and TransAmerica Life Insurance Company. Mr. Stansbury has been holding these checks. They have now been remitted to the undersigned as attorney for Mr. Stansbury. This office is holding these funds in a separate interest-bearing trust account pending the resolution of this matter.

With regard to all of the other insurance companies for whom Mr. Stansbury is listed as the qualifying agent, he has now informed those companies that all future renewal commissions paid to him personally be sent to Mr. Stansbury at his home address. These funds will then be remitted to the undersigned counsel of record for Mr. Stansbury. We will place these funds in a separate interest-bearing trust account as well. Any attempts by you to contact these insurance

companies will be considered a tortious interference of his business relationship and such activity will be added as a claim in any future legal proceedings.

4. Shareholder status.

Mr. Stansbury has been a 10% shareholder of LIC Holdings, Inc., pursuant to the terms of a Shareholders Agreement. On behalf of Mr. Stansbury, demand is hereby made, pursuant to Florida Statute 607.1602, for inspection of the corporate records including the following:

I. Minutes of the Board of Directors meetings from January 1, 2008 to the present.

II. Minutes of Shareholders' meetings from January 1, 2008 to the present.

III. Records of any actions taken by the Shareholders and/or the Board of Directors without a meeting, from January 1, 2008 to the present.

IV. Accounting and financial records of LIC Holdings, Inc., Arbitrage International Management, LLC, formerly known as Arbitrage International Holdings, LLC, and all other subsidiary or affiliated companies under your control, including, without limitation, income tax returns, general ledgers, balance sheets, profit and loss statements, stock books, bank statements, loan agreements or guarantees, and any other financial books and records from January 1, 2008 to the present.

Mr. Stansbury is seeking to inspect these records in good faith and for the purpose of determining if misappropriation of corporate assets for improper purposes has previously taken or is presently taking place.

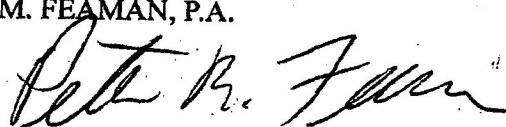
I have been made aware of a letter dated December 22, 2011 in which Mr. Stansbury purportedly "ceded" his shares of stock in LIC Holdings, Inc. back to the company. This letter was obtained under false pretenses and is not recognized by Mr. Stansbury as validly conveying his ownership interest in LIC Holdings, Inc.

Please have your legal counsel contact us within ten (10) days. Should we fail to receive a response within that time, Mr. Stansbury will take legal action to protect his rights and interests.

Very truly yours,

PETER M. FEAMAN, P.A.

By:

  
Peter M. Feaman

PMF/mk

cc: William Stansbury

cc: Riggs (e-mail)

## Report Selection Criteria

**Case ID:** 502012CA013933XXXXMB

**Docket Start Date:**

**Docket Ending Date:**

## Case Description

**Case ID:** 502012CA013933XXXXMB

**Case Caption:** WILLIAM STANSBURY V TED BERNSTEIN

**Division:** AA - KELLEY

**Filing Date:** Monday , July 30th, 2012

**Court:** CA - CIRCUIT CIVIL

**Location:** MB - MAIN BRANCH

**Jury:** Y-Jury

**Type:** CD - CONTRACT & DEBT

**Status:** PE - PENDING

## Related Cases

*No related cases were found.*

## Case Event Schedule

*No case events were found.*

## Case Parties

| Seq # | Assoc | Expn Date | Type      | ID       | Name                   |          |      |
|-------|-------|-----------|-----------|----------|------------------------|----------|------|
| 1     |       |           | PLAINTIFF | @3032014 | STANSBURY, WILLIAM E   | Aliases: | none |
| 2     | 1     |           | ATTORNEY  | 0244929  | STERN , ESQ, KENNETH D | Aliases: | none |

|    |             |           |                  |  |               |
|----|-------------|-----------|------------------|--|---------------|
| 3  | DEFENDANT   | @3032015  | BERNSTEIN, TED S | Aliases: none                          |               |
| 4  | 14-FEB-2013 | DEFENDANT | @3032016         | BERNSTEIN, SIMON                       | Aliases: none |
| 5  |             | DEFENDANT | @3032017         | LIC HOLDINGS INC                       | Aliases: none |
| 6  |             | DEFENDANT | @3032011         | ARBITRAGE INTERNATIONAL MANAGEMENT LLC | Aliases: none |
| 7  |             | JUDGE     | AA               | KELLEY, JUDGE GLENN                    | Aliases: none |
| 8  |             | ATTORNEY  | 0260347          | FEAMAN, ESQ, PETER M                   | Aliases: none |
| 9  |             | ATTORNEY  | 0108510          | SWERGOLD, ESQ., JON L                  | Aliases: none |
| 10 | 3           | ATTORNEY  | 0040596          | ARNSDORFF, KRISTINA L                  | Aliases: none |
| 11 | 6           | ATTORNEY  | 0040596          | ARNSDORFF, KRISTINA L                  | Aliases: none |
| 12 |             | DEFENDANT | @3179613         | TESCHER, DONALD                        | Aliases: none |
| 13 |             | DEFENDANT | @3179614         | SPALLINA, ROBERT                       | Aliases: none |
| 14 |             | DEFENDANT | @3179615         | BERNSTEIN FAMILY REALTY LLC            | Aliases: none |

**Docket Entries**

| Docket Number              | Docket Type  | Book and Page No. | Attached To: |
|----------------------------|--|-------------------|--------------|
|                            | 800FF - CAFF   |                   |              |
| <b>Filing Date:</b>        | 30-JUL-2012  |                   |              |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E                                   |                   |              |
| <b>Disposition Amount:</b> |  |                   |              |
| <b>Docket Text:</b>        | none.  |                   |              |
|                            | 00000 - ADDITIONAL COMMENTS                            |                   |              |
| <b>Filing Date:</b>        | 30-JUL-2012  |                   |              |
| <b>Filing Party:</b>       |  |                   |              |
| <b>Disposition Amount:</b> |  |                   |              |
| <b>Docket Text:</b>        | none.  |                   |              |
|                            | PE - PENDING   |                   |              |
| <b>Filing Date:</b>        | 30-JUL-2012  |                   |              |
| <b>Filing Party:</b>       |  |                   |              |
| <b>Disposition Amount:</b> |  |                   |              |
| <b>Docket Text:</b>        | none.  |                   |              |
|                            | RCPT - RECEIPT FOR PAYMENT                             |                   |              |
| <b>Filing Date:</b>        | 30-JUL-2012  |                   |              |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E                                   |                   |              |
| <b>Disposition Amount:</b> |  |                   |              |
| <b>Docket Text:</b>        | A Payment of -\$401.00 was made on receipt CAMB698452. |                   |              |
| 1                          | CMP - COMPLAINT  |                   |              |
| <b>Filing Date:</b>        | 30-JUL-2012  |                   |              |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E                                   |                   |              |
| <b>Disposition Amount:</b> |  |                   |              |
| <b>Docket Text:</b>        | none.  |                   |              |

2

## CCS - CIVIL COVER SHEET

|                            |   |
|----------------------------|---|
| <b>Filing Date:</b>        | 30-JUL-2012   |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E                                  |
| <b>Disposition Amount:</b> |   |
| <b>Docket Text:</b>        | <i>none.</i>  |
|                            | RCPT - RECEIPT FOR PAYMENT                            |
| <b>Filing Date:</b>        | 31-JUL-2012   |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E                                  |
| <b>Disposition Amount:</b> |   |
| <b>Docket Text:</b>        | A Payment of -\$40.00 was made on receipt CAMB698832. |
| 3                          | SMIS - SUMMONS ISSUED                                 |
| <b>Filing Date:</b>        | 31-JUL-2012   |
| <b>Filing Party:</b>       | BERNSTEIN, TED S                                      |
| <b>Disposition Amount:</b> |   |
| <b>Docket Text:</b>        | SM-12-090306  |
| 4                          | SMIS - SUMMONS ISSUED                                 |
| <b>Filing Date:</b>        | 31-JUL-2012   |
| <b>Filing Party:</b>       | BERNSTEIN, SIMON                                      |
| <b>Disposition Amount:</b> |   |
| <b>Docket Text:</b>        | SM-12-090307  |
| 5                          | SMIS - SUMMONS ISSUED                                 |
| <b>Filing Date:</b>        | 31-JUL-2012   |
| <b>Filing Party:</b>       | LIC HOLDINGS INC,                                     |
| <b>Disposition Amount:</b> |   |
| <b>Docket Text:</b>        | SM-12-090308  |
| 6                          | SMIS - SUMMONS ISSUED                                 |
| <b>Filing Date:</b>        | 31-JUL-2012   |
| <b>Filing Party:</b>       | ARBITRAGE INTERNATIONAL MANAGEMENT LLC,               |
| <b>Disposition Amount:</b> |   |
| <b>Docket Text:</b>        | SM-12-090309  |

## SRTN - SERVICE RETURN (ATTACHED)

|                                  |   |
|----------------------------------|---|
| <b>Filing Date:</b>              | 07-AUG-2012                             |
| <b>Filing Party:</b>             | BERNSTEIN, TED S                        |
| <b>Disposition Amount:</b>       |   |
| <b>Docket Text:</b>              | SER 7/31/12                             |
| SRTN - SERVICE RETURN (ATTACHED) |   |
| <b>Filing Date:</b>              | 07-AUG-2012                             |
| <b>Filing Party:</b>             | BERNSTEIN, SIMON                        |
| <b>Disposition Amount:</b>       |   |
| <b>Docket Text:</b>              | SER 8/1/12                              |
| SRTN - SERVICE RETURN (ATTACHED) |   |
| <b>Filing Date:</b>              | 07-AUG-2012                             |
| <b>Filing Party:</b>             | ARBITRAGE INTERNATIONAL MANAGEMENT LLC, |
| <b>Disposition Amount:</b>       |   |
| <b>Docket Text:</b>              | SER 7/31/12                             |
| SRTN - SERVICE RETURN (ATTACHED) |   |
| <b>Filing Date:</b>              | 07-AUG-2012                             |
| <b>Filing Party:</b>             | LIC HOLDINGS INC,                       |
| <b>Disposition Amount:</b>       |   |
| <b>Docket Text:</b>              | SER 7/31/12                             |
| 7                                | NOAP - NOTICE OF APPEARANCE             |
| <b>Filing Date:</b>              | 09-AUG-2012                             |
| <b>Filing Party:</b>             | FEAMAN , ESQ, PETER M                   |
| <b>Disposition Amount:</b>       |   |
| <b>Docket Text:</b>              | AS CO COUNSEL FOR PLT                   |
| 8                                | NOED - NOTICE OF EMAIL DESIGNATION      |
| <b>Filing Date:</b>              | 06-SEP-2012                             |
| <b>Filing Party:</b>             | FEAMAN , ESQ, PETER M                   |
| <b>Disposition Amount:</b>       |   |

|                            |                                    |
|----------------------------|------------------------------------|
| <b>Docket Text:</b> none.  |                                    |
| 9                          | MOT - MOTION                       |
| <b>Filing Date:</b>        | 10-SEP-2012                        |
| <b>Filing Party:</b>       | BERNSTEIN, TED S                   |
| <b>Disposition Amount:</b> |                                    |
| <b>Docket Text:</b>        | MOTION FOR ENLARGEMENT OF TIME     |
| 10                         | NOED - NOTICE OF EMAIL DESIGNATION |
| <b>Filing Date:</b>        | 17-SEP-2012                        |
| <b>Filing Party:</b>       | SWERGOLD , ESQ., JON L             |
| <b>Disposition Amount:</b> |                                    |
| <b>Docket Text:</b>        | PRIMARY AND SECONDARY E-MAIL       |
| 11                         | NOED - NOTICE OF EMAIL DESIGNATION |
| <b>Filing Date:</b>        | 18-SEP-2012                        |
| <b>Filing Party:</b>       | FEAMAN , ESQ, PETER M              |
| <b>Disposition Amount:</b> |                                    |
| <b>Docket Text:</b>        | none.                              |
| 12                         | SUG - SUGGESTION                   |
| <b>Filing Date:</b>        | 20-SEP-2012                        |
| <b>Filing Party:</b>       | BERNSTEIN, SIMON                   |
| <b>Disposition Amount:</b> |                                    |
| <b>Docket Text:</b>        | SUGGESTION OF DEATH                |
| 13                         | MOT - MOTION                       |
| <b>Filing Date:</b>        | 25-SEP-2012                        |
| <b>Filing Party:</b>       | BERNSTEIN, TED S                   |
| <b>Disposition Amount:</b> |                                    |
| <b>Docket Text:</b>        | SECOND FOR ENLARGEMENT OF TIME     |
| 14                         | MDIS - MOTION TO DISMISS           |
| <b>Filing Date:</b>        | 03-OCT-2012                        |
|                            | BERNSTEIN TED S                    |

|   |   |  |  |
|---|---|--|--|
| Docket Text: MOTION TO DISMISS OR IN THE ALTERNATIVE MOTION FOR MORE DEFINITE STATEMENT |   |  |  |
| 15  | ORSH - ORDER SETTING HEARING  |  |  |
| Filing Date:  | 15-OCT-2012   |  |  |
| Filing Party:   |   |  |  |
| Disposition Amount:   |   |  |  |
| Docket Text:  | SET FOR 14-JAN-13 ( G. KELLEY)  |  |  |
| 16  | NOTD - NOTICE OF TAKING DEPOSITION  |  |  |
| Filing Date:  | 16-OCT-2012   |  |  |
| Filing Party:   |   |  |  |
| Disposition Amount:   |   |  |  |
| Docket Text:  | PETER M. FEAMAN 10/19/12  |  |  |
| 17  | SPIS - SUBPOENA ISSUED  |  |  |
| Filing Date:  | 16-OCT-2012   |  |  |
| Filing Party:   |   |  |  |
| Disposition Amount:   |   |  |  |
| Docket Text:  | RC PETER M. FEAMAN SP-12-002445   |  |  |
| 18  | RNOT - RE-NOTICE  |  |  |
| Filing Date:  | 19-OCT-2012   |  |  |
| Filing Party:   | SWERGOLD , ESQ., JON L  |  |  |
| Disposition Amount:   |   |  |  |
| Docket Text:  | none.   |  |  |
| 19  | OBJ - OBJECTION   |  |  |
| Filing Date:  | 26-OCT-2012   |  |  |
| Filing Party:   |   |  |  |
| Disposition Amount:   |   |  |  |
| Docket Text:  | THE LAW FIRM OF PETER M. FEAMAN PA OBJECTIONS TO SUBPOENA AND MOTION FOR PROTECTIVE ORDER |  |  |
| 20  | MOT - MOTION  |  |  |

|                            |   |  |  |
|----------------------------|---|--|--|
| <b>Filing Date:</b>        | 06-NOV-2012   |  |  |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E  |  |  |
| <b>Disposition Amount:</b> |   |  |  |
| <b>Docket Text:</b>        | MOTION FOR SUBSTITUTION OF PARY   |  |  |
| 21                         | REQ - REQUEST   |  |  |
| <b>Filing Date:</b>        | 09-NOV-2012   |  |  |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E  |  |  |
| <b>Disposition Amount:</b> |   |  |  |
| <b>Docket Text:</b>        | FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO DFT LIC HOLDINGS INC                       |  |  |
| 22                         | REQ - REQUEST   |  |  |
| <b>Filing Date:</b>        | 09-NOV-2012   |  |  |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E  |  |  |
| <b>Disposition Amount:</b> |   |  |  |
| <b>Docket Text:</b>        | FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO DFT TED S. BERSTEIN                        |  |  |
| 23                         | REQ - REQUEST   |  |  |
| <b>Filing Date:</b>        | 09-NOV-2012   |  |  |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E  |  |  |
| <b>Disposition Amount:</b> |   |  |  |
| <b>Docket Text:</b>        | FIRST RQUEST FOR PRODUCTION OF DOCUMENTS TO DFT ARBITRAGE INTERNA TIONAL MANAGEMENT LLC |  |  |
| 24                         | MOT - MOTION  |  |  |
| <b>Filing Date:</b>        | 14-NOV-2012   |  |  |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E  |  |  |
| <b>Disposition Amount:</b> |   |  |  |
| <b>Docket Text:</b>        | MOTION FOR DISQUALIFICATION   |  |  |
| 25                         | NOF - NOTICE OF FILING  |  |  |
| <b>Filing Date:</b>        | 14-NOV-2012   |  |  |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E  |  |  |
| <b>Disposition Amount:</b> |   |  |  |

|                            |  |   |
|----------------------------|--|---|
| <b>Docket Text:</b>        |  | AFFIDAVIT IN SUPPORT OF MOTION FOR DISQUALIFICATION |
| 26                         | MFPO - MOTION FOR PROTECTIVE ORDER   |   |
| <b>Filing Date:</b>        | 11-DEC-2012  |   |
| <b>Filing Party:</b>       | BERNSTEIN, TED S   |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | TO REQUEST FOR PRODUCTION  |   |
| 27                         | NOH - NOTICE OF HEARING  |   |
| <b>Filing Date:</b>        | 28-DEC-2012  |   |
| <b>Filing Party:</b>       |  |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | IN-RE MOTION FOR PROTECTIVE ORDER 1/14/13  |   |
| 28                         | RESP - RESPONSE TO:  |   |
| <b>Filing Date:</b>        | 08-JAN-2013  |   |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E   |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | TO DFTS MOTION TO DISMISS OR, IN THE ALTERNATIVE, MOTION FOR MORE DEFINITE STATEMENT |   |
| 29                         | NOED - NOTICE OF EMAIL DESIGNATION   |   |
| <b>Filing Date:</b>        | 14-JAN-2013  |   |
| <b>Filing Party:</b>       | ARNSDORFF, KRISTINA L  |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | AMENDED  |   |
| 30                         | ORDD - ORDER DENYING   |   |
| <b>Filing Date:</b>        | 14-JAN-2013  |   |
| <b>Filing Party:</b>       |  |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | DEFENDANTS' MOTION FOR PROTECTIVE ORDER. G. KELLEY                                   |   |
| 31                         | ORSH - ORDER SETTING HEARING   |   |
| <b>Filing Date:</b>        | 17-JAN-2013  |   |

|   |  |  |  |
|---|--|--|--|
| <b>Filing Party:</b>  |  |  |  |
| <b>Disposition Amount:</b>  |  |  |  |
| <b>Docket Text:</b>   | MOTION FOR DISQUALIFICATION 3/25/13 DTD 1/16/13 G KELLEY   |  |  |
| 32  | ORD - ORDER  |  |  |
| <b>Filing Date:</b>   | 23-JAN-2013  |  |  |
| <b>Filing Party:</b>  |  |  |  |
| <b>Disposition Amount:</b>  |  |  |  |
| <b>Docket Text:</b>   | DFTS MOTION TO DISMISS OR IN THE ALTERNATIVE MOTION FOR FOR DEFINITE STATEMENT, PLT SHALL HAVE 20 DAYS TO AMEND COMPLAINT (SEE ORDER FOR DETAILS) 1/23/13 G KELLEY |  |  |
| 33  | NOH - NOTICE OF HEARING  |  |  |
| <b>Filing Date:</b>   | 25-JAN-2013  |  |  |
| <b>Filing Party:</b>  |  |  |  |
| <b>Disposition Amount:</b>  |  |  |  |
| <b>Docket Text:</b>   | IN-RE MOTION FOR SUBSTITUTION OF PARTY 1/31/13   |  |  |
| 34  | NCAN - NOTICE OF CANCELLATION  |  |  |
| <b>Filing Date:</b>   | 01-FEB-2013  |  |  |
| <b>Filing Party:</b>  |  |  |  |
| <b>Disposition Amount:</b>  |  |  |  |
| <b>Docket Text:</b>   | HEARING OF HEARNIG ON PLT'S MOTION TO SUBSTITUTION OF PARTY 1/31/13  |  |  |
| 35  | RESP - RESPONSE TO:  |  |  |
| <b>Filing Date:</b>   | 05-FEB-2013  |  |  |
| <b>Filing Party:</b>  | LIC HOLDINGS INC,  |  |  |
| <b>Disposition Amount:</b>  |  |  |  |
| <b>Docket Text:</b>   | RESPONSES AND OBJECTIONS TO PLT'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS  |  |  |
| 36  | RESP - RESPONSE TO:  |  |  |
| <b>Filing Date:</b>   | 05-FEB-2013  |  |  |
| <b>Filing Party:</b>  | ARBITRAGE INTERNATIONAL MANAGEMENT LLC,  |  |  |
| <b>Disposition Amount:</b>  |  |  |  |
| RESPONSES AND OBJECTIONS TO PLT'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS |  |  |  |

|                            |  |   |
|----------------------------|--|---|
| <b>Docket Text:</b>        |  | RESPONSES AND OBJECTIONS TO PLT'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS |
| 37                         | RESP - RESPONSE TO:  |   |
| <b>Filing Date:</b>        | 05-FEB-2013  |   |
| <b>Filing Party:</b>       | BERNSTEIN, TED S   |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | RESPONSES AND OBJECTIONS TO PLT'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS            |   |
| 38                         | CMP - COMPLAINT  |   |
| <b>Filing Date:</b>        | 14-FEB-2013  |   |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E   |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | AMENDED  |   |
| 39                         | NOUN - NOTICE OF UNAVAILABILITY  |   |
| <b>Filing Date:</b>        | 15-FEB-2013  |   |
| <b>Filing Party:</b>       | FEAMAN , ESQ, PETER M  |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | none.  |   |
| 41                         | MOT - MOTION   |   |
| <b>Filing Date:</b>        | 20-FEB-2013  |   |
| <b>Filing Party:</b>       | STERN , ESQ, KENNETH D   |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | TO WITHDRAW AS CO COUNSEL FOR THE PLT  |   |
| 42                         | MCMP - MOTION TO COMPEL  |   |
| <b>Filing Date:</b>        | 21-FEB-2013  |   |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E   |   |
| <b>Disposition Amount:</b> |  |   |
| <b>Docket Text:</b>        | DFT LIC HOLDINGS TO PRODUCE DOCUMENTS RESPONSIVE TO PLT'S FIRST REQUEST FOR PRODUCTION |   |
| 43                         | MCMP - MOTION TO COMPEL  |   |
| <b>Filing Date:</b>        | 21-FEB-2013  |   |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E   |   |

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| <b>Filing Party:</b>       | STANSBURY, WILLIAM E   |  |  |
| <b>Disposition Amount:</b> |  |  |  |
| <b>Docket Text:</b>        | DFT ARBITRAGE INTERNATIONAL MANAGEMENT TO PRODUCE DOCUMENTS RESPONSIVE TO PLTS FIRST REQUEST FOR PRODUCTION OF DOCUMENTS |  |  |
|                            | RCPT - RECEIPT FOR PAYMENT   |  |  |
| <b>Filing Date:</b>        | 22-FEB-2013  |  |  |
| <b>Filing Party:</b>       |  |  |  |
| <b>Disposition Amount:</b> |  |  |  |
| <b>Docket Text:</b>        | A Payment of -\$10.00 was made on receipt CAMB759039.  |  |  |
| 40                         | SMIS - SUMMONS ISSUED  |  |  |
| <b>Filing Date:</b>        | 22-FEB-2013  |  |  |
| <b>Filing Party:</b>       | TESCHER, DONALD  |  |  |
| <b>Disposition Amount:</b> |  |  |  |
| <b>Docket Text:</b>        | SM-13-021165   |  |  |
| 44                         | MOT - MOTION   |  |  |
| <b>Filing Date:</b>        | 25-FEB-2013  |  |  |
| <b>Filing Party:</b>       | BERNSTEIN, TED S   |  |  |
| <b>Disposition Amount:</b> |  |  |  |
| <b>Docket Text:</b>        | MOTION FOR ENLARGEMENT OF TIME TO RESPOND TO AMENDED COMPLAINT   |  |  |
| 45                         | MCMP - MOTION TO COMPEL  |  |  |
| <b>Filing Date:</b>        | 26-FEB-2013  |  |  |
| <b>Filing Party:</b>       | STANSBURY, WILLIAM E   |  |  |
| <b>Disposition Amount:</b> |  |  |  |
| <b>Docket Text:</b>        | DFT TED BERNSTEIN TO PRODUCE DOCUMENTS RESPONSIVE TO PLTS FIRST REQUEST FOR PRODUCTION                                   |  |  |