

**IN THE CIRCUIT COURT OF THE NINTH JUDICIAL CIRCUIT,
IN AND FOR ORANGE COUNTY, FLORIDA**

COMPLAINT

Plaintiffs Fortinbras Enterprises LP (“**Fortinbras**”), HT Investments, LLC (“**HT**”), Silver Rock Tactical Allocation Fund LP, and Silver Rock Contingent Credit Fund LP (together, “**Silver Rock**”) (each a “Plaintiff,” and collectively, “Plaintiffs”), by their undersigned counsel, file their complaint against Defendants Patrick L. White (“**Patrick White**”), both in his personal capacity and in his capacities as trustee of the Lighthouse Family Trust (the “**Trust**”) and of the Lawrence E. White Family Foundation (the “**Foundation**”), and Lawrence E. White (“**Lawrence White**,” and together with Patrick White, the “**Whites**”) (each a “**Defendant**,” and collectively “**Defendants**”), and allege as follows:

NATURE OF THE ACTION

1. This action arises from the fraud perpetrated by defendant Patrick White, who, assisted by his father, Lawrence White, and their advisors at TigerRisk Partners LLC and affiliates (n/k/a Howden Tiger) (“**TigerRisk**”), fraudulently obtained a \$65,000,000 investment by HT and Silver Rock (together, the “**Lenders**”) into Lighthouse Management, LLC (“**Lighthouse Management**”) in December 2021. The Whites had a long-standing financial relationship with TigerRisk, who served as Lighthouse Management’s reinsurance broker and led the effort to procure financing for Lighthouse Management, culminating with the purchase by the

Lenders of senior secured notes (the “**Secured Notes**”) in December 2021 (the “**Financing Transaction**”).

2. The Whites stood to directly benefit financially from the survival of Lighthouse Management and its affiliated insurance companies, and they were acutely aware of the need for the Lighthouse Entities to receive a capital injection by the end of 2021. Thus, the Whites, assisted by TigerRisk and other agents at Lighthouse Management, made material misrepresentations and omissions to induce the Lenders to invest in Lighthouse Management at a time when, if the true facts had been properly disclosed in due diligence, the Lenders would not have loaned Lighthouse Management any money.

3. The circumstances concealed from the Lenders were in fact so dire that Lighthouse Management and its affiliates were placed into receivership (and later liquidated) by the Louisiana Department of Insurance (“**LDI**”) merely three months

Louisiana law, and its now-liquidated regulated insurance companies operating in

TigerRisk. From these emails and other documents, Plaintiffs discovered that Patrick White and TigerRisk had misrepresented the Lighthouse Entities' regulatory status and financial condition to the Lenders to induce them into consummating the

widespread destruction in August 2021 in the Lighthouse Insurance Companies' coverage area.

9. The Whites knew that the collapse of the Lighthouse Entities would wipe out a significant portion of their family's assets. The Whites also understood that if they disclosed the true financial state and regulatory standing of Lighthouse Management and the Lighthouse Insurance Companies to Plaintiffs, Lighthouse Management would not be able to raise the necessary financing for the Lighthouse Entities.

10. Patrick White was aware that LDI, acting through the Commissioner, would keep the original conservation proceeding sealed and unavailable to the public. Therefore, Patrick White and others acting on behalf of Lighthouse Management were obligated to disclose the critical facts of the original conservation proceeding to Plaintiffs during the due diligence process but deliberately chose not to do so.

11. Patrick White knew that LDI had already placed not only the Lighthouse Insurance Companies but also the proposed borrower, Lighthouse Management, into conservation, and that the Lighthouse Entities were at imminent risk of liquidation due to financial distress. Yet, Patrick White never disclosed the existence of the conservation proceedings or their circumstances, nor did he disclose

the true regulatory standing of the Lighthouse Entities, despite specific requests by Plaintiffs for any such information during due diligence.

12. Patrick White, along with others acting on his and Lighthouse Management's behalf, knew, but concealed from Plaintiffs, that the Lighthouse

Agreement (the “**Note Agreement**”) and a series of supporting documents and closed on December 22, 2021. In truth, Patrick White and his agents knew or had reason to believe that the losses suffered by the Lighthouse Insurance Companies from Hurricane Ida claims had already exceeded, and would far exceed, the \$265 million projected losses disclosed to Plaintiffs prior to the closing of the Financing Transaction in December 2021.

15. In fact, within weeks of closing, in February 2022, the financial pressures on the Lighthouse Entities reached the point that Patrick White was forced to disclose to Plaintiffs that those losses were in excess of the \$316 million reinsurance tower on which Plaintiffs relied. By March 2022, Patrick White acknowledged those losses could reach \$400 million or more, leaving the Lighthouse Insurance Companies deeply insolvent. Plaintiffs have since learned from LDI that the ultimate losses incurred by the Lighthouse Insurance Companies from Hurricane Ida claims are likely to be significantly higher.

16. Patrick White, through his control of Lighthouse Management, the Lighthouse Insurance Companies, the Trust, and the Foundation, presented a false narrative of adequate financial balance sheets with the resources to comply with Lighthouse Management’s obligations under the Note Agreement from the inception of discussions and continuing through the closing of the Financing Transaction. In reality, Patrick White, along with the Trust and the Foundation that he controlled as

a trustee and others at Lighthouse Management, acted to deceive Plaintiffs into providing \$65,000,000 in financing with complete disregard for the economic harm to Plaintiffs.

17 Due to Lighthouse Management's insolvency and inability to honor claims made pursuant to insurance policies issued by the Lighthouse Insurance Companies, the Louisiana Insurance Commissioner obtained an ex parte Order of Renewed Conservation 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 pursuant to the Louisiana Insurance Code. Several months later, on October 27, 2022, the Louisiana Court issued an order authorizing the liquidation of Lighthouse Management.

18. Upon information and belief, Lawrence White was aware of the fraud perpetrated by his son, Patrick White, and was involved in transfers of the proceeds obtained from the fraud. For example, Lawrence White directed others at Lighthouse Management to open new bank accounts to which the proceeds from the Financing Transaction would be transferred. Lawrence White also instructed the transfers to be completed before December 31, 2021.

22. On or about December 30, 2021, a representative of Lighthouse Management opened a bank account for Joseph Dimino to obtain a letter of credit for \$13 million from One Florida Bank in an attempt to meet Indigo Re's collateral deficiencies with the Lighthouse Entities. Upon information and belief, the funds used to obtain the letters of credit were transferred from one of the new accounts that were directed to be opened by Lawrence White into which the proceeds from the Financing Transaction would be transferred.


23. Plaintiffs are the victims of the fraud perpetrated by Patrick White with the integral assistance of Lawrence White and TigerRisk. To protect themselves against any possible future financial distress of the Lighthouse Insurance Companies, Plaintiffs negotiated for collateral and perfected security interests, including in the assets and equity of Lighthouse Management, documented through a security agreement dated December 22, 2021 (the "**Security Agreement**"). However, that collateral was rendered worthless to Plaintiffs when LDI put Lighthouse Management and Prepared Managers back into conservation (and then receivership) and seized their assets to pay creditors of the Lighthouse Entities and Prepared Entities.

24. The conduct of Patrick White, assisted by Lawrence White and their advisors at TigerRisk and carried out through Lighthouse Management, the Trust, and the Foundation, defrauded Plaintiffs and proximately caused damages to be

Defendants

Defendant Patrick L. White is, among other things, the now former President, Chief Executive Officer, and Director of the Lighthouse Insurance Companies and the former Trustee of Lighthouse Holdings. Entities controlled by Patrick White managed the Lighthouse Entities, including Lighthouse Management and the Lighthouse Insurance Companies. 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, Patrick White is a resident of and domiciled in Florida.

30. Defendant Lawrence E. White is the father of Patrick White. Lawrence White is the former owner of Lighthouse Management and, upon information and belief, is the ultimate beneficiary of various White family entities, including the Trust. Upon information and belief, Lawrence White, through his family office, was an original investor in One Florida Bank when it was founded in 2019, which was a significant creditor of Lighthouse Management and Prepared Managers at the time of the Financing Transaction. Upon information and belief, Lawrence White is a resident of and domiciled in Florida.

 The Lighthouse Family Trust is a statutory trust established pursuant to the laws of the State of Delaware. Patrick White is the trustee of the Lighthouse Family Trust. Patrick White signed the Note Agreement as the trustee of the

Lighthouse Family Trust on behalf of Lighthouse Holdings Group, LLC. The Lighthouse Family Trust is joined as a defendant in this action because, upon information and belief, the Trust possesses assets that are traceable and attributable to the fraud and other improper conduct described in this complaint and, thus, belong to Plaintiffs as a matter of constructive trust.

32. The Lawrence E. White Family Foundation was established pursuant to the laws of the State of Florida and holds tax-exempt status under section 501(c)(3) of the Internal Revenue Code. Patrick White is the trustee of the Lawrence E. White Family Foundation. Patrick White signed certain note documents, including the Certificate of the Chief Executive Manager of Lighthouse Management, as the trustee of the Foundation. The Lawrence E. White Family Foundation is joined as a defendant in this action because, upon information and belief, the Foundation possesses assets that are traceable and attributable to the fraud and other improper conduct described in this complaint and, thus, belong to Plaintiffs as a matter of constructive trust.

Significant Non-Parties

~~22.~~ 23. Non-party Scot Moore is the former chief financial officer of Lighthouse Management and other related entities.

~~24.~~ 24. Non-party Eric Gobble is the former chief risk officer of Lighthouse Management and other related entities.

35. Non-party Mimi Davis is the former treasurer of Lighthouse Management, who worked under the supervision of Lawrence White.

36. Non-

38. Non-party TigerRisk Capital Strategies LLC (n/k/a Howden Tiger Capital Markets & Advisory, LLC) is a Delaware limited liability company that is licensed as a broker-dealer in Florida. TigerRisk Capital Strategies LLC provides investment banking and capital advisory services. At all times relevant to this complaint, TigerRisk provided these services under the trade name “TigerRisk Capital Markets & Advisory,” which is the trade name for all investment banking and capital advisory services of TigerRisk Capital Strategies LLC and its affiliates (including TigerRisk Partners LLC). In January 2023, TigerRisk Capital Strategies and its affiliates were acquired by and became subsidiaries of Howden Group Ltd., a portfolio company of General Atlantic. TigerRisk Capital Strategies LLC served as the exclusive placement agent to Lighthouse Management in connection with soliciting and promoting to Plaintiffs th inate (i)1.1 (c)3.9 (i)1 (t)2.5 (a)3s)T5(t)1.1 sh

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45. Venue is appropriate in Orange County under 47.011, Fla. Stat., because Patrick White and Lawrence White reside in Orange County. Further, venue

and concealed it from Plaintiffs despite it being material to the Lenders' investment decision and responsive to Plaintiffs' due diligence requests.

49. Indeed, communications between Patrick White and representatives of TigerRisk during the relevant time period show Lighthouse Management and TigerRisk were working hand-in-glove on profitability presentations and documents that drew on information the Lighthouse Entities sent to LDI or that was specifically prepared at the request of LDI. Specifically, TigerRisk's profitability model was shared with LDI investigators as part of their inquiry into the financial solvency of the Lighthouse Entities, and during the inquiry Patrick White offered to LDI representatives to arrange a phone call with TigerRisk. Throughout this period, when the Lighthouse Insurance Companies could not issue new policies, TigerRisk served as reinsurer broker to the Lighthouse Entities, as well as prepared reports, financial disclosures, and slide decks (which included risk-based capital ("**RBC**") ratios) that were shared with potential investors.

50. Plaintiffs did not learn about the Original Conservation Proceeding until informed by the Commissioner's representatives in April 2022. The Original Conservation Proceeding was resolved pursuant to a consent agreement entered into by LPIC, LEX, and LDI, dated August 25, 2021 (the "**2021 Consent Agreement**"). 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, LPIC and LEX 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.

51. 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 the fact that the managing general agent was at any time subject to court-supervised conservation by the Commissioner.

Patrick White and TigerRisk Approach Fortinbras

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

53. 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 for the benefit of the Lighthouse

going and continuous exposure management work that both TigerRisk and Lighthouse engage in.”

59. Shortly after this meeting, TigerRisk shared with Fortinbras an investor presentation, and, 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.

losses suffered from recent extreme weather events, in particular Hurricane Ida, which 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.

63. 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, subject to a cap beyond which the reinsurer will not cover losses. 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. However, reinsurers will not cover any losses that exceed the applicable cap.

64. On September 15, 2021, Fortinbras sent Lighthouse Management, through TigerRisk, a preliminary due diligence information request list and posed certain questions. Tim Fox at TigerRisk sent responses on behalf of Lighthouse Management to Fortinbras's questions the next day, on September 16, 2021. In response to questions regarding LPIC's reinsurance coverage, TigerRisk conveyed that LPIC "purchase[d] \$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.”

65. On October 4, 2021, Patrick White, Eric Gobble, and members of the TigerRisk team met with Fortinbras representatives at Fortinbras’s offices in New York, New York to further discuss the financing opportunity.

66. On October 25, 2021, Plaintiffs sent Lighthouse Management, through Tim Fox at TigerRisk, a more fulsome list of due diligence requests that contained numerous requests regarding the Lighthouse Entities’ business activities, including their reinsurance coverage. Fortinbras sent, on October 28, 2021, a supplemental information request list to Lighthouse Management via Tim Fox at TigerRisk.

67. On November 23, 2021, Plaintiffs sent Lighthouse Management, through Tim Fox at TigerRisk, an additional due diligence list requesting information material to the potential financing opportunity (the “**November 23 Diligence Requests**”). The November 23 Diligence Requests included, among other things, 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 Tim Fox at TigerRisk on behalf of Lighthouse Management.

None of the responses or information received from Lighthouse Management or TigerRisk ever identified the Original Conservation Proceeding or

71. On October 18, 2021, Kyle Menendez of TigerRisk reported to Patrick White and Scot Moore in an email that “[a]ll markets . . . have received communication of an ultimate range between \$250M and \$300M.” The next day, on October 19, 2021, a representative from TigerRisk provided Patrick White and Scot Moore with a report showing estimated losses from Hurricane Ida to be \$319.07 million—a precise estimate in excess of the total reinsurance tower. These reports or their findings were never disclosed or provided to Plaintiffs in the two full months between providing it to Lighthouse Management and the closing of the Financing Transaction.

72.

adequate coverage for the expected scope of losses—remained a critical area of focus for Plaintiffs.

74 On October 25, 2021, Fortinbras sent Lighthouse Management, through Tim Fox at TigerRisk, due diligence requests regarding the Lighthouse Entities' business activities, including their reinsurance coverage. Fortinbras sent a

Ida would be the deductible necessary to trigger insurance coverage because the losses would fall within the reinsurance coverage limits.

77. 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.

~~78.~~ On December 6, 2021, more than two weeks prior to the closing of the Financing Transaction, an internal estimate within Lighthouse Management projected a 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, throughout December 2021, TigerRisk and Lighthouse Management representatives, respectively, falsely assured Fortinbras that the total losses would be in the range of \$265 million, still well below the available CAT reinsurance coverage of \$316 million.

79. On December 7, 2021, Tim Fox at TigerRisk provided Fortinbras with updated projections through October 2021. The projected losses from Hurricane Ida were still marked in a line item as a \$4.1 million loss (the “deductible”).

80. Meanwhile, on December 8, 2021, Eric Gobble instructed Kyle Menendez of TigerRisk in an email to “position \$316 million” as the “Ida Ultimate”

loss. This update to projected losses from Hurricane Ida was never disclosed to Plaintiffs prior to the closing of the Financing Transaction.

81. On December 9, 2021, Fortinbras, joined by a consultant engaged by Fortinbras to vet the reinsurance coverage for the Lighthouse Insurance Companies, held a telephone call with TigerRisk representatives and Patrick White. Nobody on the call from TigerRisk or Lighthouse Management raised or disclosed any higher probable maximum losses from Hurricane Ida beyond the earlier estimate of \$250 million.

82. In a separate call on December 9, 2021, Kyle Menendez of TigerRisk posited to Fortinbras representatives that Lighthouse Insurance Entities' losses from Hurricane Ida claims could be closer to \$275 million—still far below the reinsurance coverage limit of \$316 million.

83. On December 14, 2021, Fortinbras had a follow-up call with Eric Gobble and Patrick White, which was joined by a representative of TigerRisk. On this call, expected losses were affirmatively represented to Fortinbras as \$265 million—up from the previous \$250 million, but still far below (indeed, over \$50 million below) the available reinsurance coverage of \$316 million.

84. On December 15, 2021, Scot Moore sent an email to Kyle Menendez and Deanna Anderson of TigerRisk, copying Patrick White. In the email, Mr. Moore asked where TigerRisk was with current billings to reinsurance carriers. Mr. Moore

also said that Lighthouse Management “probably need[s] to bill half [of] layer 5.” Thus, by this time, and only a week away from the closing of the Financing Transaction, TigerRisk was already arranging to bill at least half of the top layer of the five-layer reinsurance tower up to the maximum coverage limit of \$316 million.

85. On December 16, 2021, Scot Moore followed with a seemingly more urgent email, stating: “[W]e will need to bill half of layer five. Today! Please.” Mr. Menendez responded, copying Eric Gobble, and requesting an updated loss “bordereau” and an estimated schedule of payments to support billing to reinsurance carriers. In response to Mr. Menendez’s query, Eric Gobble stated that “we decided to . . . move the ultimate to \$316M as we had discussed last week.”

86. Additional financial statements, projections, and information provided by TigerRisk and Lighthouse Management during the remainder of December 2021 leading up to the Financing Transaction closing date, 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.

87. On December 22, 2023, Eric Gobble forwarded to Patrick White and others data with the latest Hurricane Ida claims figures through December 21, 2021. According to Mr. Gobble’s email: “[W]e are 87% closed, with 1,966 open claims of the total 15,499 reported to date.” Mr. Gobble further reported that “we are now

at \$300M in total case incurred, with \$19M of that in case loss reserves and \$2.5M of that in LAE [loss adjusted expense] reserves.” Significantly, Mr. Gobble then forwarded this email to Kyle Menendez at TigerRisk. None of this critical information was disclosed to Plaintiffs prior to the closing of the Financing Transaction.

88. At no time prior to closing did anyone at Lighthouse Management or TigerRisk provide an estimate of Hurricane Ida losses above the \$265 million provided on December 16, or the \$275 million mentioned to Plaintiffs on December 9—both of which were loss projections well within the \$316 million reinsurance tower cap.

89. Patrick White and TigerRisk intentionally concealed the materially higher losses and projections when the topic of the Lighthouse Insurance Company was discussed in the meeting on December 16, 2017. This is evident from the fact that the only loss projection mentioned in the meeting was the \$265 million projection provided by Mr. Gobble on December 16, 2017, which was well within the \$316 million reinsurance tower cap. This is also evident from the fact that the only loss projection mentioned in the meeting was the \$265 million projection provided by Mr. Gobble on December 16, 2017, which was well within the \$316 million reinsurance tower cap.

Patrick White and TigerRisk Conceal the Original Conservation Order and the Original Conservation Proceeding

90 Despite the clear request for copies of all regulatory orders and other regulatory notices contained in the November 23 Diligence Requests, at no point did Patrick White, Lighthouse Management, or TigerRisk ever provide Fortinbras with a copy of, nor did they disclose the existence of, the Original Conservation Order or the Original Conservation Proceeding that had been filed merely months earlier.

91. Patrick White and TigerRisk knew or feared that, if they or Lighthouse Management disclosed the existence of the Original Conservation Proceeding and the Original Conservation Order, Plaintiffs would not provide the financing that Lighthouse Management and the Lighthouse Insurance Companies needed.

92 Patrick White and TigerRisk knew, or should have known, that Plaintiffs would not finance the regulated Lighthouse Insurance Companies due to the regulatory approvals required and the possibility of intervention by the Commissioner and receivership proceedings in the event of financial distress. Rather, Patrick White and his agents at TigerRisk knew that Plaintiffs were only considering a financing transaction whereby Plaintiffs received secured collateral in Lighthouse Management. Patrick White and his agents at TigerRisk knew or feared that disclosing to Plaintiffs that the Commissioner and LDI not only considered the managing general agent Lighthouse Management an insurer subject to seizure in the event of financial distress, but had actually already put it and the other Lighthouse

Entities into court-supervised conservation, would be fatal to Plaintiffs' willingness to finance the business. Disclosure of the Original Conservation Order would have tied the 2021 Consent Agreement to the Original Conservation Proceeding and revealed that Lighthouse Management was subject to seizure by LDI if breached.

93. As a result, Patrick White, with the intent to mislead and induce Plaintiffs into proceeding with the financing necessary to capitalize the Lighthouse Insurance Companies and to demonstrate compliance with the terms of the 2021 Consent Order, concealed the existence of the Original Conservation Proceeding and the Original Conservation Order and its contents.

94. TigerRisk likewise substantially assisted Patrick White in his fraud by failing to disclose material information regarding the existence of the Original Conservation Proceeding and the Original Conservation Order to Plaintiffs despite interfacing with Plaintiffs regularly on behalf of Lighthouse Management with respect to due diligence.

The Financing Transaction Closes

95. 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.

96. The Lenders funded \$63,700,000 (net of \$1,300,000 in upfront fees) to Lighthouse Management on the closing date of December 22, 2021. Lawrence White was deeply involved in transfers of the funds after the Financing Transaction closed. Lawrence White directed others at Lighthouse Management to open new bank accounts to which the proceeds from the Financing Transaction would be transferred, and Lawrence White instructed that the transfers be completed before December 31, 2021.

97. Upon information and belief, approximately \$47,000,000 of the proceeds from the Financing Transaction were intended to be loaned by Lighthouse Management to Lighthouse Holdings, which amount was in turn intended to be contributed to LPIC as a capital contribution by Lighthouse Holdings. Upon information and belief, certain of those financing proceeds passed through new bank accounts directed to be opened and controlled by Lawrence White, including one that funded new letters of credit obtained by Indigo Re.

98. Approximately \$19,000,000 of the financing proceeds were transferred to One Florida Bank to extinguish purportedly existing debts owed by Lighthouse Management and Prepared Managers. Upon information and belief, the Whites held

99. The transfers by Lighthouse Management to One Florida Bank, on or about December 22, 2021 and February 2, 2022, occurred after incurring the debt created by the Secured Notes and when Lighthouse Management was insolvent and had no ability to comply with its obligations under the Note Agreement. Specifically, Lighthouse Management transferred approximately \$5,200,000 to One Florida Bank to satisfy the debt owed by Prepared Managers at the direction of Patrick and Lawrence White. But while the Note Agreement required the contribution of Prepared Managers if proceeds from the Financing Transaction were used to satisfy Prepared Managers' debt to One Florida Bank, that contribution never took place, and thus neither Lighthouse Management nor the Lenders received the benefit of the bargain with respect to that term of the agreement. Upon information and belief, the Whites knew that the contribution would never occur before they transferred the funds from Lighthouse Management to One Florida Bank.

100. Plaintiffs obtained collateral through the Security Agreement, which granted Plaintiffs security in, among other things, all of the assets of and equity interests in Lighthouse Management.

The Lighthouse Insurance Companies' Reinsurance Coverage Is Revealed to be Grossly Inadequate

101. On January 10, 2022, Patrick White traveled to New York and met with representatives of Fortinbras. Patrick White at no point during that visit to New York disclosed to or discussed with Plaintiffs that the losses facing the Lighthouse

Insurance Companies from Hurricane Ida exceeded the \$265 million projections

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

105. On March 29, 2022, Demotech, Inc., a third-party agency that issues Financial Stability Ratings (“**FSRs**”) for insurers and related entities, withdrew its FSR 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 death blow to the

107. 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.

~~108.~~ Upon information and belief, from March 10 to April 8, 2022, Lawrence White at times directed his assistant to delete a significant number of files from a shared drive in violation of the Renewed Conservation Order, provided for the Commissioner to take possession and control of all documents of the Lighthouse Entities, including Lighthouse Management.

~~109.~~ On April 28, 2022, the Louisiana Court entered an order authorizing the liquidation of LPIC and finding LPIC to be insolvent.

110. On May 19, 2022, the Louisiana Court entered an order unsealing the record of the Original Conservation Proceeding following a contested hearing on a motion filed by the Lenders.

~~111.~~ On May 23, 2022, the Louisiana Court entered an order authorizing the liquidation of LEX and finding LEX to be insolvent.

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

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118. Patrick White, assisted by TigerRisk, concealed the existence of the Original Conservation Proceeding and the Original Conservation Order so that the Lenders could not know that their position as a first lien secured lender of Lighthouse Management would be vitiated by further financial distress and a renewed conservation proceeding commenced by the Commissioner, as had previously occurred.

Had Plaintiffs known that Lighthouse Management and the Lighthouse Insurance Companies were subject to the Original Conservation Order, or that the actual losses incurred and the losses projected by the Lighthouse Insurance Companies exceeded its CAT reinsurance tower, Plaintiffs would not have proceeded with the Financing Transaction.

120. Accordingly, Patrick White's affirmative misrepresentations and material omissions, facilitated with the integral assistance of TigerRisk, were a direct and proximate cause of Plaintiffs' losses in an amount to be determined at trial, which include the \$65,000,000 paid for the Secured Notes, plus interest and all amounts owed under the Note Agreement.

CLAIMS FOR RELIEF

COUNT ONE

Common Law Fraud

(Against Patrick White in His Personal Capacity and in his Capacities as Trustee of the Lighthouse Family Trust and of the Lawrence E. White Family Foundation and Against the Trust and the Foundation)

121. Plaintiffs repeat and reallege, as if set forth herein, the allegations in paragraphs 1 through 120.

As set forth more fully above, Patrick White knowingly or recklessly made numerous false and misleading statements of material fact and omitted to state material facts regarding both the regulatory status of the Lighthouse Entities and the risk of loss facing the Lighthouse Insurance Companies from Hurricane Ida and other casualty loss claims that were false and that prevented Plaintiffs from adequately assessing their risk from entering into the Financing Transaction.

Among other things, Patrick White, assisted by his agents, including TigerRisk and others at Lighthouse Management, falsely assured Plaintiffs that total losses from Hurricane Ida would be in the range of up to \$265 million, well below the available CAT reinsurance coverage of \$316 million. Patrick White and his agents likewise failed to disclose material information regarding the existence of the Original Conservation Proceeding and the Original Conservation Order to Plaintiffs despite addressing regulatory status with Plaintiffs during due diligence.

124.

of Plaintiffs. Patrick White's conduct evinced a high degree of moral turpitude and demonstrated such wanton dishonesty as to imply a criminal indifference to civil obligations.

130. By reason of the foregoing, Plaintiffs are entitled to a judgment against Patrick White, awarding Plaintiffs compensatory and punitive damages in an amount to be determined at the trial of this action, together with interest at the statutory rate.

COUNT TWO
Aiding and Abetting Fraud
(Against Lawrence White)

131. Plaintiffs repeat and reallege, as if set forth herein, the allegations of all in paragraphs 1 through 120.

132. Lawrence White aided and abetted the fraud perpetrated by Patrick White and his agents against Plaintiffs.

133. Upon information and belief, Lawrence White was aware of the fraud perpetrated by his son, and Lawrence White was involved in transfers of the proceeds obtained from the fraud. Lawrence White was financially incentivized to

amount to be determined at the trial of this action, together with interest at the statutory rate.

COUNT THREE
Civil Conspiracy
(Against Patrick White in His Personal Capacity
and Against Lawrence White)

137. Plaintiffs repeat and reallege, as if set forth herein, the allegations in paragraphs 1 through 120.

financial condition, (ii) directly disseminating false and misleading materials to Plaintiffs, and (iii) communicating by email and telephone, and participating in in-person presentations, with representatives of Plaintiffs to induce Plaintiffs into participating in the Financing Transaction. Patrick White also furthered the conspiracy by concealing material facts, such as the existence of the Original Conservation Proceeding and the Original Conservation Order and the expected losses from Hurricane Ida.

142.

statute of the Lighthouse Insurance Companies; (iii) orchestrating and participating in in-person presentations with representatives of Plaintiffs; (iv) compiling, drafting, and producing written presentation materials for potential investors, including Plaintiffs; and (v) actively marketing, by telephone, email, and otherwise, the

147. By reason of the foregoing, Plaintiffs are entitled to a judgment against Patrick White and Lawrence White, awarding Plaintiffs compensatory and punitive damages in an amount to be determined at the trial of this action, together with interest at the statutory rate.

COUNT FOUR

PRAYER FOR RELIEF

Plaintiffs respectfully request that this Court:

- a) Award damages for Patrick White's fraud, Lawrence White's aiding and abetting that fraud, and their conspiracy to commit the fraud, in an amount to be ascertained at trial;
- b) Award punitive damages for the willful and wanton misconduct of Patrick White and Lawrence White;
- c) Impose joint and several liability on Defendants;
- d) Impose a constructive trust over the assets of the Lighthouse Family Trust and the Lawrence E. White Family Foundation, as requested herein;
- e) Award pre-judgment and post-judgment interest, costs, expenses, and attorneys' fees; and
- f) Grant such other and further relief as the Court deems just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiffs demand trial by jury of all issues so triable.

