



2. Lighthouse Management, through its controlling owner Patrick White and his agents negotiated for and fraudulently induced the financing provided by the Lenders based on false and materially incomplete information about the regulatory standing and financial condition of Lighthouse Management, a licensed managing general agent under Louisiana law, and its affiliated, and now failed, regulated insurance companies operating in the State of Louisiana: Lighthouse Property Insurance Corporation (“LPIC”) and Lighthouse Excalibur Insurance Company (“LEX,” and together with LPIC, the “Lighthouse Insurance Companies”).

3. Patrick White and his father, Lawrence White, (the “Whites”) controlled and indirectly held the beneficial interests in all of Lighthouse Management, LPIC, and LEX and its Lighthouse affiliates (collectively, the “Lighthouse Entities”). The Whites also indirectly owned approximately 70% of Prepared Holdings LLC (“Prepared Holdings”), a Delaware-based holding company that owned (i) Florida-based Prepared Insurance Company, which was later acquired by LPIC; (ii) Prepared Managers, LLC (“Prepared Managers”), the managing general agent of Prepared Insurance Company; and (iii) Prepared Financial Services, LLC (“Prepared Financial,” and together with Prepared Holdings, Prepared Insurance Company, and Prepared Managers, the “Prepared Entities”).

4. Patrick White and his agents, including others at Lighthouse Management and its reinsurance broker and investment banker, TigerRisk Partners LLC and affiliates (n/k/a/ HowdenTiger LLC (“TigerRisk”), knew but concealed from Plaintiffs the true financial distress facing both Lighthouse Management and the Lighthouse Insurance Companies, including losses from claims relating to Hurricane Ida that caused widespread destruction in the Lighthouse Insurance Companies’ coverage area in August 2021.

5. Furthermore, Patrick White and others on behalf of Lighthouse Management concealed that LDI had in July 2021 placed the Lighthouse Entities, Prepared Managers, and other entities into court-supervised conservation pursuant to the Louisiana Insurance Code, La. R.S. 22:2001, et seq. As part of an understanding with the Commissioner of Insurance for the State of Louisiana (the “Commissioner”), Patrick White and Lighthouse Management knew that they had to raise a significant amount of new capital by December 31, 2021 in order to cause the Lighthouse Insurance Companies to attain and maintain an improved risk-based capital ratio or face seizure and liquidation of their assets.

6. Patrick White and Lighthouse Management knew, but concealed from Plaintiffs, the fact that the Lighthouse Insurance Companies’ expected losses from Hurricane Ida were in excess of the \$316 million reinsurance tower and would leave them insolvent and incapable of repaying the Secured Notes pursuant to the terms of the Financing Transaction.

7. As a captive managing general agent in 2021, the financial stability of Lighthouse Management was dependent on the financial health of the Lighthouse Insurance Companies. Patrick White and Lighthouse Management therefore understood that if the true expected liabilities of the Lighthouse Insurance Companies were disclosed, the necessary financing for Lighthouse Management could not be raised.

8. Thus, Patrick White and Lighthouse Management, aided by TigerRisk, misled Plaintiffs and withheld critical material information about the regulatory status and risk of loss facing Lighthouse Management and the Lighthouse Insurance Companies in order to induce a \$65,000,000 secured debt financing that ultimately was negotiated and documented through a Note Purchase Agreement (the “Note Agreement”) and a series of supporting documents, which closed on December 22, 2021.

9. The Note Agreement permitted Lighthouse Management to use up to \$15,000,000 of Plaintiffs' investment to repay debts Lighthouse Management owed to One Florida Bank. It further permitted Lighthouse Management to use up to \$6,000,000 of Plaintiffs' investment to repay debts owed by Prepared Managers to One Florida Bank, provided that Prepared Holdings contributed Prepared Managers to Lighthouse Management in connection with any such payment.

10. During the course of the negotiations leading up to and resulting in the Financing Transaction, Patrick White and Lighthouse Management concealed from Plaintiffs that its controlling shareholders, the Whites, had close ties to One Florida Bank. Plaintiffs remained unaware, at the time the Lenders signed the Note Agreement, that Lawrence White held an ownership interest in One Florida Bank. Plaintiffs were also never informed that John Burden, Vice Chairman of the Board of Directors of One Florida Bank, and Patrick White conferred regarding the terms of the Note Agreement in order to place money in the pockets of One Florida Bank and its shareholders at the expense of investors in Lighthouse Management. John Burden knew or should have known about the Lighthouse Entities' capital needs given his control of Broadcast Asset Management, LLC and his ownership interest in Prepared Holdings through Broadcast Insurance Holdings, LP, as well as his seat on the Prepared Holdings' Board of Directors.

11. After receiving the Lenders' \$65,000,000, Lighthouse Management promptly transferred more than \$19,000,000 of those funds to One Florida Bank. \$13,822,665.41 of that sum was transferred to One Florida Bank on December 23, 2021 on behalf of Lighthouse Management.

12. The remainder of the \$19,000,000, approximately \$5,200,000, was transferred to extinguish debts owed to One Florida Bank by Prepared Managers on or about February 1, 2022. But while the Note Agreement required the contribution of Prepared Managers if Financing Transaction proceeds were used to satisfy Prepared Managers' debt to One Florida Bank, that contribution never took place and Lighthouse Management received nothing of value in return for this payment.

13. By the time Lighthouse Management transferred more than \$19,000,000 to One Florida Bank, Lighthouse Management was insolvent. Lighthouse Management had no ability to repay the Secured Notes at the time of the transfer and to repay the debts due to Plaintiffs, and the Lighthouse Insurance Companies were unable to cover losses from Hurricane Ida.

14. Due to Lighthouse Management's insolvency and inability to honor insurance policies issued by the Lighthouse Insurance Companies, the Louisiana Insurance Commissioner obtained an ex parte Order of Renewed Conservation that was entered by the Nineteenth Judicial District Court of the State of Louisiana (the "Louisiana Court") on March 31, 2022 (the "Renewed Conservation Order"), placing the Lighthouse Entities, Prepared Managers, and other related entities into conservation under the Louisiana Insurance Code.

15. The conduct of Patrick White and Lighthouse Management, aided by its agents including TigerRisk, defrauded Plaintiffs and proximately caused \$19,000,000 in assets to be fraudulently transferred to One Florida Bank. After reasonable discovery, Plaintiffs will uncover more evidence to support the allegations contained herein.

#### **THE PARTIES AND SIGNIFICANT NON-PARTIES**

16. Plaintiff Fortinbras Enterprises LP is a Delaware limited partnership and is the investment advisor of HT Investments, LLC. Fortinbras Enterprises LP has its principal place of business in New York, New York.

17. Plaintiff HT Investments, LLC is a Delaware limited liability company that is a Lender and party to the Note Agreement. HT Investments, LLC has its principal place of business in New York, New York.

18. Plaintiff Silver Rock Contingent Credit Fund LP is a Delaware limited partnership that is a Lender and party to the Note Agreement. Silver Rock Contingent Credit Fund LP has its principal place of business in Los Angeles, California.

19. Plaintiff Silver Rock Tactical Allocation Fund LP is a Cayman Islands exempted limited partnership that is a Lender and party to the Note Agreement. Silver Rock Tactical Allocation Fund LP has its registered office in Grand Cayman, Cayman Islands.

20. Defendant One Florida Bank is a corporation organized under the laws of the State of Florida. One Florida Bank has its principal place of business in Orlando, Florida.

21. Non-Party LPIC was a property insurance company domiciled in Louisiana, and licensed to provide insurance policies in Louisiana, Florida, North Carolina, South Carolina and Texas. LPIC was owned by Lighthouse Holdings Group, LLC (“Lighthouse Holdings”) until LPIC was liquidated in 2022.

22. Non-Party LEX was a property insurance company domiciled in Louisiana and licensed to provide policies in Louisiana. LEX was owned by LPIC until LEX was liquidated in 2022.

23. Non-Party Lighthouse Management is a Louisiana limited liability company, and formerly the licensed managing general agent of LPIC and LEX, until it was liquidated in 2022.

24. Non-Party Lighthouse Holdings is a Delaware limited liability company and was the direct parent owning 100 percent of LPIC. Lighthouse Holdings is in turn wholly

owned by Dimino Holdings Group, LLC, a Delaware limited liability company, which is in turn wholly owned by TWIMG, LLC, a Delaware limited liability company, which is in turn owned 97 percent by the Lighthouse Family Trust and 3 percent by Patrick White. Patrick White is the trustee of the Lighthouse Family Trust, and executed Financing Transaction documents on behalf of Lighthouse Holdings in that capacity.

25. Non-Party Prepared Holdings is a Delaware limited liability company. Prepared Holdings has its principal place of business in Tampa, Florida.

26. Non-Party Prepared Insurance Company was a Florida corporation with its principal place of business in Tampa, Florida. Prepared Insurance Company was owned by Prepared Holdings before Prepared Insurance Company was acquired by LPIC in June 17, 2020.

27. Non-Party Prepared Managers, LLC, the managing general agent of Prepared Insurance Company, was a Florida limited liability company with its principal place of business in Tampa, Florida. Prepared Managers was owned by Prepared Holdings until it was liquidated in 2022.

28. Non-Party Prepared Financial is a Florida limited liability company with its principal place of business in Tampa, Florida. Prepared Financial is owned by Prepared Holdings.

29. Non-Party Patrick White is, among other things, the former President, Chief Executive Officer, and a Director of the Lighthouse Insurance Companies, the former Trustee of Lighthouse Holdings, the Trustee and Chief Executive Manager of the Lighthouse Family Trust, and the Trustee of the Lawrence E. White Family Foundation. Patrick White led the negotiations with Plaintiffs and was at all times the primary business point of contact for Plaintiffs regarding the Lighthouse Entities and the Financing Transaction. Upon information and belief, Mr. White is a resident of and domiciled in Florida.

30. Non-Party Lawrence White is the father of Patrick White. Lawrence White is the former owner of the Lighthouse Insurance Companies, and is the principal of the White Family Enterprises.

31. Non-party John Burden is Vice Chairman of the Board of Directors of One Florida Bank, and Chief Executive Officer of Broadcast Asset Management, LLC (“Broadcast Asset Management”). Through Broadcast Asset Management, John Burden controls BIH, LLC (“BIH”) and Broadcast Insurance Holdings, LP (“Broadcast Insurance Holding” and together with BIH and Broadcast Asset Management, “Broadcast”). Together with Patrick White, John Burden also served for years on the Board of Directors of Prepared Holdings and Prepared Insurance Company, and as a Manager of Prepared Managers and Prepared Financial. Through Broadcast, John Burden held an approximately 25% ownership interest in the Prepared Entities.

32. A chart showing certain relationships among the parties and significant non-parties is attached as Exhibit A.

#### **JURISDICTION AND VENUE**

33. This Court has subject matter jurisdiction over this action under 26.012, Fla. Stat., because the Complaint seeks damages in excess of \$19,000,000 exclusive of interest, costs, and attorney fees.

34. This Court has personal jurisdiction over Defendant One Florida Bank because One Florida Bank is a corporation organized under the laws of the State of Florida and because One Florida Bank maintains its principal place of business within the State of Florida.

35. Venue is appropriate in Orange County under 47.011, Fla. Stat., because Defendant One Florida Bank resides in Orange County. Further, venue is proper in this County because a substantial part of the events or omissions giving rise to the claims herein occurred in this County.



## FACTUAL ALLEGATIONS

### *Lighthouse's Relationship with One Florida Bank*

36. Lighthouse Management and One Florida Bank have had deep connections since the founding of One Florida Bank in 2019. The relationship between the Whites and the Burdens predates the founding of One Florida Bank.

37. John Burden is the current CEO and Co-Manager of Broadcast Asset Management. Broadcast Asset Management has an ownership interest in One Florida Bank through shares of OFB Bancshares, Inc., One Florida Bank's holding company. John Burden also is the Vice Chairman and a member of the Board of Directors of One Florida Bank.

38. Randy Burden, the father of John Burden, is the Chairman of the Board of Directors and Chief Executive Officer of One Florida Bank.

39. In addition to holding an ownership interest in One Florida Bank, John Burden also controlled an ownership interest in Prepared Holdings, the entity controlled by Patrick White that held Prepared Managers and Prepared Financial. Prepared Holdings owned Prepared Insurance Company before it was acquired by LPIC in 2020. John Burden's ownership interest in the Prepared Entities was through Broadcast Insurance Holdings. Broadcast Insurance Holdings owned approximately 25% of Prepared Holdings, and was controlled by its general partner, BIH. The manager of BIH was John Burden.

40. Together, John Burden and Patrick White served as members of the Board of Directors of Prepared Holdings and Prepared Insurance Company, and as Managers of Prepared Managers and Prepared Financial.

41. While John Burden held significant ownership interest in entities controlled by the Whites, the Whites held ownership interests in One Florida Bank, controlled by the Burdens.

On information and belief, Lawrence White was involved in the founding of One Florida Bank and was an original investor in One Florida Bank when it was founded in 2019.

42. In short, the Whites held ownership stakes in One Florida Bank, an entity controlled by Randy Burden and John Burden. John Burden held beneficial ownership stakes in the Prepared Entities, including Prepared Managers and Prepared Insurance Company, entities controlled by the Whites.

43. Furthermore, James Hughes, who served as Director of LPIC and LEX, also had connections with One Florida Bank. James Hughes is a Co-Founder and Managing Director of Broadcrest Asset Management, which in turn has an ownership interest in One Florida Bank.

***One Florida Bank Loans to Lighthouse Management and Prepared Managers***

44. On December 17, 2019, Lighthouse Management and One Florida Bank entered into a loan agreement pursuant to which One Florida Bank loaned Lighthouse Management \$5,000,000.

45. On September 18, 2020, Prepared Managers and One Florida Bank entered into a loan agreement pursuant to which One Florida Bank loaned Prepared Managers \$6,000,000.

46. In 2021, Lighthouse Management established a revolving line of credit at One Florida Bank up to a principal amount of \$10,000,000.

47. At the time that Plaintiffs purchased \$65,000,000 of Secured Notes from Lighthouse Management in December 2021, Lighthouse Management owed One Florida Bank approximately \$13,800,000.

48. At the time that Plaintiffs purchased \$65,000,000 in Secured Notes from Lighthouse Management in December 2021, Prepared Managers owed One Florida Bank approximately \$5,200,000.

### ***The Original Conservation Proceeding***

49. On July 21, 2021, the Commissioner placed Lighthouse Management, Prepared Managers, and the Lighthouse Insurance Companies into conservation under Louisiana law pursuant to the Original Conservation Order issued by the Nineteenth Judicial District Court of Louisiana in the proceeding bearing Number C-709804, Section 26 (the “Original Conservation Proceeding”).

50. The Original Conservation Proceeding was conducted confidentially and maintained under seal to shield it from the public. Patrick White knew about the Original Conservation Proceeding and concealed it from Plaintiffs despite it being material to the Lenders’ investment decision and responsive to due diligence requests. Representatives of TigerRisk knew or should have known about the Original Conservation Proceeding and also failed to disclose it to Plaintiffs.

51. Later, Plaintiffs learned from the Commissioner’s representatives in April 2022 that the Original Conservation Proceeding was resolved pursuant to a consent agreement (the “2021 Consent Agreement”), entered into on August 25, 2021 by LPIC, LEX, and LDI. The 2021 Consent Agreement provided that LPIC and LEX had “suffered significant financial losses over the past few years necessitating that capital contributions be made to each respective insurer in order to satisfy its financial obligations, risk-based capital and minimum capital and surplus requirements.” Pursuant to the 2021 Consent Agreement, LPIC and LEX each agreed (i) to provide additional reporting to LDI, (ii) that, on or before December 31, 2021, they would attain and subsequently maintain a risk-based capital ratio of 300% or higher, (iii) to notify LDI before initiating changes to either insurer’s business plan(s), (iv) to add at least one unaffiliated independent director, and (v) to form an investment committee of three or more persons, one of whom was to be an independent director.

52. The 2021 Consent Agreement is completely silent as to the existence of the Original Conservation Proceeding and as to the fact that it was being entered to resolve the Original Conservation Order. Nowhere in that agreement is there any mention of Lighthouse Management or Prepared Managers or the fact that the managing general agents were at any time subject to court-supervised conservation by the Commissioner.

***Patrick White and the Lighthouse Entities Seek Financing***

53. In August 2021, Patrick White and Lighthouse Management determined to seek additional financing for the Lighthouse Entities.

54. Together with TigerRisk, Lighthouse Management and Patrick White created a preliminary “teaser” presentation to potential investors who they hoped would inject capital into Lighthouse Management.

55. A draft of that presentation, dated August 27, 2021, described a contemplated debt investment of between \$40 million and \$60 million. The same slide deck explained that Lighthouse Management would use certain of those investment funds to repay debts owed to One Florida Bank.

56. On information and belief, in the days following August 26, 2021, Patrick White met with John Burden, a Director and Vice Chairman of One Florida Bank, and principal of Broadcast, which held an ownership interest in both One Florida Bank and in the Prepared Entities.

57. John Burden recommended to Patrick White that Lighthouse Management revise the teaser presentation to increase the amount of financing sought by Lighthouse Management, and remove the specific reference to One Florida Bank.

58. After Patrick White’s meeting with John Burden, the teaser presentation to potential investors was revised to describe a contemplated debt investment of \$60 million and

references to existing debt to be repaid were changed from debt to “One Florida Bank” to generic “bank debt.”

59. These revisions served two purposes. First, John Burden and Patrick White wanted to ensure that a new investor would provide sufficient funding to permit repayment of the outstanding debt owed by Lighthouse Management and Prepared Managers to One Florida Bank. John Burden had become aware that, due to Lighthouse Management’s financial situation, Demotech, a third-party agency that issues Financial Stability Ratings (“FSRs”) for insurers and related entities, was planning to downgrade Lighthouse Management’s “A” rating on September 15, 2021. Second, John Burden and Patrick White wanted to conceal at that time that One Florida Bank would be the entity receiving funds from the new capital.

***Patrick White and TigerRisk Approach Fortinbras***

60. In early September 2021, shortly after the Original Conservation Proceeding was commenced and the Original Conservation Order was resolved through the 2021 Consent Agreement, representatives of TigerRisk, on behalf of Lighthouse Management and Patrick White, contacted Plaintiff Fortinbras regarding a financing opportunity.

61. TigerRisk shared with Fortinbras the investor presentation, noting “Lighthouse is seeking to raise up to \$60mm of debt,” and that a portion of these funds would be used to “[r]epay current MGA Bank Debt for \$14mm,” without disclosing that the bank was One Florida Bank.

62. After conducting initial diligence, Fortinbras executed a term sheet with Lighthouse Management on October 21, 2021. The term sheet contemplated that Fortinbras would purchase \$60,000,000 in notes from Lighthouse Management. The term sheet further provided that approximately \$14,000,000 of that sum would be used to repay existing “debt” of Lighthouse

Management, with the remaining proceeds to be contributed to LPIC for growth capital. The terms sheet did not state that the \$14 million would be paid to One Florida Bank.

63. The executed term sheet provided that Fortinbras's "due diligence would include customary legal, financial, operational and accounting due diligence and would involve meetings and calls with management, as well as a review of internal financials, business plans and projections."

64. On or about October 16, 2021, representatives of Silver Rock joined the diligence efforts in contemplation of participating in the potential Lighthouse Management financing.

***Patrick White and Lighthouse Management Conceal the Lighthouse Insurance Companies' Potential Losses From Hurricane Ida***

65. On September 15, 2021, Fortinbras sent Lighthouse Management, through TigerRisk, a preliminary due diligence information request list and posed certain questions.

66. A significant focus of Plaintiffs' diligence efforts was obtaining accurate information about the level of catastrophe ("CAT") excess of loss ("XOL") reinsurance coverage maintained by the Lighthouse Insurance Companies and the losses suffered from recent extreme weather events, in particular Hurricane Ida, that caused extensive damage in Louisiana in August 2021. Plaintiffs were focused on the losses incurred by the Lighthouse Insurance Companies because Lighthouse Management's ability to repay debts depended on the financial viability of the Lighthouse Insurance Companies.

67. CAT reinsurance protects insurers in the event of a large-scale natural disaster where the insurer expects to pay a large number of claims at once. Reinsurers are paid a premium by the primary insurer to cover losses above a certain threshold for catastrophe events, which reinsurance coverage may be subject to a cap. Excess of loss reinsurance establishes a limit

to the amount the primary insurer will pay following a catastrophe, similar to a deductible in an ordinary insurance policy.

68. Materials approved by Patrick White on behalf of Lighthouse Management and presented to Fortinbras through TigerRisk on October 19, 2021 included an analysis of paid and projected Hurricane Ida claims incurred by LPIC. The ultimate losses were projected to be \$250 million, and, as a result, it was stated “Hurricane Ida looks well within [LPIC’s] reinsurance program,” which, as TigerRisk had conveyed, was set to “\$306M of excess of loss reinsurance that would apply in any event after the carrier retains \$10M. All of this limit reinstates thereby providing the carrier coverage for multiple [catastrophe] events.”

69. On October 25, 2021, Fortinbras sent Lighthouse Management, through representatives of TigerRisk, due diligence requests regarding the Lighthouse Entities’ business activities, including their reinsurance coverage. Fortinbras sent a supplemented information request list to Lighthouse Management through representatives of TigerRisk on October 28, 2021. On behalf of Lighthouse Management and Patrick White, representatives of TigerRisk provided documents in response to Plaintiffs’ diligence, none of which suggested the Lighthouse Insurance Companies’ losses could exceed its reinsurance coverage.

70. Unknown to Plaintiffs, Patrick White and Lighthouse Management reported to LDI that, as of November 30, 2021, the Lighthouse Insurance Companies had already incurred losses of \$278 million with an estimated total loss of \$316 million. Of that sum, \$247 million had already been paid out to claimants as of November 30, 2021.

71. On December 6, 2021, an internal estimate within Lighthouse projected an eventual range of losses from \$305 million to \$390 million. The next day, a senior accountant of Lighthouse Management affirmed that incurred losses had already reached \$278 million. Yet, on

December 9 and again on December 14, 2021, TigerRisk and Lighthouse Management representatives, respectively, falsely assured Fortinbras that the total losses would be in the range of \$265 million to \$275 million, still well below the available CAT reinsurance coverage of \$316 million.

72. Throughout December 2021, Plaintiffs continued to press for all available information on this material issue of projected losses due to Hurricane Ida claims in relation to the amount of the Lighthouse Insurance Companies' reinsurance coverage.

73. Additional financial statements, projections, and information provided by TigerRisk and Lighthouse Management during the remainder of December 2021, including projections provided by Tim Fox of TigerRisk on behalf of Lighthouse Management as late as December 16, 2021, failed to disclose that projected losses from Hurricane Ida would exceed the \$265 million figure provided by Lighthouse Management or the \$275 million figure first raised as possibility by TigerRisk on December 9, 2021.

74. Patrick White and Eric Gobble of Lighthouse Management intentionally concealed these materially higher losses and projections from Fortinbras when the topic of the Lighthouse Insurance Companies' projected losses from Hurricane Ida claims was discussed on December 14, 2021. Patrick White misrepresented the scope of those losses in order to mislead Plaintiffs and to induce them to proceed to the closing of the Financing Transaction.

***Plaintiffs Conduct Diligence in Connection with the Lighthouse Insurance Companies' Regulatory Compliance***

75. On November 23, 2021, Fortinbras sent Lighthouse Management, through TigerRisk, an additional diligence list requesting information material to the potential financing opportunity (the "November 23 Diligence Requests"). The November 23 Diligence Requests included a specific request that Lighthouse Management confirm Fortinbras had "received all



material correspondence, consent decrees, orders or other material regulatory notices from/with any state insurance regulatory authority.” Additional documents were provided through TigerRisk on behalf of Lighthouse Management.

76. None of the responses or information received from Lighthouse Management or TigerRisk ever identified the Original Conservation Proceeding or the Original Conservation Order or any facts related thereto. The existence of the Original Conservation Proceeding and the record thereof, including the Original Conservation Order, were concealed from Plaintiffs by Patrick White and the Lighthouse Entities.

77. Patrick White and representatives of TigerRisk knew or should have known that the Lenders would not have provided the necessary financing if the Original Conservation Proceeding and the Original Conservation Order, which extended to Lighthouse Management, were disclosed to Plaintiffs. As a result, Plaintiffs first learned of the Original Conservation Proceeding from representatives of the Commissioner in April 2022, months after the Financing Transaction closed, in connection with a renewed conservation proceeding commenced upon seizure of the Lighthouse Entities by LDI.

### ***The Financing Transaction Closes***

78. On December 22, 2021, without the benefit of information regarding the true magnitude of losses facing the Lighthouse Insurance Companies from Hurricane Ida, Plaintiffs executed the Note Agreement with Lighthouse Management and the other parties thereto, setting forth the terms of the issuance and the purchase of \$65,000,000 in senior secured notes of Lighthouse Management.

79. The Lenders funded \$63,700,000 (net of \$1,300,000 upfront fees) to Lighthouse Management on the closing date of December 22, 2021. Upon information and belief, approximately \$47,000,000 of those proceeds were loaned by Lighthouse Management to

Lighthouse Holdings, which amount was in turn contributed to LPIC as a capital contribution by Lighthouse Holdings.

80. Plaintiffs obtained collateral through a security agreement dated December 22, 2021 (the “Security Agreement”), which granted Plaintiffs security in, among other things, all of the assets of and equity interests in Lighthouse Management.

81. The terms of the Note Agreement provided that Lighthouse Management would use up to \$15,000,000 of the funds to repay debts owed by Lighthouse Management to One Florida Bank.

82. The terms further provided that Lighthouse Management could use additional funds to repay debts owed to One Florida Bank by Prepared Managers. Under the Note Agreement, if Lighthouse Management chose to repay the debts owed by Prepared Managers, Prepared Holdings was to contribute Prepared Managers to Lighthouse Management—the entity whose assets were secured for repayment under the Note Agreement.

***Lighthouse Management Fraudulently Transfers Assets to One Florida Bank***

83. Upon closing of the Financing Transaction on December 22, 2021, Lighthouse Management directed the transfer of approximately \$13,800,000 to One Florida Bank to satisfy debts Lighthouse Management purportedly owed to One Florida Bank. On December 23, 2021, Lighthouse Management wired to One Florida bank two transfers totaling \$13,822,665.41.

84. On or about February 2, 2022, Lighthouse Management transferred approximately \$5,200,000 to One Florida Bank to satisfy debts owed by Prepared Managers to One Florida Bank.

85. The transfer from Lighthouse Management to One Florida Bank occurred shortly after Lighthouse Management incurred a substantial debt to Fortinbras and Silver Rock in the form of the \$65,000,000 Secured Notes.

86. Lighthouse Management was insolvent when it made the Transfers to One Florida Bank.

87. Specifically, when Lighthouse Management made the Transfers to One Florida Bank, it did not have the assets or other ability to satisfy the debt obligations of the Secured Notes on the terms set forth in the Note Purchase Agreement. Thus, Lighthouse Management's liabilities exceeded its assets when it made the Transfers.

88. These transfers took place all while One Florida Bank knew or should have known that the Lighthouse Insurance Companies would not have sufficient funds to cover insurance claims stemming from Hurricane Ida. For example, on November 16, 2021, James Hughes, a Co-Founder and Managing Director of Broadcrest Asset Management, attended a meeting of LPIC's Investment Committee, where Patrick White explained that "the company is actively collecting on reinsurance for Hurricane Ida claim losses, which depressed cash position at quarter end." As a result, Patrick White explained, the Lighthouse Entities were "planning to add capital to the carriers before year end." Patrick White further explained that, after Plaintiff's capital contribution, he would "review plans for deployment of additional investment," and added that Lighthouse Management "need[ed] to get IDA past 90% closed and the capital base solid first."

89. Two days later, James Hughes also heard from Patrick White at another meeting, which Mr. Hughes and Mr. White attended in their capacity as Directors of LPIC and LEX, that LEX was "burning through cash due to IDA claims," and that "liabilities [were]

connected with the intercompany between LHPIC and LEX.” Patrick White further explained at the meeting that “[t]he results affect[ed] LEX surplus, and that surplus fe[d] on to LHPIC balance sheet as an asset.” Patrick White discussed the 2021 Consent Agreement, including its requirement that Lighthouse Insurance Companies’ capital risk ratio rise to 300% by December 31, 2021.

90. At the same meeting, Eric Gobble, Lighthouse Management’s Chief Risk Officer, delivered an “Ida Losses Update.” Mr. Gobble received an email from Nate Burkett, a Catastrophe Risk Analyst at Lighthouse Management, one day prior to the meeting, informing him that Lighthouse had already incurred losses of \$257.7 million, with only 68% of claims closed. Assuming claims continued at the same rate, the total losses would reach near \$380 million, well above the reinsurance tower of \$316 million.

91. Because Lighthouse Management depended on the Lighthouse Insurance Companies for its own funding, these indications that the Lighthouse Insurance Companies would be rendered insolvent by liabilities from Hurricane Ida also meant that Lighthouse Management would be left without an income source to satisfy its own debts.

92. Indeed, soon after transferring more than \$19,000,000 to One Florida Bank, Lighthouse Management and the other Lighthouse Entities were deemed unable to satisfy their obligations, including with respect to obligations under the Note Agreement as they became due, and were placed into a renewed conservation proceeding by LDI in March 2022.

***The Lighthouse Insurance Companies’ Reinsurance Coverage is Revealed to be Grossly Inadequate***

93. By the end of 2021, when the transfers from Lighthouse Management to One Florida Bank were made, the Lighthouse Insurance Companies had insufficient funds to pay claims due from Hurricane Ida, and had no future as profitable enterprises. Lighthouse

Management, which depended on the Lighthouse Insurance Companies for its own financial solvency, thus also had no future as a profitable enterprise.

94. On February 4, 2022, Patrick White sent an email to representatives at Fortinbras attaching financial statements that LPIC had submitted to LDI on January 31, 2022. These statements showed that LPIC's projected losses related to Hurricane Ida had been restated to \$316 million, which would exhaust the reinsurance coverage available to LPIC. Furthermore, the statements revealed that the projected losses from Hurricane Ida had been increased from \$250 million to \$316 million as of *November 30, 2021*. Thus, it was then revealed that Patrick White, TigerRisk, and Lighthouse Management knew that the Lighthouse Insurance Companies were facing losses far exceeding the projected maximum loss of \$265 million reported to the Lenders, and they knew it well before the closing of the Financing Transaction on December 22, 2021.

95. In February 2022, Patrick White finally informed Fortinbras representatives that the projected losses from Hurricane Ida had been revised to \$367 million, which was a magnitude of losses that exceeded the reinsurance coverage by more than \$50 million.

96. On March 29, 2022, Demotech, Inc. withdrew its FRS previously assigned to LPIC and LEX, stating that “[d]espite a substantial capital contribution in the fourth quarter 2021, the operating loss in 2021, which reflected the evaluation of losses and loss adjustment expenses associated with Hurricane Ida, resulted in a level of capitalization below what was needed to sustain FSRs at the A level.” Without a FSR, insurers are unable to write policies for most homes subject to mortgages and thus this action dealt the final death blow to the Lighthouse Insurance Companies.

***Seizure and Liquidation of the Lighthouse Entities by the Louisiana Department of Insurance***

97. On March 29, 2022, the Commissioner filed a Petition for Renewed Conservation and Injunctive Relief, and obtained the Renewed Conservation Order, placing LPIC, LEX, Lighthouse Holdings, Lighthouse Management, and Prepared Managers back into conservation pursuant to provisions of the Louisiana Insurance Code.

98. The Renewed Conservation Order, among other things, placed Lighthouse Management into conservation and enjoined the Lenders from exercising remedies and foreclosing on collateral provided for under the Note Agreement and Security Agreement. In addition, the Renewed Conservation Order provided for the Commissioner to take possession and control of all of Lighthouse Management's assets, along with the assets of the Lighthouse Insurance Companies and those of Prepared Managers.

99. On April 28, 2022, the Louisiana Court issued an order authorizing the liquidation of LPIC and finding it to be insolvent.

100. On May 23, 2022, the Louisiana Court issued an order authorizing the liquidation of LEX and finding it to be insolvent.

101. On August 15, 2022, the Louisiana Court issuing orders authorizing the liquidation of Lighthouse Holdings and Prepared Managers and finding them to be insolvent.

102. On October 12, 2022, Plaintiffs and the Commissioner in his capacity as a rehabilitator of Lighthouse Management and liquidator of Prepared Managers entered into a settlement agreement (the "Settlement Agreement"), in which the Commissioner, among other things, agreed to transfer to the Lenders all rights in (i) the assets of Lighthouse Management, including its claims and causes of action, and (ii) Lighthouse Management's claims against Prepared Managers as of the approval date of the Settlement Agreement.

103. On October 20, 2022, the Louisiana Court issued an order approving the Settlement Agreement.

104. On October 27, 2022, the Louisiana Court issued an order authorizing the liquidation of Lighthouse Management.

105. A significant amount of the Lenders' money was transferred to One Florida Bank. The funds were paid to One Florida Bank even though Lighthouse Management understood that Lighthouse Management was in a precarious financial position, with the Lighthouse Insurance Companies facing liabilities from Hurricane Ida that they could not cover, and facing regulatory scrutiny that would result in the seizure and liquidation of the assets of the Lighthouse Insurance Companies and Lighthouse Management.

106. While the Lenders saw their \$65,000,000 investment disappear, One Florida Bank pocketed over \$19,000,000 of that money. One Florida Bank would not have received those funds had Plaintiffs not been fraudulently induced into the Financing Transaction.

### **CLAIMS FOR RELIEF**

#### **COUNT ONE**

#### **(Transfers With Intent to Hinder, Delay, or Defraud A Creditor) (Fla. Stat. § 726.105(1)(a))**

107. Plaintiff repeats and realleges each allegation in Paragraphs 1 through 106 as if fully set forth herein.

108. The Transfers through which Lighthouse Management transferred more than \$19,000,000 to One Florida Bank to satisfy its own debt and debts owed by Prepared Managers, were made by, for, and/or with the acquiescence of Patrick White and Lighthouse Management with actual intent to hinder, delay, or defraud Plaintiffs.

109. Plaintiffs, who are “creditors” with a “claim” within the meaning of Fla. Stat. §§ 726.102(4) and (5), have been unable to recover the funds owed to them by Lighthouse Management, which is a “debtor” within the meaning of Fla. Stat. § 726.102(7).

110. With respect to the Transfers, the following badges of fraud are applicable and are to be considered in determining Patrick White’s and Lighthouse Management’s actual intent:

- i. ***The transfers or obligations were to an insider.*** One Florida Bank was an insider to Lighthouse Management because John Burden, a Vice Chairman at One Florida Bank, held a beneficial ownership interest in Prepared Managers, one of the entities controlled by the Whites whose debt was paid by Lighthouse Management. In addition, Lawrence White had a direct financial interest in both the Lighthouse Entities and One Florida Bank.
- ii. ***Before the transfers were made or obligation was incurred, the debtor had been sued or threatened with a suit.*** The threat of a suit was looming over Patrick White and Lighthouse Management due to the projected Hurricane Ida losses being in excess of the reinsurance tower limits. A suit was also threatened by LDI, which required the Lighthouse Insurance Companies to reach a capital risk ratio of 300% before December 31, 2021 pursuant to the terms of the 2021 Consent Agreement.
- iii. ***The value of the consideration received by the debtor was not reasonably equivalent to the value of the assets transferred or the amount of the obligation incurred.*** Lighthouse Management received no consideration



at all in return for the approximately \$5,200,000 transferred to One Florida Bank to extinguish a debt owed by Prepared Managers.

- iv. ***The debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred.*** Lighthouse Management was rendered insolvent when the Transfers were made because it held a \$65,000,000 debt to the Lenders, but lacked the assets to satisfy that debt. Lighthouse Management and the Lighthouse Insurance Companies were determined by LDI to be unable to continue as viable businesses and were liquidated in 2022.
- v. ***The transfer occurred shortly before or shortly after a substantial debt was incurred.*** The Transfers took place just after Plaintiffs purchased \$65,000,000 in Secured Notes from Lighthouse Management, and not long after Patrick White and Lighthouse Management became aware of the true magnitude of the Ida losses.

## **COUNT TWO**

### **(Transfer Where Debtor Intended to Incur, or Believed or Reasonably Should Have Believed That Debtor Would Incur, Debts Beyond Ability to Pay as They Became Due) (Fla. Stat. § 726.105(1)(b)(2))**

111. Plaintiff repeats and realleges each allegation in Paragraphs 1 through 106 as if fully set forth herein.

112. The transfer of approximately \$5,200,000 to satisfy debts owed by Prepared Managers was made by Lighthouse Management without receiving a reasonably equivalent value in exchange for the transfer.

113. Lighthouse Management's transfer left Lighthouse Management, which is a "debtor" within the meaning of Fla. Stat. § 726.102(7), unable to pay its debts to Plaintiffs, who are "creditors" with a "claim" within the meaning of Fla. Stat. § 726.102(4) and (5).

**COUNT THREE**  
**(Transfer Where Debtor was Insolvent or Became Insolvent as a Result of the Transfer)**  
**(Fla. Stat. § 726.106(1))**

114. Plaintiff repeats and realleges each allegation in Paragraphs 1 through 106 as if fully set forth herein.

115. The transfer of approximately \$5,200,000 to satisfy debts owed by Prepared Managers was made by Lighthouse Management without receiving a reasonably equivalent value in exchange for the transfer.

116. Lighthouse Management, which is a "debtor" within the meaning of Fla. Stat. §§ 726.102(7), was insolvent at the time of the transfer or became so as a result of the transfer.

117. Plaintiffs, who are "creditors" with a "claim" within the meaning of Fla. Stat. §§ 726.102(4) and (5), have been unable to recover the funds owed to them by Lighthouse Management.

**PRAYER FOR RELIEF**

Accordingly, Plaintiffs respectfully request that the Court enter judgment against Defendant One Florida Bank and in favor of Plaintiffs for the following relief:

- a) Pursuant to Fla. Stat. § 726.108(1)(a), the avoidance of the fraudulent transfers to One Florida Bank as described above.
- b) Pursuant to Fla. Stat. § 726.109(2)(a), a money judgment against One Florida Bank, first transferee, in an amount equal to the value of all assets fraudulently transferred to One Florida Bank as described above;

- c) Pre-judgment and post-judgment interest on the Plaintiffs' damages as allowed by law;
- d) Such other and further relief as the Court deems just and proper, including as expressly authorized pursuant to Fla. Stat. § 726.108(1)(c)(3).

**DEMAND FOR JURY TRIAL**

118. Plaintiffs demand a trial by jury of all claims so triable.

Dated: August 23, 2023  
Miami, Florida

Respectfully submitted,

By: /s/ Oliver Benton Curtis III

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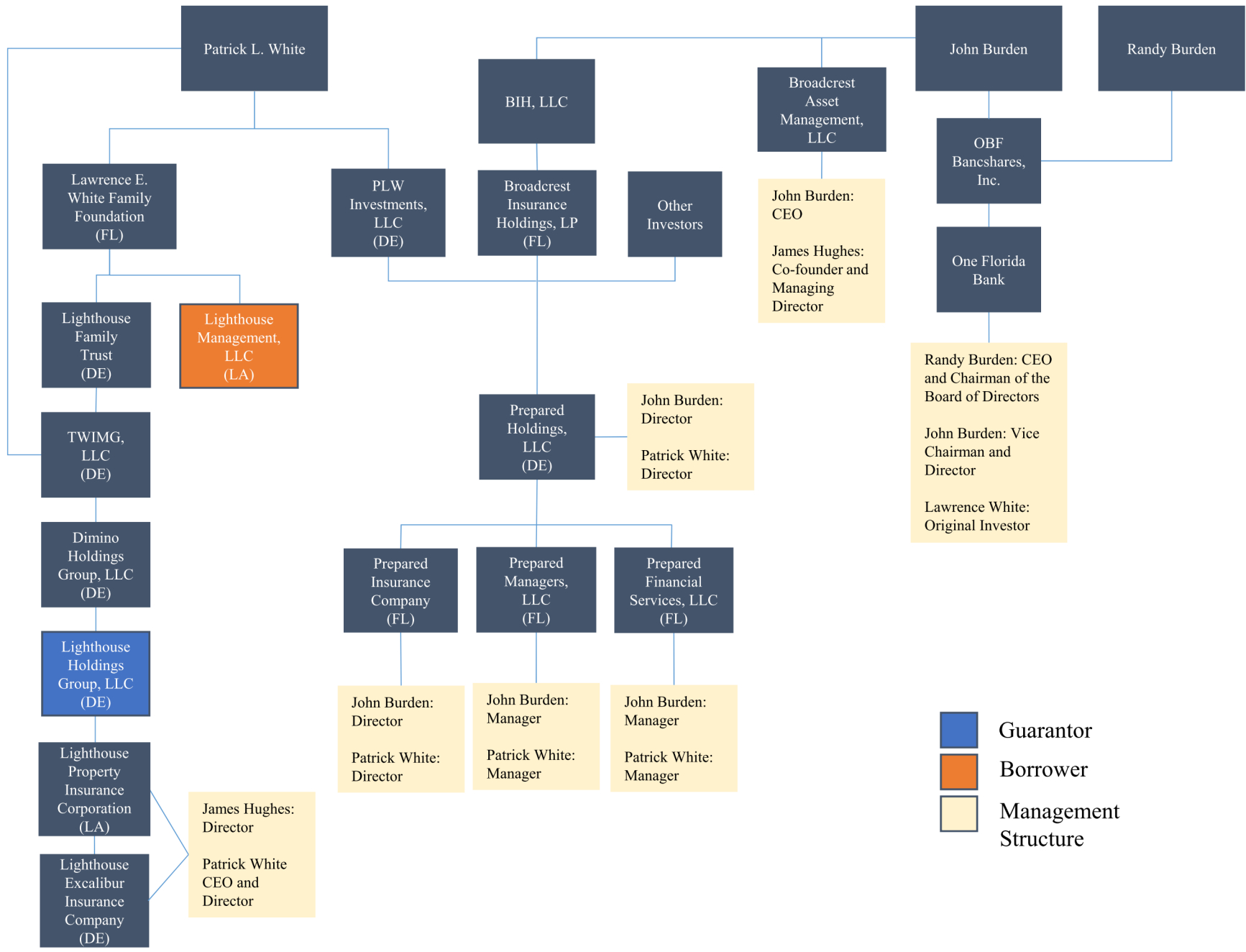
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# EXHIBIT A



- Guarantor
- Borrower
- Management Structure